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Cover Page

Part 2A of Form ADV: Firm Brochure

Reynolds Channel Management, L.P.

March 27, 2024

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This brochure (this “*Brochure*”) provides information about the qualifications and business practices of Reynolds Channel Management, L.P. (“*Reynolds Channel*”, the “*Firm*”, “*we*”, “*us*”, and similar terms). If you have any questions about the contents of this Brochure, please contact us at (212) 918-5239 or by email at IR@reynoldschannel.com.

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

Any reference to Reynolds Channel or its affiliates as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Item 2

Material Changes

Reynolds Channel is required to identify and discuss any material changes made to this Brochure since the last annual update (which was made in March 2023). Since that annual Brochure update, Reynolds Channel notes the following changes, some of which may be deemed material:

- Clarifications and updates have been made to certain risk factors in Item 8, “*Method of Analysis, Investment Strategies and Risk of Loss*”.
- Updates have been made to relationships and conflicts of interests discussed in Item 10, “*Other Financial Industry Activities and Affiliates*”.

This Brochure provides you with a summary of Reynolds Channel’s advisory business. Reynolds Channel recommends that you read this Brochure in its entirety.

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Advisory Business

A. General Description of Advisory Firm

Reynolds Channel Management, L.P. (“*Reynolds Channel*”, the “*Firm*”, “*we*”, “*us*”, and similar terms), formerly known as VPCP Management, L.P., is a Delaware limited partnership that was formed in February 2015. Reynolds Channel operates as an investment adviser to private equity fund clients and has its principal place of business in New York City. Reynolds Channel is controlled by its principal owner, Seth Cohen (the “*Managing Partner*”). The Managing Partner also wholly owns and controls Reynolds Channel Management Associates, LLC, the general partner of Reynolds Channel.

Reynolds Channel’s registration on Form ADV also covers Reynolds Channel GP, LLC and VPCP GP, LLC (collectively, the “*Fund General Partners*”), which are both Delaware limited liability companies. The Fund General Partners are affiliates of Reynold Channel and serve as the general partner of the private fund clients that are organized as U.S. partnerships. Reynolds Channel and the Fund General Partners share facilities and personnel. The Managing Partner is the managing member of the Fund General Partners.

B. Description of Advisory Services

This Brochure generally includes information about us and our relationships with our clients. While much of this Brochure applies to all such clients, certain information included herein applies to specific clients only.

Reynolds Channel currently provides investment advisory services on a discretionary basis to the following private equity fund clients (each, a “*Fund*,” and collectively, the “*Funds*”):

- Reynolds Channel Partners, L.P., a Delaware limited partnership (the “*Reynolds Channel Fund*”); and
- Valinor Private Capital Partners, L.P., a Delaware limited partnership (the “*Valinor Fund*”).

The Reynolds Channel Fund primarily invests in micro and small capitalization private companies that seek a financial partner to, among other things, further its growth, navigate complex or idiosyncratic situations, and add strategic value and institutional thinking to its business. The Valinor Fund pursues an investment program substantially similar to that of the Reynolds Channel Fund; however, the period in which the Valinor Fund can make new investments has expired.

As used herein, the term “client” generally refers to each Fund listed above and to any other private investment fund or account that Reynolds Channel may advise in the future.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be “accredited investors” as defined in Regulation D, “qualified purchasers” as defined in the Investment Company Act, as amended, or non-“U.S. Persons” as defined in Regulation S. Persons reviewing this Brochure should not construe this as, and should understand that this Brochure is not, an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

C. Tailored Advisory Services for Client Accounts

Reynolds Channel manages assets in accordance with the stated investment objectives of each Fund as set forth in the respective confidential offering memorandum and governing documents (collectively, “*Offering Documents*”), or an investment management agreement or similar agreement (an “*IMA*”). Investment advice is provided directly to Funds and not individually to the limited partners, shareholders, and investors in the Funds (the “*Investors*”).

Reynolds Channel has entered into and may enter into “side letters” or similar agreements with certain Investors that may waive or modify the application of or grant special or more favorable rights with respect to, the Offering Documents to the extent permitted by applicable law.

D. Wrap Fee Programs

Reynolds Channel does not participate in wrap fee programs.

E. Assets Under Management

Reynolds Channel manages, on a discretionary basis, approximately \$238,535,000 of client regulatory assets under management. This figure for regulatory assets under management was determined as of December 31, 2023. Reynolds Channel does not manage any assets on a non-discretionary basis.

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Fees and Compensation

A. Advisory Services and Fees

Reynolds Channel, either directly or indirectly through the Fund General Partners, receives management fees and performance-based compensation (in the form of a carried interest) in connection with the management of the Funds. As discussed in more detail below, Reynolds Channel is permitted to receive transaction fees and other income in connection with management and other services performed for portfolio companies of the Funds and any such additional compensation will result in an offset to management fees and carried interest.

The fees and/or compensation applicable to the Funds are set forth in detail in each Fund's Offering Documents. A brief summary of fees and compensation applicable to the Funds are provided below.

Management Fee

Generally, the Funds pay Reynolds Channel an annual management fee (the "*Management Fee*"), which will be payable quarterly in advance, equal to an annualized rate of two percent (2%) of (i) aggregated investor capital commitments during the Fund's commitment period or investment period and (ii) thereafter (A) the net asset value of the Fund with respect to the Reynolds Channel Fund or (B) the lesser of the cost or fair value of the assets in each Investor's capital account as of the end of the preceding calendar quarter with respect to the Valinor Fund.

Reynolds Channel, in its sole discretion, may elect to reduce, waive, modify, or share all or a portion of the Management Fee for certain Investors, where applicable, including any member, partner, director, officer, employee and principal of Reynolds Channel (collectively, "*Reynolds Channel-Related Investors*"). Typically, no Management Fee will be paid by any Reynolds Channel-Related Investor.

Reynolds Channel and its affiliates, from time to time, earn transaction fees and other income from services provided or related to portfolio investments made by a Fund ("*Portfolio Companies*"). Transaction fees may include break-up fees, commitment fees, underwriting fees, amendment fees, waiver fees, modification fees, monitoring or management services fees, directors' fees, consulting fees, advisory fees, closing fees and similar fees, payments or compensation (whether in the form of cash, options, warrants, stock or otherwise) received from third parties attributable to the Funds' pro rata share of any investment or proposed Fund investment to which the Funds are a contract party. The share of any such transaction fees attributable to a Fund's investments, net of any related expenses, will reduce (upon their reduction to cash, if applicable, and not below zero) the future Management Fees otherwise due to Reynolds Channel hereunder by an identical amount. For the avoidance of doubt, to the extent that the amount of such transaction fees (net of related expenses) received by Reynolds Channel and its affiliates exceeds the Management Fee payable as of the beginning of the next quarter, such excess amount shall reduce future Management Fees otherwise

due to Reynolds or carried interest distributable (discussed below) to Reynolds Channel or a Fund General Partner until such excess has been reduced to zero.

Carried Interest

In general, the Fund General Partner of each Fund will receive performance-based carried interest distributions (“*Carried Interest Distribution*”) from such Fund’s Investors equal to 20% of net investment proceeds above an 8% preferred return as more fully set forth in the applicable Offering Documents.

Reynolds Channel and/or the Fund General Partner, in its sole discretion, may elect to reduce, waive, modify, or share all or a portion of the Carried Interest Distribution with respect to any Fund Investor, including Reynolds Channel-Related Investors.

B. Payment of Fees

Fees and compensation paid to Reynolds Channel and its affiliates by clients are generally deducted from the assets of such clients. Management Fees are paid quarterly in advance, and Carried Interest Distributions are paid as set forth in Funds’ Offering Documents.

C. Additional Expenses

In addition to the fees and allocations described above, each Fund generally bears all of their own expenses, including but not limited to expenses related to its operations and the investment of its assets. Each Fund shall bear those expenses as set forth in the applicable Offering Document, as amended from time to time, including, but not limited to, some or all of the following:

- Expenses related to the research, due diligence, financing (including all amounts borrowed pursuant to a subscription facility), monitoring and disposition of actual and prospective investments whether or not such investment is consummated, including the following: third-party investment sourcing fees, including fees to introducers, intermediaries and brokers (in each case including performance-based fees); fees and expenses related to obtaining, processing and analyzing research and market data, and fees and expenses related to performing due diligence (including ongoing due diligence) on potential providers of any of such research or market data services; due diligence expenses including consulting and appraisal fees; reasonable travel expenses (including air travel (not to exceed business class commercial fares), lodging and meals); brokerage and futures commission merchant fees, commissions and expenses; custodial fees and expenses; bank service fees; interest expenses and fees related to financings or refinancings; financing costs related to a subscription facility; fees and expenses of proxy research and voting and class action-related services;
- Organizational expenses;
- Any compensation payable in connection with the management of any investment by an unaffiliated third party or management team, which may include both asset-based fees and performance-based compensation;

- Fees and expenses relating to information technology hardware, software or other technology (including costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations and/or facilitate compliance with the rules of any self-regulatory organization or applicable law (including reporting obligations);
- Fees and expenses of third-party professionals, including consultants, valuation service providers, attorneys, accountants, third-party administrative fees (including of any “shadow” administrator) and expenses, and the fees and expenses of any service provider to Reynolds Channel that provides outsourced middle and back office functions;
- The costs of any litigation or investigation involving activities of the Funds;
- Preparation costs of financial statements, tax returns (including estimated and final Schedules K-1) and of financial, tax and other reports to Investors;
- Insurance expenses, including premiums for directors and officers, errors and omissions, cybersecurity and indemnification insurance covering Reynolds Channel and the members, partners, officers, employees and agents of any of them, and any member of the advisory board (the “*Advisory Board*”), as applicable;
- Costs of preparing and distributing reports and notices (including all costs incurred to audit such reports, provide access to a database or other internet forum and any other operational, legal, secretarial or postage expenses associated with distribution of the same);
- Expenses incurred in connection with negotiating and complying with provisions of any side letter, and expenses incurred in connection with any transfers of interests or an Investor’s admission or withdrawal, unless otherwise charged to or borne by the applicable transferee or Investor;
- Fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Funds, including any governmental, regulatory, licensing, filing or registration fees, or taxes (including fees and expenses incurred in connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings);
- Expenses incurred in connection with the offering and sale of the interests and other similar expenses related to the Funds (excluding fees payable to any placement agent not engaged pursuant to local legal or regulatory requirements in connection with the offering of Interests outside the United States);
- Expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the Funds;
- Expenses incurred in connection with meetings with Investors and prospective Investors in the Funds;
- Extraordinary expenses, including indemnification expenses;
- Fees and expenses incurred in connection with any tax audit, examination or review by any tax authority, including any related administrative settlement and judicial review, and any and all taxes (including any interest, penalties, or additional amounts imposed with respect thereto), other than those specifically allocated to, or actually borne by, an Investor or former Investor, as determined by Reynolds Channel in its sole discretion;
- Fees and expenses incurred in connection with the reorganization and/or recapitalization, dissolution, winding-up or termination of the Funds; and

- Other similar expenses related to the Funds.

In general, each Investor in a Fund will bear its proportionate share of the Fund's expenses on a pro rata basis with respect to the size of its capital account balance. Reynolds Channel may, however, allocate expenses on another basis, including by allocating certain expenses to certain (but not all) Investors in a Fund, if Reynolds Channel determine that such an allocation is more equitable.

When Reynolds Channel incurs expenses on behalf of multiple Funds and/or its affiliated entities, it will allocate the expenses among the applicable Funds and/or affiliated entities in a fair and equitable manner, based upon the relative use of a product or service, net asset value, or such other allocation methodology determined by Reynolds Channel in its discretion subject to applicable law. However, it is possible not all expenses will be allocated ratably across all Funds.

D. Prepayment of Fees

The Management Fee is paid quarterly, in advance.

E. Additional Compensation and Conflicts of Interest

Neither Reynolds Channel nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

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

Reynolds Channel receives performance-based fees or allocations from all clients. As a result, Reynolds Channel does not face certain conflicts of interests that may arise when an investment adviser accepts performance-based fees or allocations from some clients, but not from other clients.

Performance-based compensation can incentivize Reynolds Channel to make investments that are riskier or more speculative than it would otherwise make due to the higher return potential associated with higher risk investments. Reynolds Channel seeks to mitigate such conflicts of interest through the adoption and implementation of its investment policies that provide that transactions and investment opportunities will be allocated in accordance with each Fund's investment guidelines and Offering Documents.

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Types of Clients

Reynolds Channel provides investment advisory services to the Funds, as described above. Investors in a Fund generally include, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

Reynolds Channel generally requires Investors to make a minimum capital commitment of at least \$1,000,000, although the amount of the minimum capital commitment may be waived or modified by Reynolds Channel in its sole discretion.

Item 8
Method of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies

The descriptions set forth in this Brochure of specific advisory services that Reynolds Channel offers to clients, and investment strategies pursued and investments made by it on behalf of clients, should not be understood to limit in any way Reynolds Channel's investment activities. Reynolds Channel may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that are considered appropriate, subject to each client's investment objectives and guidelines. The investment strategies that Reynolds Channel pursues are speculative and entail substantial risks. Clients and Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

Reynolds Channel Fund

The Reynold Channel Fund seeks to generate risk-adjusted returns by investing primarily in Portfolio Companies. The Reynold Channel Fund seeks to achieve this investment objective by identifying and sourcing equity and debt financing opportunities and will deploy capital opportunistically based on the quality of investments available at any given time.

The Reynolds Channel Fund primarily invests in micro and small capitalization private companies seeking a financial partner to, among other things, further its growth, navigate complex or idiosyncratic situations, and add strategic value and institutional thinking to its business. The Firm believes the financing markets for such companies are under-served and fragmented and that the Reynolds Channel Fund can capitalize on these opportunities by seeking out promising companies early on, continuously mining robust personal and professional networks for new opportunities, cultivating strong relationships with management teams, and providing a more flexible and creative capital source than traditional banks and/or institutional funds. The Reynolds Channel Fund employs a fundamental investment process to assess potential opportunities. The typical investment target will be a high quality or disruptive business with attractive underlying fundamentals, M&A/platform potential, substantial growth opportunities, and/or a discernable path to profitability. In general, the Reynolds Channel Fund seeks to invest behind management teams that are strongly aligned with the business.

Investments are generally structured as minority stakes with protective governance terms or simple majority stakes with control. However, the Reynolds Channel Fund may use various securities and/or investment structures in an effort to create situations that exhibit asymmetric risk-reward skew and provide capital preservation protection. Specifically, board representation, capital structure design, security rights, and specific voting rights are representative of the various protective mechanisms the Funds may employ overtime. The Reynolds Channel Fund may also make smaller, earlier-stage investments when it has a strategic rationale for doing so or believes a compelling opportunity exists.

The Reynolds Channel Fund seeks to construct a concentrated, idiosyncratic portfolio of approximately six (6) to twelve (12) core investments/platforms over the investment period. Specific company and/or market conditions will ultimately determine investment timing over the investment period. The Firm actively engages in portfolio management and monitoring of the Reynolds Channel Fund's portfolio (inclusive of M&A opportunities). Frequent interaction with Portfolio Company management and board participation are among the various ways the Reynolds Channel Fund intends to continuously manage risk and maximize return.

Valinor Fund

The Valinor Fund pursues an investment program substantially similar to that of the Reynolds Channel Fund. The period in which the Valinor Fund can make new investments has expired. As such, the Firm will not allocate new investment opportunities to the Valinor Fund.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

The investment program that Reynolds Channel pursues on behalf of its clients is speculative and involves substantial risks. There can be no assurance that clients will achieve their investment objectives. As a result of the inherent riskiness and uncertainty of an investment in the clients, such investment involves the risk of loss of some or all of an Investor's investment.

Risk Factors

Prospective Investors should carefully consider the risks involved in an investment in a client, including, but not limited to, those discussed below. Investment risks specific to the investment strategy of each Fund are described in the Offering Documents of each Fund. Prospective Investors should review the applicable Offering Documents, which may contain explanations of additional strategies and corresponding risks not discussed below.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients that Reynolds Channel advises. These risk factors include only those risks Reynolds Channel believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis that it employs.

Investment Risks. All investments, including the clients' investments, risk the loss of capital. Reynolds Channel believes that the clients' investment program and research techniques moderate this risk through a careful selection of securities, equity interests, other financial instruments and assets. No guarantee or representation is made that the clients' program will be successful.

Risks Relating to Investment Strategies

Risk of Loss. No guarantee or representation is made that the Funds' investment program, including the Funds' investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of Reynolds Channel (or investments otherwise made by

the investment professionals of Reynolds Channel) are not necessarily indicative of their future performance.

Dependence on Reynolds Channel. The success of the clients is dependent upon the ability of Reynolds Channel to manage the clients and effectively implement the clients' investment program. The clients' Offering Documents do not permit the Investors to participate in the management and affairs of the Funds. If Reynolds Channel were to lose the services of the Managing Partner, Reynolds Channel might not be able to provide the same level of service to the clients as it has in the past or continue operations. The loss of the services of Reynolds Channel could have a material adverse effect on the clients and the Investors' investments therein.

Investment and Due Diligence Process. Before making investments, Reynolds Channel will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Reynolds Channel may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, Reynolds Channel will rely on the resources reasonably available to it, which in some circumstances, whether or not known to Reynolds Channel at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment. For example, there can be no assurance that Reynolds Channel will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase of an investment or during its efforts to monitor an investment on an ongoing basis.

Micro-, Small- and Medium-Capitalization Companies. Investments in securities of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

Exercise of Control Rights. The clients may seek to acquire a controlling interest in some of its Portfolio Companies, either on a stand-alone basis or as part of a group with other investors. Any measures contemplated by the clients in connection with an exercise of its control rights could expose the assets of the clients to claims by Portfolio Companies, their owners (if any) and creditors. These measures also could result in certain liabilities being attributed to the clients in the event of the bankruptcy or reorganization of a Portfolio Company. While Reynolds Channel intends to manage the clients in a way that will minimize the clients' exposure to such risks, the possibility of successful claims cannot be precluded.

Minority Investments. Although Reynolds Channel may seek to negotiate certain protective provisions in connection with its investment in Portfolio Companies, the Funds expects it may take minority positions in certain companies where it will be a passive minority investor without

governance rights or protective provisions. Further, the Funds may not be represented on a Portfolio Company's board of directors, and in those cases, the Portfolio Company will be managed by its own board and officers. In addition, the governance structure of a Portfolio Company may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. As a result, in the event the Funds lack governance rights or protective provisions or have limited or no representation on a Portfolio Company's board, Reynolds Channel typically will not be in a position to exercise control over the management of such Portfolio Company, and, accordingly, may have a limited ability to protect the Funds' position in the Portfolio Company.

Reliance on Portfolio Company Management. With respect to management at the Portfolio Company level, many Portfolio Companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases Reynolds Channel will monitor Portfolio Company management, management of each Portfolio Company will have day-to-day responsibility of such Portfolio Company.

Risks of Growth Equity Investing. While growth equity investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total losses. Among these risks are the general risks associated with investing in companies at an early or growth-stage of development or with little or no operating history, companies with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position and companies dependent on new or developing technology. A Portfolio Company's ability to succeed will be dependent not only upon its ability to develop the right products for the right market, but to constantly evolve its business to be sure that its products keep pace with changing technologies and markets. Such a Portfolio Company will need to implement appropriate sales and marketing, finance, personnel and other operational strategies in order to continue to grow its business. Furthermore, companies at an early or growth-stage of development may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. The Funds will make investments in Portfolio Companies which may rely upon rapidly changing technologies. Therefore, technological obsolescence and other technology risks may adversely impact the performance of these Portfolio Companies. In all such cases, the Funds will be subject to the risks associated with the underlying businesses engaged in by Portfolio Companies and of their customers.

Risk of Early-Stage/Start-up Investments. While the Funds are focused primarily on growth-stage companies and may also invest in more mature companies, it may also have exposure to new and emerging early stage/start-up investments (collectively, "Early-Stage Investments"). While such investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including

from companies with greater financial resources, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Even more than growth-stage companies, Early-Stage Investments need to implement appropriate sales and marketing, finance, personnel and other operational strategies to take the business to the next stage.

Special Situations and Complex Transactions. The Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the investment in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of its entire investment in such companies.

Portfolio Company Leverage. The Funds may make investments, either through leveraged buyouts or otherwise, in Portfolio Companies that have a leveraged capital structure. To the extent that any investment is made in a company with a leveraged capital structure, such investment may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such company or its industry. In the event that such a company is unable to generate sufficient cash flow to timely meet principal and interest payments on its indebtedness, the value of the Funds' investment in such Portfolio Company could be significantly reduced or even eliminated. Additionally, lenders would typically have a claim that has priority over any claim by the Funds to such assets in an insolvency event or proceeding. The use of leverage will result in costs to the Funds that may not be covered by distributions made to the Funds or appreciation of its investments.

Bridge Financings. From time to time, the Funds may lend to Portfolio Companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term securities. Such bridge loans will typically be convertible into a more permanent, long-term security. It is possible, however, for reasons not always in the Funds' control, that such equity or long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Risks in Effecting Operating Improvements. In some cases, the success of the Funds' investment strategy may depend, in part, on the ability of the Funds to restructure and effect improvements in the operations of a company. The activity of identifying and implementing potential operating improvements at a company entails a high degree of uncertainty. Certain features of a relevant business environment (*e.g.*, a company's reluctance or inability to effect layoffs or close or divest of unprofitable business lines) may impede or prevent the implementation of necessary restructuring

steps for such companies. There can be no assurance that the Funds will be able to successfully identify and cause or persuade a company to implement such improvements.

Board Participation. The Funds intend to be represented on the boards of directors of certain of its Portfolio Companies or have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Funds' investment strategy and may enhance Reynolds Channel's ability to manage the investments, they may also have the effect of impairing Reynolds Channel's ability to sell the related securities when, and upon the terms, it may otherwise desire and may subject Reynolds Channel, and the Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify Reynolds Channel from such claims.

Insufficient Capital for Follow-On Investments. Following its initial investment in a Portfolio Company, the Funds may have the opportunity to increase its investment in successful operations or may be asked to provide additional funds to such Portfolio Company. There is no assurance that the Funds will make follow-on investments in a particular Portfolio Company or that the Funds will have sufficient resources to, or be permitted to, make such investments. Any decision not to make follow-on investments, or the Funds' inability to make them, may have a substantial negative impact on a Portfolio Company in need of such an investment, may result in missed opportunities for the Funds, or may result in dilution of the Funds' investment as other investors provide the needed capital.

Diversification and Concentration. Reynolds Channel may select investments that are concentrated in a limited number or types of investments. In addition, the Funds' portfolio may become significantly concentrated in investments related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such Investments.

General Economic and Market Conditions. The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, global supply chains, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Funds' investments. Volatility or illiquidity could impair the Funds' profitability or result in losses. The Funds may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially

eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the clients' strategies.

Inflation Risk. Inflation results from the variation in the value of cash flows from an investment of clients due to inflation, as measured in terms of purchasing power. The United States and other economies have recently experienced historically high inflation rate levels and there is uncertainty in connection with changing expectations relating to inflation and deflation. Changes in inflation rates may adversely impact clients and their return on investments. For example, returns on investments of clients which have fixed interest rates may suffer as a result of inflation.

Potential Interest Rate Increases. Uncertainty of the U.S. and global economy, and sensitivity of interest rates to changes in U.S. government and other nations' monetary and fiscal policies, including changes in the federal funds rate, create a risk that interest rates will be volatile in the future. Interest rate volatility is difficult to predict, and may cause the value of any assets sensitive to interest rates, including fixed income instruments, held by clients to decrease.

Negative Interest Rate. To the extent that Reynolds Channel is obligated to cause clients to pledge cash collateral to secure clients' obligations under prime brokerage, currency hedging (and other) arrangements, if interest rates are negative, clients may be required to pay interest to the secured party at a rate equal to the absolute value of the negative interest rate. Certain U.S. banks, citing Federal Reserve liquidity requirements and/or the costs and/or decreased profitability of holding capital deposits, have indicated that they intend to impose a negative interest rate and/or a balance sheet utilization fee on certain deposits from certain institutional customers. Certain European and other non-U.S. banks have also adopted similar measures. Negative interest rates and/or fees of this type could have an adverse effect on alternative investment funds, including clients.

Discontinuation of LIBOR. The London Interbank Offered Rate ("*LIBOR*") for U.S. Dollars, which is commonly used as a reference rate within various financial contracts (any such rate, a "*Reference Rate*"), ceased publication after June 30, 2023 (the one-week and two-month tenors of U.S. Dollar LIBOR ceased to be published after December 31, 2021). The Alternative Reference Rates Committee (the "*ARRC*") convened by the Board of Governors of the Federal Reserve System ("*FRB*") recommended certain SOFR (as defined below) term rates as the replacement (in commercial loan agreements) for U.S. Dollar LIBOR. The ARRC's recommendations are consistent with replacements proposed under the Adjustable Interest Rate (LIBOR) Act (the "*LIBOR Act*"), which became effective in March, 2022, and the final rule implementing the LIBOR Act adopted by the FRB, which became effective in February, 2023. The FRB also recommended certain SOFR-based replacements for derivative transactions. The Secured Overnight Financing Rate ("*SOFR*") is a secured, risk-free rate, where LIBOR was an unsecured rate reflecting counterparty risk, and certain of the recommended replacement rates proposed by the ARRC and under the LIBOR Act included a

credit spread adjustment to address this difference. However, in new issue transactions (i.e., transactions not transitioning from London interbank offered rates) a market practice developed to absorb the credit spread adjustment as part of the pricing spread over the applicable benchmark rate, as opposed to indicating a credit spread adjustment as a separate item (for example, as an adjustment to a SOFR-based benchmark rate) within the applicable benchmark rate. Investors should expect that clients will be a party to SOFR-based contracts, or contracts utilizing different Reference Rates. Considered in their entirety, the impacts of the discontinuation of U.S. Dollar LIBOR on financial markets generally and on the specific financial contracts to which a client is a party may adversely affect the performance of such client.

Sanctions. Reynolds Channel's operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, Reynolds Channel may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by OFAC, the sanctions regimes administered by subsidiary organs of the United Nations Security Council, the Sanctions Orders of the Cayman Islands (including as extended to the Cayman Islands by Order of the government of the United Kingdom from time to time), and the Restrictive Measures adopted by the European Union. Some sanctions that may apply to Reynolds Channel prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories or with individuals and entities located in such countries or territories. In addition to such current sanctions, additional sanctions may be imposed in the future. Such sanctions may be imposed with little or no advance warning or “safe harbor” for compliance and may be ambiguous, including as to the scope of financial activities that regulators may ultimately deem to be covered by the sanctions.

Depending on the scope and duration of a particular sanctions program, compliance by Reynolds Channel may result in a material adverse effect on the Firm and the Funds' investments therein. Reynolds Channel be subject to heightened or targeted regulatory scrutiny and information requests as a result of such sanctions. In addition, if Reynolds Channel were to violate or be deemed in violation of any such sanction, it could face significant legal and monetary penalties. Sanctions may negatively impact Reynolds Channel's ability to effectively implement its investment strategy and have a material adverse impact on its investments in various ways, including by preventing or inhibiting the Funds from making certain investments, forcing the Funds to divest from investments previously made, and leading to substantial reductions in the revenues, profits and value of the Funds' investments. Finally, sanctions may have broader economic implications, such as influencing the price of certain commodities, which may have adverse effects on inflation and the value of the U.S. dollar, which may adversely affect investment objectives and strategies of Reynolds Channel.

Russia-Ukrainian Conflict. The Russian invasion of Ukraine that commenced on February 24, 2022, has resulted in complex, evolving and systemic economic effects that may influence financial benchmarks key to asset pricing, interest rates and lending availability, as well as financial and

physical market liquidity, and the price and availability of essential commodities, in an unpredictable fashion for an uncertain duration. Acute effects to particular commodity and foreign securities markets are possible. Russia and Ukraine are major participants in certain commodities sectors, such as for agricultural (*e.g.*, wheat) and energy (*e.g.*, oil and natural gas) products. Furthermore, this conflict has also resulted in swift multilateral sanctions targeting Russia's financial sector and access to capital markets with designations of dozens of individuals and entities, including the Russian Central Bank, several large publicly-traded Russian banks and companies, Russia's sovereign wealth funds, and Russian oligarchs and other members of the Russian elite, including Russian Federation President Vladimir Putin. The sanctions imposed are complex and the prohibitions apply to various types of debt and equity transactions involving sanctioned persons, including bonds, loans, loan guarantees, extensions of credit, letters of credit, stocks, share issuances, and depository receipts, among others. For example, U.S. persons are prohibited from transacting, financing or otherwise dealing in certain new debt and equity of certain financial institutions and companies critical to the Russian economy. In addition, certain imports, exports, the transfer of US dollar banknotes to Russia, and new investments involving the Russian energy sector are prohibited.

The unpredictable and evolving economic effects resulting from the Russia-Ukrainian conflict and the regulations, orders, and sanctions adopted by governments in response to this conflict may affect the value of the investments or Reynolds Channel's ability to acquire or dispose of such investments in an efficient manner. These factors may have negative consequences for the valuation of the Funds' portfolio that Reynolds Channel may be unable to anticipate or hedge against.

Assumption of Catastrophe Risk. The Funds (and its Portfolio Companies) may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; social or political unrest; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or Portfolio Companies in which the Funds invest (or has a material negative impact on the operations of Reynolds Channel or its service providers), the risks of loss can be substantial and could have a material adverse effect on the Funds and the Investors' investments therein.

Coronavirus Risks. In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, was first identified in the human population. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter-in-place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. Such disruptions continue to be felt, as many countries and U.S. states struggle to contain the virus and its variants. The short-term and long-term impact of COVID-19 on the operations of the Reynolds Channel and the performance of the Funds is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken

by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Funds.

Systems and Operational Risks Generally. The Funds depend on Reynolds Channel to develop and implement appropriate systems for the Funds' activities. The Funds rely heavily on financial, accounting and other data processing systems to evaluate certain securities, to monitor its portfolio and capital, and to generate reports that are critical to oversight of the Funds' activities. In addition, the Funds rely on information systems to store sensitive information about the Funds, Reynolds Channel, their affiliates and Investors. Certain of the Funds' and Reynolds Channel's activities will be dependent upon systems operated by third parties, including the Funds' administrator (the "*Administrator*") and other service providers, and Reynolds Channel may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by Reynolds Channel, the Administrator and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Funds' operations may cause the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the Investors' investments therein.

Cybersecurity Risk. As part of its business, Reynolds Channel processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the Investors. Similarly, service providers of Reynolds Channel or the Funds, especially the Administrator, may process, store and transmit such information. Reynolds Channel has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Reynolds Channel may be susceptible to compromise, leading to a breach of Reynolds Channel's network. Reynolds Channel's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of Reynolds Channel's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed.

The service providers of Reynolds Channel and the Funds are subject to the same electronic information security threats as Reynolds Channel. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the Investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Reynolds Channel's or the Funds' proprietary information may cause Reynolds Channel or the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational

damage. Any of the foregoing events could have a material adverse effect on the Funds and the Investors' investments therein.

Valuation of Assets and Liabilities. The Funds' assets and liabilities are valued in accordance with Reynolds Channel's valuation policy. The valuation of any asset or liability involves inherent uncertainty. The value of an Investment determined in accordance with the valuation policy may differ materially from the value that could have been realized in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the market. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of the Funds if the judgments of Reynolds Channel regarding the appropriate valuation should prove to be incorrect.

For financial reporting purposes, investments are recorded at their estimated fair value, as determined in good faith by Reynolds Channel. The Funds engage a third-party valuation firm or pricing service to assist in the valuation of investments for financial reporting purposes. Restricted and privately held portfolio investments, which may not have readily ascertainable market values, are valued at fair value, which is the estimated amount that would be received in a sale of the portfolio investment in an orderly transaction between market participants at the measurement date. Generally, various valuation techniques and inputs are considered in valuing private portfolio investments. The fair values of private equity investments may be determined by reference to projected revenue, net earnings, EBITDA, the discounted cash flow method, public market or private transactions, valuations for comparable companies and other measures which, in many cases, are unaudited at the time received. Valuations may be derived by reference to observable valuation measures for comparable companies or transactions (*e.g.*, multiplying a key performance metric of the investee company such as EBITDA by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted for differences between the investment and the reference comparables, and in some instances by reference to option pricing models or other similar methods. Consideration is also given to exchange rate fluctuations for investments denominated in foreign currencies. However, due to the inherent uncertainty of valuation, Reynolds Channel's determination of values may differ significantly from values that would have been realized had a ready market for the investments existed, and the differences could be material. The actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein or at any point in time prior to realization.

Competition; Availability of Investments. Certain markets in which the Funds' may invest are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that Reynolds Channel will be able to identify or successfully pursue attractive investment opportunities in such environments.

Volatility Risk. The Funds' investment program may involve the purchase and sale of relatively volatile investments and/or investments in volatile markets. Fluctuations or prolonged changes in the

volatility of such investments and/or markets can adversely affect the value of investments held by the Funds.

Co-Investments with Third Parties. The Funds may co-invest with third parties through joint ventures or other entities. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of the Funds or is in a position to take (or block) action in a manner contrary to the Funds' investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

Co-investments could also involve certain other risks. For example, in certain circumstances, clients could be liable for the actions of co-investors, e.g., if a co-investor fails to fund its portion of the co-investment, and co-investors may not bear (or may bear less than their proportionate share of) expenses incurred in relation to the sourcing, due diligence or negotiation of a co-investment, whether or not such co-investment is consummated. In addition, expenses (e.g., broken deal expenses) associated with potential co-investment opportunities that are ultimately not consummated, are unlikely to be borne by contemplated co-investors (including Co-Investment Vehicles), unless a binding commitment has been obtained from such co-investors (including Co-Investment Vehicles); rather they will generally be borne by the Funds. Such expenses that will generally be borne by the Funds may involve expenses that are particularly attributable to co-investors, including Co-Investment Vehicles.

Significant Positions in Securities; Regulatory Requirements. In the event the Funds acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the Funds may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on the Funds and Reynolds Channel. Any such requirements may impose additional costs on the Funds and may delay the acquisition or disposition of the securities or the Funds' ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, if the Funds, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the U.S. Securities Exchange Act of 1934, as amended, the Funds may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

Litigation Risk. Some of the tactics that Reynolds Channel may use involve litigation. The Funds could be a party to lawsuits either initiated by it, or by a company in which the Funds invests, other

shareholders of such company, or U.S. federal, state and non-U.S. governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Funds.

Exposure to Material Non-Public Information. From time to time, Reynolds Channel may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Funds may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. If these restrictions or prohibitions apply to investments in which Reynolds Channel is considering causing a client to make an investment, such restrictions or limitations could prevent Reynolds Channel from accessing a profitable investment for its clients. If such restrictions or limitations apply to investments in which a client has an existing investment, then such restrictions or limitations could give rise to substantial investment losses, which losses, in the case of an investment in which a client has a short position, are theoretically unlimited.

Currency Exchange Exposure. The Funds may invest in securities denominated in currencies other than the U.S. dollar. The Funds, however, values its securities in U.S. dollars. The Funds may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions. There can be no guarantee that securities suitable for hedging currency or market shifts will be available at the time when the Funds wishes to use them, or that hedging techniques employed by the Funds will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Funds' positions denominated in currencies other than the U.S. dollar will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.

Dependence on Service Providers. The Funds are also dependent upon its counterparties and the businesses that provide services to the Funds (the "*Service Providers*"). Examples of Service Providers include the Administrator, legal counsel and the Auditor. Errors are inherent in the business and operations of any business, and although Reynolds Channel will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Funds and the Investors' investments therein.

As the Funds have no employees, the Funds are reliant on the performance of the Service Providers. Each Investors' relationship in respect of its interests is with the Funds only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Investor will have any contractual claim against any Service Provider for any reason related to its services to the Funds. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Funds by the relevant Service Provider is, *prima facie*, the Funds.

Banking Relationships. Reynolds Channel and the Funds will hold cash and, with respect to the Funds, other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, "*Banking Institutions*"), which may include both U.S. and non-U.S. Banking Institutions from time to time. The Funds may also enter into credit facilities and have other relationships with Banking Institutions. The distress, impairment, or failure of, or a lack of investor or customer

confidence in, any of such Banking Institutions may limit the ability of each of Reynolds Channel, the Funds or their Portfolio Companies to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on a Fund. For example, in such a scenario, a Fund could be forced to delay or forgo an investment or a distribution or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that it would not have otherwise considered desirable. Furthermore, in the event of the failure of a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation (“FDIC”) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, Reynolds Channel, the Funds or their Portfolio Companies, as applicable, may not recover all or a portion of such excess uninsured amounts and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). Reynolds Channel does not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to its, or any Fund’s banking relationships, and there can be no assurance that Reynolds Channel or any Fund will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

Risks Relating to Specific Investments

We do not recommend a particular type of investment instrument to the Funds, but rather, we recommend and invest in multiple investment instruments. Given the broad discretion we have in managing the Funds, any one or more of the risks listed in the previous section may be incurred by our clients.

However, because it may be useful in understanding our investment program, set forth below is a non-exclusive list of certain risks related to investments and other instruments that may be utilized:

Equity Securities Generally. The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if it invests in equity instruments of issuers whose performance diverges from Reynolds Channel’s expectations or if equity markets generally move in a single direction and the Funds has not hedged against such a general move. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Illiquid Securities. Certain investments may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such investments. Valuation of such investments may be difficult or uncertain because there may be limited information available about the issuers of such investments. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and the Funds may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of

restricted and illiquid investments often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of investments eligible for trading on national securities exchanges or in the over-the-counter markets. The Funds may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, the Funds may be required to hold such investments despite adverse price movements. Even those markets which Reynolds Channel expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

Preferred Stock. Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Convertible Securities. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Funds is called for redemption, the Funds will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Funds' ability to achieve its investment objective.

Currencies. A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Funds are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Undervalued Securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds' investments may not adequately compensate for the business and financial risks assumed.

Non-U.S. Investments. Investing in the investments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in Investments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation,

imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Funds may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Funds' rights in such markets. For example, Investments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Funds under such laws and regulations are unavailable for transactions on non-U.S. exchanges.

Legal and Regulatory Environment for Private Investment Funds. The legal, tax and regulatory environment worldwide for private investment funds (such as the Funds) and their investment managers is evolving and the increased regulation and regulatory oversight may impose administrative burdens on Reynolds Channel, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Changes in the regulation of private investment funds, their investment managers and their investment activities may have a material adverse effect on the ability of the Funds to pursue their investment program and the value of investments held by the Funds. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. Such administrative burdens may divert Reynolds Channel's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue its investment program or engage counterparties could have a material adverse effect on the Funds and the Investors' investments therein. Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities, or may involve studies of the industry or industry practices, as well as the practices of a particular institution. Such regulations may have a significant impact on the Funds or the operations of the Funds, including restricting the types of voting rights with regard to certain financial instruments, requiring the Funds to disclose the identity of the Investors or otherwise. In addition, Reynolds Channel may, in its sole discretion, cause the Funds to be subject to certain laws and regulations if it believes that an investment or business activity is in the Funds' interest, even if such laws and regulations may have a detrimental effect on one or more Investors. Prospective Investors are encouraged to consult their own advisors regarding an investment in the Funds.

Nature of Investment. An investment in the Funds requires a long-term commitment, with no certainty of return. There may be little or no near-term cash flow available to Investors.

Possible Lack of Diversification; Industry Concentration. Reynolds Channel may invest a relatively substantial portion of the Funds' capital in a single investment or Portfolio Company. There

is no assurance as to the degree of diversification that will actually be achieved in the Funds' investments either by geographic region or asset type. The Funds may make investments assuming contemplated sales that do not actually occur as expected, which could lead to increased risk as a result of the Funds' having an unintended longer term investment and reduced diversification.

Investments Longer Than Term; In-Kind Distributions. Although Reynolds Channel expects that the Funds' investments will either be disposed of prior to dissolution of the Funds or be suitable for in-kind distribution at dissolution, the Funds may have to sell, distribute or otherwise dispose of investments on disadvantageous terms and at a disadvantageous time as a result of dissolution.

Insufficient Opportunities. The availability of investment opportunities will be subject to general market conditions, competition from other institutional investors and, in some cases, the prevailing regulatory or political climate. Moreover, the business of investing in private equity situations in which the Funds are anticipated to invest is very competitive and involves a high degree of uncertainty. Accordingly, there can be no assurance that the Funds will be able to identify and complete attractive investments or that it will be able to fill invest its commitments. In addition, the competition for investment opportunities may have the effect of increasing costs, thereby reducing investment returns to the Funds.

Inadequate Returns. There can be no assurance that the returns on the Funds' investments will be commensurate with the risk of investment in the Funds. There can be no assurance that the investments held by the Funds will be profitable, that there will be proceeds from such investments available for distribution to the investors, or that the Funds will achieve its investment objectives. An investment in Funds is speculative and involves a high degree of risk. Funds' performance may be volatile, and an investor could incur a total or substantial loss of its investment. In general, Investors will not have the ability to direct or influence the management of the Funds or the investment of its assets. There can be no assurance that projected or targeted returns of the Funds will be achieved. Each Investor should have the ability to sustain the loss of its entire commitment.

Item 9
Disciplinary Information

There have been no legal or disciplinary events that are material to a client's or prospective investor's evaluation of the Firm's advisory business or the integrity of the Firm's management.

Item 10
Other Financial Industry Activities and Affiliates

A. Broker-Dealer Registration

Reynolds Channel and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration

Reynolds Channel and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationships and Conflicts of Interests with Industry Participants

The Firm's relationships and arrangements with its clients and other industry participants are material to its advisory business and may raise actual or potential conflicts of interest. Prospective Investors should carefully consider the risks involved in an investment with the Firm, including, but not limited to, those discussed below. Prospective clients (and investors in clients) should consult their own legal, tax and financial advisers as to all of these risks and as to an investment with the Firm generally.

The Firm is affiliated with the Fund General Partners. The Fund General Partners operates as a single advisory business together with the Firm and serves as general partners of Funds and share common owners and share facilities and personnel.

Other Activities of Reynolds Channel and its Affiliates

Reynolds Channel provides investment advisory services to the Funds. Reynolds Channel, its affiliates and its personnel will devote as much of their time to the activities of the Funds as they deem necessary and appropriate. Reynolds Channel and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships (including, without limitation, managed accounts held by single investors) or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of Reynolds Channel. The Managing Partner and other personnel of Reynolds Channel expect to devote time to activities outside of the Funds, including, without limitation, serving on boards or acting in other roles unaffiliated with Reynolds Channel, the Funds, or their portfolio companies, including boards of charitable, educational or community institutions, and receiving compensation in connection with such services and roles. These activities could be viewed as creating a conflict of interest in that the time and effort of Reynolds Channel, their affiliates and their officers and employees will not be devoted exclusively to the

business of the Funds but will be allocated between the business of Reynolds Channel and the management of the monies of other advisees of Reynolds Channel and their affiliates.

Reynolds Channel and its affiliates may manage assets for other clients, including other investment funds, client accounts and proprietary accounts in which the Funds will not have an interest. The respective investment programs of Funds and such other clients may or may not be substantially similar. Such other clients with investment programs similar or substantially similar to that of the Funds may have different or additional terms than those of the interests of the Funds, as described in the applicable Offering Documents. Reynolds Channel and its affiliates may give advice and recommend securities to other clients which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar to that of the Funds. In the event that a conflict arises, Reynolds Channel and their affiliates will seek to manage potential conflicts of interest in good faith and in a manner that is consistent with their respective fiduciary duties to the Funds. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Funds and other clients managed by Reynolds Channel. Participation in such opportunities will be allocated on an equitable basis, taking into account certain factors, including, without limitation, relative amounts of capital available for new investments, investor eligibility, tax considerations and the investment programs and portfolio positions of the Funds and other clients.

Co-Investments

Reynolds Channel and/or its affiliates may, from time to time, offer one or more Investors in a Fund and/or other third-party investors the opportunity to co-invest with the applicable Fund in particular investments. Subject to tax, regulatory or similar considerations, Reynolds Channel generally intends to offer co-investment opportunities to each Investor in a Fund on a pro rata basis based on their respective capital commitments to such Fund; provided that Reynolds Channel may, in good faith, first offer co-investment opportunities to particular Investors or other strategic investors (including via a co-investment vehicle or a direct investment in the underlying Portfolio Company) whose participation in such investment adds strategic value to such company or the Funds. Following such offer, Reynolds Channel and its affiliates will have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular Investor and may allocate co-investment opportunities instead to investors in clients or to third parties. If Reynolds Channel determines that an investment opportunity is too large for the Funds, Reynolds Channel and its affiliates may, but will not be obligated to, make proprietary investments therein. Reynolds Channel or its affiliates may receive fees and/or allocations from co-investors, which may differ as among co-investors and also may differ from the fees and/or allocations borne by the Funds. Other terms and rights applicable to such co-investors (including without limitation, information rights and the terms related to the particular structure of any co-investment vehicle) may also differ from the terms and rights applicable to Investors as well as among co-investors. The participation by one or more co-investors in an investment has the potential to present conflicts as a result of differing interests between Funds and such co-investors. In addition, the Funds' interest in an investment has the potential to be negatively impacted by the actions of a participating co-investor, including as a result of such co-investor's failure to fund any portion of its investment.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Reynolds Channel does not recommend or select other investment advisers for our clients.

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

A. Code of Ethics

Reynolds Channel has adopted a Code of Ethics (the “Code”) designed to reinforce and enhance the Firm’s high standards of personal and professional conduct and ethical way of doing business. The Code is based on the principle that Reynolds Channel and its employees have a fiduciary duty to its clients, and must in this fiduciary capacity, place the interest of the clients before its own. The Code is designed to address and avoid conflicts of interests and is applicable to all employees. The Code contains detailed rules concerning, among other issues, conflicts of interest, procedures with respect to personal securities transactions, gifts and entertainment, and outside business activities. Employees are required to certify their adherence to the terms set forth in the Code upon commencement of employment and annually thereafter. Furthermore, the Code provides for a range of sanctions, as deemed appropriate, including censure, fine, reversal of transactions and disgorgement of profits, suspension or termination of employment.

A copy of Reynolds Channel’s Code is available upon request by contacting us by email IR@reynoldschannel.com

B. Securities in which Reynolds Channel or a Related Person Has a Material Financial Interest

Reynolds Channel’s employees, directly or indirectly, have personal investments in the Funds. As a result, Reynolds Channel and its employees have an interest in the investments that may also be recommended to clients. Such employees may be in possession of information relating to the Funds that is not available to Fund Investors. Investments by the Reynolds Channel employees in the clients could incentivize such employees to increase or decrease the risk profile of the Funds. Reynolds Channel seeks to mitigate such conflicts of interest through the adoption of portfolio management and investment due diligence procedures.

To the extent that Reynolds Channel determines that it would be in the best interest of certain clients to engage in a “Cross Trade” where, as investment manager to a client, including the Funds, Reynolds Channel causes that client to purchase a security directly from (or sell a security directly to) another client, Reynolds Channel will follow a policy whereby it determines that the transaction is in the best interests of both clients involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those clients. When effecting Cross Trades between clients, Reynolds Channel will have potentially conflicting division of loyalties and responsibilities with respect to each participating client. To the extent that any such Cross Trade may be viewed as a principal transaction (as such term is used under the Advisors Act) due to the ownership interest in a client by Reynolds Channel, its affiliates, or its personnel, Reynolds Channel will comply with all applicable requirements of the Investment Advisers Act of 1940, as amended (“*Advisers Act*”). In addition, to the extent that a client has established an advisory board, such advisory board will review and approve (or disapprove) of any principal transaction.

C. Investing in Securities That Reynolds Channel or a Related Person Recommends to Clients.

Reynolds Channel's Code places certain restrictions on personal accounts (*e.g.*, brokerage accounts, IRAs, and similar accounts) that are held by employees in which such employee has a beneficial interest, including any account held by immediate family members sharing the employee's household or a person who is financial dependent on the employee (each a "*Personal Account*"). Generally, transactions in publicly traded securities are permitted in Personal Accounts. Employees must, however, obtain written approval before they (or their immediate family members sharing the same household) purchase or sell private (*i.e.*, non-publicly traded) debt and equity securities, including limited partnership and limited liability company interests and investments in private investment funds (*e.g.*, hedge fund and private equity funds). Employees must also disclose all Personal Accounts and holdings initially upon commencement of employment, and annually thereafter. In addition, employees are required to provide quarterly reports regarding transactions securities and newly opened Personal Accounts thereafter.

Reynolds Channel, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that Reynolds Channel and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds.

Reynolds Channel has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on certain personal trading in the Code, as described above, and regular monitoring of employee transactions or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

D. Conflicts of Interest Created by Contemporaneous Trading

Reynolds Channel does not currently purchase or sell securities for multiples clients at the same time (since as noted above the Valinor Fund's investment period has expired) but may do so in the future. If an investment is appropriate for one or more clients, the investment generally will be allocated among such clients in a manner that is fair and equitable. However, Reynolds Channel, in its sole and absolute discretion, may make non-pro rata allocations among the clients based upon a variety of factors including, among other things, investment program and investment objectives, investment capacity, amount of deployed and undeployed capital, fixed investment periods, available leverage, desired leverage or available cash, tax, legal and regulatory considerations, overall portfolio composition, tolerance for volatility and risk, desired concentration, exposure and diversification targets, liquidity needs, different terms governing the clients or client accounts, risk profile, investment guidelines and restrictions, and/or such other factors that Reynolds Channel determines are consistent with fair and equitable treatment of all clients over time. Reynolds Channel will have no obligation to purchase or sell a security for, enter into a transaction on behalf

of, or provide an investment opportunity to any client solely because Reynolds Channel purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client.

Item 12

Brokerage Practices

A. Selection of Broker-Dealers and Reasonableness of Compensation

Reynolds Channel has full discretionary authority to manage investments of its clients, including authority to make decisions with respect to which investments are bought and sold, the amount and price of those investments, and to the extent clients engage in investments involving brokers, dealers and counterparties (collectively, “*Broker-Dealers*”), the selection of such Broker-Dealers as well as the commissions or markups and markdowns paid. Reynolds Channel's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Reynolds Channel invests primarily in private companies through privately negotiated transactions in which the advisory services of a Broker-Dealer may be retained. Although Reynolds Channel does not intend to regularly engage in public securities transactions, to the extent it does so, Reynolds Channel intends to follow the brokerage practices described below.

To the extent that Reynolds Channel engages in public securities transactions, such transactions for each client will be allocated to Broker-Dealers on the basis of numerous factors and not necessarily lowest pricing. Broker-Dealers may provide other services that are beneficial to us and/or certain clients, but not beneficial to all clients. Subject to best execution, in selecting Broker-Dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Reynolds Channel may consider, among other things, the following:

- Ability to achieve prompt and reliable executions;
- Ability to obtain access to a security;
- Ability to manage impact and trading costs;
- Financial stability and reputation of the particular Broker-Dealer; and
- Competitiveness of commission rates in comparison with other Broker-Dealers satisfying Reynolds Channel's other selection criteria.

Reynolds Channel may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the Broker-Dealer involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

1. Research and Other Soft Dollar Arrangements

Reynolds Channel does not currently receive brokerage and research services (*i.e.*, within the meaning of Section 28(e) of the Securities Exchange Act of 1934) and has no formal soft dollar arrangements in place. However, in the future it may elect to do so.

2. Brokerage for Client Referrals

Neither Reynolds Channel nor any related person receives client referrals from any Broker-Dealer or third party.

3. Directed Brokerage

Reynolds Channel does not recommend, request, or require that a client direct Reynolds Channel to execute transactions through a specified Broker-Dealer.

B. Aggregating Orders for Client Accounts

To the extent that Reynolds Channel engages in public securities transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. Although Reynolds Channel does not currently purchase or sell securities for multiples clients at the same time, if it were to do so in the future, Reynolds Channel may aggregate (or “*bunch*” or “*block*”) such orders that are placed for more than one client. Aggregated orders include: (i) one order placed on behalf of more than one client account and (ii) multiple orders placed on behalf of one or more client accounts. When an aggregated order is filled in its entirety, each participating client will participate at the average share price for the bunched order, and transaction costs shall be shared pro rata among each client participating in the bunched order. If Reynolds Channel places multiple bunched orders in the same security or other investment, and such orders are executed at multiple prices during the day, the clients will generally participate at the average price paid. Partially filled orders will generally be allocated pro rata in proportion to the original allocation but may be modified on a basis that Reynold Chanel clients deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations.

Although Reynolds Channel believes that bunching orders usually facilitates best execution and reduces transactional costs, it is possible that the average price received for a bunched order may be worse than the price which a client could have received had it executed a smaller quantity of shares on its own. There may also be corresponding potential disadvantages when more than one client simultaneously seeks to dispose of commonly held securities or other investment positions.

Item 13

Review of Accounts

A. Periodic Review of Client Accounts

The Managing Partner has ultimate responsibility for all investment decisions made and will conduct reviews on an ongoing basis, including monthly and quarterly, to monitor the portfolio of the clients and manage risks associated with investments. With the assistance of the investment team, the Managing Partner monitors the portfolios and manages risk of client accounts on an ongoing basis through frequent interaction with company management and board participation. The Managing Director evaluates the clients' investments based on performance, company fundamentals, news and press releases, general market conditions and other considerations.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

A review of a client account may be triggered by any unusual activity or special circumstance.

C. Contents and Frequency of Account Reports to Clients

Reynolds Channel will provide Fund Investors with annual audited financial statements for the Funds (within 120 days after the end of each fiscal year) and Schedules K-1 with respect to each Investor's interest in the Fund. In addition, Reynolds Channel may provide Fund Investors with performance and other updates on a periodic basis.

In addition, Reynolds Channel generally seeks to make its employees available to answer questions from Investors concerning the Funds. During those conversations and pursuant to side letter agreements, certain Investors may receive information and reporting that other Investors do not receive, and such information may affect an Investor's decisions regarding the Funds.

Item 14
Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

Reynolds Channel does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

Neither Reynolds Channel nor any of its related persons, directly or indirectly, compensate any person who is not a supervised person, including placement agents, for client referrals.

Item 15

Custody

Reynolds Channel is subject to Rule 206(4)-2 under the Advisers Act (the “*Custody Rule*”). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception”, which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

Item 16

Investment Discretion

Reynolds Channel has discretionary authority to manage investments on behalf of each Fund, including the authority to determine which securities and investments to buy or sell and the amount of securities and investments to buy or sell. Despite this broad authority, Reynolds Channel is committed to adhering to the investment strategy and program set forth in the applicable Offering Documents.

Item 17

Voting Client Securities

Reynolds Channel has the authority to cast all proxy votes for the clients' securities. As a result, Reynolds Channel has adopted a proxy voting policy pursuant to and in compliance with the Advisers Act Rule 206(4)-6. Reynolds Channel's general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "*Proxies*") in what it determines is the best position for the clients to take, taking into account their respective investment objectives.

Reynolds Channel generally votes Proxies in accordance with the recommendations of company management. However, there are many complexities to Proxies, and Reynolds Channel will vote against a proposal or recommendation of management if it determines that such a vote is in the best interests of each client.

In limited circumstances, Reynolds Channel may refrain or abstain from voting Proxies where it believes that doing so would be in the best interests of the clients taking into consideration a variety of factors consistent with our Proxy voting policies. Generally, Investors may not direct Reynolds Channel's vote in a particular solicitation.

Conflicts of interest may arise between the interests of a client, on the one hand, and Reynolds Channel or its affiliates on the other hand. If Reynolds Channel determines that it may have, or be perceived to have, a conflict of interest when voting Proxies, it will vote in accordance with its Proxy voting policies and procedures.

Investors and prospective Investors may obtain a copy of Reynolds Channel's Proxy voting policies and Proxy voting record upon request by contacting Reynolds Channel at (212) 918-5239 or IR@reynoldschannel.com.

Item 18
Financial Information

Reynolds Channel is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.