

Item 1: Cover Page



Form ADV Part 2A: FIRM BROCHURE

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This “**Brochure**” provides information about the qualifications and business practices of Axial Reade Capital, LP (hereinafter “**Axial Reade**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact the Firm at jennie@axialreade.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Axial Reade is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Axial Reade or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Axial Reade is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Axial Reade is amending this Brochure as part of its Form ADV Annual Amendment for fiscal year ending December 31, 2023. Since the Firm's last Annual Amendment filed on March 31, 2023, there have been the following material changes:

- Item 5 – Fees and Compensation – Expanded disclosures.
- Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – Expanded disclosures.

Other amendments have been made to this brochure that are not deemed material, and therefore, Axial Reade encourages Investors in its Funds to review this updated brochure in its entirety.

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Item 4: Advisory Business

Axial Reade Capital, LP (hereinafter “**Axial Reade**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business in New York, New York.

Axial Reade provides discretionary investment management services to qualified investors through its general partner entities related to its private funds. These general partner entities may also herein be referred to as “**Axial Reade**”, “**we**”, “**us**”, “**our**” or the “**Firm**”.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through offering documentation to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

As mentioned above, Axial Reade provides investment supervisory services on a discretionary basis to affiliated private equity investment funds herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”. For more information about the Funds currently advised by the Firm, please see Axial Reade’s Form ADV Part 1 Section 7.B.(1). The qualified investors that agree to be limited partners in our Funds are herein referred to as “**Investor**”, “**Partner**” or “**Limited Partner**”, or collectively as “**Investors**”, “**Partners**” or “**Limited Partners**”. Any direct and indirect subsidiaries of a Fund are referred to herein as a “**Portfolio Company**”, or collectively as “**Portfolio Companies**.” “**Investments**” herein refers to a Fund’s direct or indirect investments in the securities and/or assets of a Portfolio Company or Portfolio Companies.

Axial Reade seeks to achieve long-term capital appreciation for its Funds by making privately negotiated Investments in growth-oriented companies and investment opportunities. Investment advisory services provided to a Fund include but may not be limited to: buying, managing and selling Investments on behalf of the Fund; and periodically reporting to each of the Fund’s Investors in accordance with the Fund’s subscription agreement, agreement of limited partnership, private placement memorandum or other offering documents, and other governing documents (collectively, the “**Governing Documents**”).

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective Governing Documents.

Tailored Advisory Services:

For each Fund, the Firm tailors its advisory services to the investment strategies, specific terms and conditions described in its Governing Documents. The Firm, and its Investment Committee, will strictly adhere to the investment strategies and restrictions set forth in each Fund’s Governing Documents. Investors in a Fund are generally expected to participate in the overall investment program for the Fund, although they may be excused from a particular investment due to legal, regulatory or other applicable constraints pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship

between the Firm and any investor. The Funds or the General Partners have entered into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2023, our Regulatory Assets under Management were \$618,110,343. The Firm is controlled by Michael Sirignano.

Item 5: Fees and Compensation

The Firm typically receives compensation from Clients based on a percentage of assets managed, and compensation based on performance, referred to below as “carried interest.” The Firm or other Firm entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the Management Fees (as defined below) otherwise payable to the Firm to the extent provided by the Governing Documents.

Investors in the Firm’s Funds generally pay a management fee (the “**Management Fee**”) on an annual basis to the Firm or its designated affiliate, equal to a percentage of aggregate investor capital commitments (“**Commitments**”), payable on a quarterly basis in advance. Management Fees are paid by the Fund from its available assets and from capital contributions made by its Investors, and such fees are deducted directly from each Investor’s capital account. Upon a date specified in the Governing Documents (the “**Stepdown Date**”), the Management Fee will be reduced and will equal a percentage of (a) the portion of aggregate funded Commitments used to make investments with respect to investments that have not been disposed of, as reduced by (b) permanent write downs with respect to such investments. With respect to Allegiance Partners A, LP and Allegiance Partners B, LP (“**Fund I**”), such portion of the Management Fee is permitted to be collected as fees from portfolio companies without offset to Fund I. The Management Fee will be payable until proceeds from all portfolio investments are distributed or until the Firm’s relationship with the relevant Fund is terminated for other reasons (as described in the Governing Documents). As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

As is generally the case in private equity funds, the Governing Documents provide that a Fund’s Management Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund’s aggregate investment(s) in its portfolio companies that have not been realized or permanently written down (such as permanently written-down investments, “**Impaired Value Investments**”).

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such investment will be reduced solely to the extent the fair market value of each relevant remaining investment(s) is less than the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

As a result, and as is generally the case for private equity funds, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of Impaired Value Investments. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of certain partial distributions (e.g., those resulting from a dividend recapitalization) or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions or in circumstances where one or more other Fund(s) divest their respective investment(s) (including credit investments) in the relevant portfolio company, whether in whole or in part, in each case in circumstances that do not result in the complete disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

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

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

To the extent specified in a Fund's Governing Documents, the Firm or another Firm entity will be permitted to receive certain supplemental fees and other amounts ("**Transaction Fees**") consisting of: (i) directors' fees, financial consulting fees, monitoring fees or advisory fees paid to the relevant General Partner with respect to any Fund investment; (ii) transaction fees, closing fees or commitment fees paid to the relevant General Partner with respect to any Fund investment; (iii)

break-up fees with respect to Fund transactions not completed that are paid to the relevant General Partner, in each case net of certain expenses as set forth in the Governing Documents. A Fund's Governing Documents generally will provide that Transaction Fees received by the Firm and attributable to the Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to the Firm in a specified percentage (e.g., 100%). The remaining amount of such Transaction Fees will be retained by the Firm.

The Firm reserves the right to be paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion of any such fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by the Firm, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, subject to restrictions included in the Governing Documents, which have the potential to be significant. Additionally, as further described below and in the Governing Documents, it is the Firm's practice to use or retain certain Special Consultants to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Special Consultants generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, the Firm also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies. Each of the foregoing conditions is expected to reduce the amount of Transaction Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to the Firm over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for the Firm to seek to increase such amounts.

Our compensation is subject to waiver and reduction. Affiliates and professionals of the Firm are generally permitted to invest in a Fund and other investment vehicles advised by us. Generally, our principals, employees and affiliates are not subject to management fees, transaction fees or carried interest on their direct or indirect investment in our Funds.

This Brochure will be delivered only to "qualified purchasers" as defined in the Investment Company Act. Accordingly, no fee table is included in this Brochure.

Other Fees and Expenses

In addition to management fees and performance allocations (which are discussed above), a Fund may pay additional amounts to the Firm and/or its affiliates (e.g., the Fund's general partner) in connection with the Firm's advisory services. The enumerated list below is detailed but does not encompass all possible expenses of the Funds or additional Funds advised in the future. The expenses summarized below are set forth in more detail in each Fund's Governing Documents.

Organizational and offering expenses of a Fund, which may be subject to maximum amounts stated in the applicable Governing Documents and particular terms as to the payment of expenses in excess of these maximums;

- (i) all out-of-pocket expenses that are not reimbursed by Portfolio Companies incurred in connection with the sourcing, investigation, identification, analysis, development, pursuit, negotiation, structuring, making, monitoring, holding, management, sale or proposed sale of any actual or proposed Fund investment (including, without limitation, due diligence expenses, fees and expenses of lawyers, accountants, consultants, administrators, custodians, advisors and other professionals, private placement fees, brokerage fees, commissions, custody expenses and other similar expenses), and including any such expenses associated with proposed investments that are ultimately not made by the Fund;

Additional expenses that may be borne by a Fund, as outlined in more detail in each Fund's Governing Documents and further described in the "Fees and Expenses" section of Item 8 below, include but are not limited to:

- (i) routine expenses of the Fund, including legal, auditing, consulting and financing fees, insurance, out-of-pocket expenses associated with preparing the Fund's financial statements, valuation, tax returns and Schedule K-1s (including the audit and certification fees and the costs of printing and distributing reports to Investors), any taxes imposed on the Fund, fees or other governmental charges levied against the Fund, out-of-pocket and legal and other advisory expenses of the advisory committee members and expenses of holding annual meetings of Investors;
- (ii) all litigation-related and indemnification expenses;
- (iii) fees and expenses of placement agents; and
- (iv) transaction or monitoring fees

The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Firm and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Transaction Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in

Side Letters relating thereto. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

Given the nature of the Funds' investment programs, the Firm has not historically transacted through broker-dealers. Therefore, Investors in a Fund do not generally incur brokerage costs, although depending on investment opportunities this may change. A discussion of the Firm's brokerage practices may be found below under Brokerage Practices.

In certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the Firm's related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such broken deal expenses. The Advisers' practice of allocating broken deal expenses among investing Funds is discussed under "Conflicts of Interest," below. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

The Firm and/or its affiliates generally have discretion over whether to charge Transaction Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Transaction Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Firm and/or its affiliates on the other hand.

The Firm is permitted to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including the Firm and any other person designated by the Firm, such as "friends and family" of the Firm or its personnel, or other investors meeting certain qualification requirements based on Commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by the Firm and/or its affiliates, or through other Funds which co-invest with a Fund. The Firm retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice

an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

Refunds

Investors in each Fund pay their management fees at the beginning of each quarter to the Firm. Thus, if the Firm's investment advisory services were terminated prior to the completion of a period, the Firm would return to the Fund any paid but unearned portion of the management fee, pro-rated from the date of termination to the end of the period to which the advanced fee applied.

Compensation for Sale of Securities

Neither the Firm nor its supervised persons receive any transaction-based compensation for the sale of securities or other investment products.

Special Consultants

As further described herein and in the Governing Documents, it is the Firm's practice to use, retain or employ, on behalf of the Funds and/or the Portfolio Companies, operators and other individuals and/or companies, as applicable (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) ("**Special Consultants**"), which are permitted to be affiliates of the respective General Partners, employees of such affiliates, Portfolio Companies of another Fund, third party consultants, "operating executives", "strategic partners," "executive partners" or "senior advisors" (any of which may be members of the Operations Group). The Special Consultants are expected to regularly provide services to, or in connection with, the Funds in relation to their activities, or to one or more Portfolio Companies or potential portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such Portfolio Companies or potential portfolio companies, including operational aspects of such companies ("**Services**"). In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies.

Pursuant to the Governing Documents, compensation, fees and certain expenses associated with the Services (collectively, "**Consulting Fees and Expenses**") with respect to certain of the Special Consultants (including "Operations Group" members employed or retained by Axial Reade) are intended to be paid and/or reimbursed by applicable Portfolio Companies and/or the Fund, and such Consulting Fees and Expenses are not included as "Transaction Fees" and do not reduce or offset the Management Fee or carried interest payable to Axial Reade. Consulting Fees and Expenses with respect to certain of the Special Consultants are expected to include cash fees, transaction fees, profits or equity interests in the Funds, the respective General Partner or a Portfolio Company, a share of proceeds upon sale of a Portfolio Company, benefits, personnel costs and other indicia of employment, retainer fees, consulting fees, remuneration from the Firm and/or the Funds or their affiliates, guaranteed minimums, other incentive equity and stock awards and/or other compensation to such Special Consultants, which will be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Special Consultants, a percentage of the value of the Portfolio Company, the invested capital exposed to such Portfolio Company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such Portfolio Company. Additionally, Special Consultants may have the opportunity to invest in one or more Portfolio Companies and such Portfolio Companies may reimburse costs and expenses incurred

by Special Consultants. A Special Consultant also may receive remuneration from a General Partner and/or a Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in Portfolio Companies. Such investment opportunities, reimbursements and other compensation paid to certain of the Special Consultants will not offset or reduce the Management Fee or carried interest payable to Axial Reade. Special Consultants may have a limited partner or profit interest in the Fund, a General Partner, one or more other investment funds sponsored or advised by that General Partner or in an affiliate of that General Partner. The use of Special Consultants subjects the General Partners to potential conflicts of interest, as discussed under “Conflicts of Interest,” below.

McChrystal Group. The McChrystal Group (“MG”) is a service firm affiliated with Stanley McChrystal and Barry Sanders, strategic partners of Axial Reade. Mr. McChrystal, Mr. Sanders and/or MG are expected to receive, directly or indirectly, a portion of the fees or carried interest payable by Investors in the Funds. In addition, the Funds and/or any Portfolio Company is permitted to engage MG as a service provider. In exchange for such services, MG is expected to receive compensation, which could be in the form of fees, expense reimbursement and/or the granting of an interest in any Portfolio Company. Any such compensation will not result in offsets to or reductions of the management fee payable by Investors in the Funds or otherwise be shared with the Funds.

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

The relevant General Partner generally receives performance allocation or similar compensation mechanism (e.g., carried interest subject to a clawback obligation). All such performance allocation arrangements are intended to comply with Rule 205-3 under the Advisers Act. This compensation is paid by a Fund as a distribution of available assets.

Performance allocation arrangements have the potential to create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities, or to make riskier or more speculative investments on behalf of a Fund than would be the case in the absence of such compensation arrangement.

The Firm has the authority to charge discounted fees to certain affiliated Investors in a Fund. The Firm does not favor higher paying Investors over those paying lower or different fees. Under no circumstances may we or any of our affiliates allocate investment opportunities based on anticipated compensation or profits to the Firm or any of its affiliates or employees.

Investment opportunities which satisfy the investment parameters of more than one Fund will be allocated in accordance with the Firm’s policies and procedures and in accordance with the applicable Governing Documents. The Firm’s policies and procedures for the allocation of Investments are determined by its Investment Committee and monitored by the Firm’s Chief Compliance Officer (the “CCO”), Jennie Adam. The Firm seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment

guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Firm or any personnel.

Item 7: Types of Clients

Our Clients are our Funds, as described in Item 4 above, and the Funds are generally open to Investors that are institutions, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

The following are some of the material risks associated with an investment in the Funds. The following is not intended to be an exhaustive list of such risks and it is critical that Investors refer to the Governing Documents and disclosure documents of the applicable Fund for a complete overview of Axial Reade's investment strategies and the material risks associated therewith. The information contained herein is qualified in its entirety by such documents. In addition, prospective investors should also consult their own legal, investment, tax, regulatory and other advisors as to whether an investment in a Fund is appropriate for them. Certain risks of the Funds include the following:

Business Risks. The Funds' investment portfolios are highly concentrated, and the performance of a particular industry has the potential to substantially affect their aggregate returns. The operating results for any given Portfolio Company in a specified period will be difficult to predict. The Investments involve a high degree of business and financial risk that can result in substantial losses for their related Funds.

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

Investments in Private Companies. The Funds' investment portfolios are expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

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

Unspecified Investments. Limited Partners will be relying on the ability of the relevant General Partner to locate and evaluate the investments to be made by the applicable Fund using the offering proceeds. The activity of identifying, structuring, completing and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the General Partner will be able to identify, or the applicable Fund will be able to complete, portfolio investments that satisfy the applicable Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the applicable Fund will be able fully to invest its committed capital.

Competition. The business of identifying, structuring and completing private equity investments in attractive opportunities is highly competitive and involves a high degree of uncertainty. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, publicly-traded special purpose acquisition companies ("SPACs") and other private equity funds, investing directly or through affiliates. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds likely will be formed in the future by other unrelated parties. Some of the Funds' competitors for investment opportunities may have significantly more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the General Partners, the Funds and their respective affiliates.

The General Partners of the Funds expect that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which portfolio investments can be made.

To the extent that the Funds encounter significant competition for investments, returns to Limited Partners may be negatively affected. In addition, it is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified and consummated. However, regardless of the extent to which the commitments of the Limited Partners are invested (or drawn down to be invested), the Limited Partners will be required to bear Management Fees through the Funds during the Investment Period based on the entire amount of the Limited Partners' Commitments to such Funds and other expenses as set forth in the Governing Documents.

Dynamic Investment Strategy. Unless otherwise provided in the Governing Documents, the Funds are not restricted in terms of the percentage of its capital that can be invested in a particular industry. While the Funds' respective offering documents contain a description of the types of investments that Axial Reade-led funds have historically made and information about the General Partner's expectations with respect to a Fund, many factors have the potential to contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation applicable to particular industries and changes in the political or social

situations in particular countries. As a result, the General Partner reserves the right to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner reserves the right to pursue investments outside of the industries and sectors in which the Firm's principals have previously made investments or have internal operational experience. There can be no assurance that the investment portfolio of any one Fund will resemble the portfolio of any other Axial Reade-led fund.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfil their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and the Firm may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Funds intend to invest are (or may become) (i) highly regulated at both the federal and state levels in the U.S. and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may

be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Funds invest.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the Funds generally will not be able to return capital or realize gains, if any, on an investment in a privately-held entity until the partial or complete disposition of such entity. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded commitments.

Leveraged Investments; Borrowing. The Funds are generally permitted to make use of leverage by incurring or having a Portfolio Company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a Portfolio Company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of a Portfolio Company will increase the exposure of a Fund's investments to any deterioration in a Portfolio Company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any Portfolio Company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in such Portfolio Company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a portion of a Portfolio Company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. Except

where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

The Funds are also permitted to borrow money or guaranty indebtedness (such as a guaranty of a Portfolio Company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. Any use of leverage by the Funds generally also will result in fees, interest expense and other costs to the Funds that may exceed, or otherwise not be covered by distributions made to the Funds or appreciation of their respective investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding.

The Funds generally are permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by the Firm or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Use of Credit Facility. The Funds will be permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate commitments available to be called. A Fund's use of such facilities will be determined by the respective General Partner, and the performance of a Fund may be impacted by how the respective General Partner causes a Fund to utilize such facilities. Although the use of such a facility may increase the Funds' ability to swiftly invest capital, it also will cause the Funds to incur interest expense and other costs and subject Limited Partners to certain risks. In addition, fund-level borrowing will result in additional partnership expenses that will be borne by the Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one- time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's Limited Partners and the terms of the Governing Documents, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases a Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that

the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would

be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the Firm for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Investment- and Intermediate Entity-Level Borrowing. Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally

do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Investments Longer than Term. The Funds may make investments that may not be advantageously disposed of prior to the date the Funds are dissolved, either by expiration of a Fund's term or otherwise, or a Fund's term may be extended to facilitate the wind-down of a Fund. Although the General Partner generally expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the General Partner has a limited ability to extend the term of the Funds, and the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. To the extent that such investments are held in trust, the trust may incur operating and formation expenses. In addition, there can be no assurances with respect to the timeframe in which the winding-up and the final distribution of proceeds to the Limited Partners will occur.

Distributions in Kind. Although, under normal circumstances, prior to the termination of the respective Fund, the Funds intend to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the winding-up of the Funds) distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer may be made in-kind. It may be difficult for Limited Partners to liquidate the investments received at a price or within a time period that is determined thereby to be ideal, and significant administrative burden may be involved. After a distribution of investments is made, the recipients may decide to liquidate such investments within a short period of time, which could have an adverse impact on the price of such investments. Limited Partners in receipt of a distributed investment will have no guidance from the Funds or the General Partner with respect to disposition of such investment (including timing of such disposition). The price at which such investments may be sold by such Limited Partners may be lower than the value of such investments determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest accruing to the General Partner with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Funds, including decisions with respect to structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Funds, will be vested with the relevant General Partner. Consequently, a Fund's future profitability and investment performance will depend largely upon the business and investment acumen of the Firm's principal. The loss or reduction of service of the Firm's principal could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the Firm's principal currently, and expects in the future to, manage or advise other investments and/or investment funds besides the Funds and the Firm's principal expects that he will need to devote substantial amounts of his time to the investment activities of such other investments and/or funds, which will pose potential conflicts of interest in the allocation of the time of the Firm's principal. Limited Partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the respective General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Funds or one or more of their Portfolio Companies, including

potential acceleration of debt facilities. Furthermore, there can be no assurance that the Funds' investments will achieve results similar to those attained by previous investments of the Firm's principal. The Funds' investments may differ from previous investments made by the Firm's principal in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure and holding period.

The success of many of the Funds' respective Portfolio Companies is heavily dependent on the management of such companies. Each Portfolio Company's day-to-day operations will be the responsibility of such company's management team. Additionally, the General Partner will generally establish the capital structure of companies in which the Funds invest on the basis of financial projections for such companies, which will contain significant judgment and input from the Portfolio Company management team. Although the General Partner will be responsible for monitoring the performance of each portfolio investment and the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management team, or any successor, will be able or willing to successfully operate a company in accordance with the respective Fund's objectives. Portfolio Companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive. There can be no assurance that the management team of a Portfolio Company on the date a portfolio investment is made will remain the same or continue to be affiliated with the company throughout the period the Portfolio Company is held by the respective Fund. There can be no assurance that Portfolio Companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Funds may be adversely affected thereby.

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

Risks in Effecting Operating Improvements. In some cases, the success of the Funds' investment strategy will depend, in part, on the ability of the Funds to effect improvements in the operations of a Portfolio Company. The activity of identifying and implementing operating improvements at Portfolio Companies entails a high degree of uncertainty. In addition, executing operational improvements may divert the attention of key personnel and disrupt normal business. There can be no assurance that the Funds will be able to successfully identify and implement such improvements or that any such successfully implemented improvements will result in a return on invested capital with respect to such Portfolio Company.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making investments, the General Partner will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances

applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the General Partner may rely on the advice received from such third parties. Investment analyses and decisions by the General Partner will often be undertaken on an expedited basis in order for the Funds to take advantage of investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

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

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have. In light of the heightened regulatory environment in which the Firm operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for Axial Reade and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or the Funds, the General Partner or the Firm in particular may result in increased expenses associated with the Funds' activities and additional resources of Axial Reade being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for Investors in the Funds or have an adverse effect on the ability of the Funds to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of the General Partner, and may furthermore place the Funds at a competitive disadvantage to the extent that Axial Reade is required to disclose sensitive business information.

As private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has recently been subject to criticism by some politicians, regulators and market commentators.

Elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with Portfolio Companies. There can be no assurance that the foregoing will not have an adverse impact on Axial Reade or the Funds or otherwise impede the Funds, activities.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of the Firm and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact the Firm and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

Privacy, Data Protection and Information Security Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “**Privacy Laws**”) could significantly impact current and planned privacy and information security-related practices, the collection, use, sharing, retention, destruction and safeguarding of personal data and some of the Funds’ current and planned business activities of the Firm, the General Partners, the Funds and/or their portfolio companies and increase compliance costs for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Firm, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Firm, the General Partners, the Funds and/or their portfolio companies.

United Kingdom (“UK”) Exit from the European Union (“EU”). The UK formally left the EU on January 31, 2020 (“Brexit”). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK’s future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access

to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including the Firm and Fund portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Registration under the U.S. Commodity Exchange Act. Registration with the U.S. Commodity Futures Trading Commission (“CFTC”) as a “commodity pool operator” or as a “commodity trading advisor” or any change in a Fund’s operations necessary to maintain the General Partner’s ability to rely upon the exemptions from registration could adversely affect the Fund’s ability to implement its investment program, conduct its operations and/or achieve its objectives and subject the Fund to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the General Partner to cease or to limit investing in interests which may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on the Funds’ ability to implement its investment objectives and to hedge risks associated with its operations.

Sanctions Compliance Considerations. Economic sanction laws in the United States and other jurisdictions prohibit or otherwise restrict the General Partner, a Fund, its Portfolio Companies and their respective officers, directors and employees from engaging in transactions in or relating to certain countries and relating to certain individuals and entities. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and U.S. Department of State administer and enforce laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the

provision of services to, certain foreign countries, territories, entities and individuals. These persons and entities include specially designated nationals and other persons and entities targeted by OFAC sanctions programs. The lists of OFAC restricted countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions and similar laws and regulations in non-U.S. jurisdictions may significantly restrict the Fund's direct or indirect investment activities in certain countries. The economic sanctions and related laws of different jurisdictions in which a Fund makes investments also may conflict with one another, such that compliance with all applicable laws may be difficult. Failure by the General Partner, a Fund or any of a Fund's Portfolio Companies to comply with OFAC or other relevant sanctions could have serious legal and reputational consequences, including civil and criminal penalties.

Sanctioned Investors. If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a "freeze" on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund's activities, could materially and adversely affect the Funds.

Anti-Corruption and Anti-Boycott Considerations. The U.S. Foreign Corrupt Practices Act ("**FCPA**"), the U.K. Bribery Act ("**UKBA**") and other anti-corruption and anti-bribery laws, as well as U.S. anti-boycott regulations may impact the respective General Partner, the Funds and the Funds' Portfolio Companies. The Funds may be adversely affected or miss out on opportunities because of the General Partner's unwillingness to participate in transactions that potentially violate such laws and regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities or to obtain or retain business. In recent years, U.S. regulators have been increasingly focused on private equity sponsors' compliance with the FCPA. Any determination that the respective General Partner, the Funds, the Funds' Portfolio Companies or any of their respective officers, directors or employees has violated the FCPA, the UKBA or other applicable anti-corruption laws, anti-bribery laws or U.S. anti-boycott regulations, could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of Investor confidence, any one of which could adversely affect the Funds' business prospects and/or financial position, as well as its ability to achieve its investment objectives and/or conduct its operations.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "**Financial Institution**") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "**Distress Event**"). Distress

Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Firm, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Firm to manage the Funds and their investments, and on the ability of the Firm, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of the Firm or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Firm will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that the Firm will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that the Firm and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the Firm seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, the Firm is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

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

Non-U.S. Investments. The Funds are permitted to invest in Portfolio Companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions unless otherwise specified in a Fund's Governing Documents. Investments in non-U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities and instruments, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Funds' non-U.S. investments are denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Funds invests; (iii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (v) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less or more government supervision and regulation; (vi) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation; (vii) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (viii) potential unsettled points of applicable governing law and the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for the Funds and/or the Partners; (x) differing and potentially less well-developed, well-tested and/or more restrictive laws, regulations and regulatory institutions and judicial system; (xi) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (xii) political hostility to investments by foreign or private equity investors; and (xiii) less publicly available information.

Hedging Arrangements; Related Regulations. A General Partner is authorized (but not obligated) to endeavour to manage the relevant Fund's or any Portfolio Company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and

appropriate. The Funds are permitted to incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter (“OTC”) contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

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

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the CFTC or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the Fund or a Portfolio Company to hedge its exposures becomes limited by such requirements.

Minority Investors. In addition to the McChrystal Group participation as described below, it is possible that a third-party could acquire a minority ownership interest in the General Partner, the Firm and/or an affiliate thereof. The existence of a minority investor could raise certain potential conflicts of interest. Specifically, a minority investor may be an Investor, or subsequently invest, in the Funds or another Axial Reade-advised fund and have minority economic interests in the General Partner and/or the Firm and, in such capacity, would be entitled to receive a portion of the carried interest and/or a portion of the net income to which Axial Reade would otherwise be entitled. Axial Reade does not expect that any minority investor would be involved in the management of a Fund, the General Partner or the Firm. The existence of these minority economic interests could diminish the alignment of a minority investor’s interests with the other Fund Investors. Additionally, a minority investor may have relationships with other investment vehicles and accounts that could give rise to potential conflicts of interest. For example, a minority investor and/or its affiliates may sponsor, advise, underwrite, manage or invest in other investment vehicles and accounts that pursue investment strategies similar to those of the Funds. Such activities could adversely affect the Funds; for example, a minority investor and/or its affiliates may compete with the Funds for investment opportunities, and Axial Reade expects that a minority investor would be under no obligation to share any investment opportunity, idea or strategy with the Funds, the General Partner or the Firm. Such considerations also generally apply to the McChrystal Group participation as described below.

Fees and Expenses. The Funds will pay and bear all expenses related to its operations, including Management Fees and the costs of holding, monitoring, maintaining and disposing of Portfolio Companies, including investment banking fees and consulting fees, whether or not the Funds make any profits. While it is difficult to predict the future expenses of the Funds, such expenses are expected to be substantial and may surpass the Funds’ operating income. The amount of a Fund’s expenses will reduce the actual returns realized by Limited Partners on their respective

investments in a Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by a Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of Fund expenses ultimately called or called at any one time may exceed expectations.

Control Person Liability. The Funds are expected to have controlling interests in a number of its Portfolio Companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to the Limited Partners may be ignored. In particular, if determined to be a direct owner or operator of any of the Portfolio Company's facilities or operations, the Funds could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, the Fund might suffer significant losses. While the respective General Partner intends to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims against the Funds and/or its affiliates cannot be precluded.

Public Company Holdings. The respective General Partner reserves the right to cause the Funds' investment portfolio to contain securities and debt issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Firm's principals, and increased costs associated with each of the aforementioned risks.

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

Non-Controlling Investments. The Funds may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the

process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if the Portfolio Companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Funds holds a minority stake, it may be more difficult for the Funds to liquidate its interests than it would be had the Funds owned a controlling interest in such company. Even if the Funds have contractual rights to seek liquidity of the Funds' minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Funds, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

To the extent the Funds invest alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant Portfolio Companies may be controlled or influenced by persons and/or entities who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or the Limited Partners. Such third parties may be in a position to take action contrary to the Funds' business, tax or other interests, and the Funds may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, the Funds generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that the Funds will be able to control the timing or occurrence of an exit strategy for such Portfolio Companies in a manner that maximizes or protects value.

Director Liability. The respective General Partner expects that the Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests (each, a “**Board Representative**”). In those instances where the Funds are not the sole shareholder of the applicable Portfolio Company, a Board Representative may have duties to persons and/or entities other than the Funds. Serving on the board of directors (or similar governing body) of a Portfolio Company will expose a Board Representative, and ultimately the Funds, to potential liability. Not all Portfolio Companies may obtain insurance with respect to such liability, and the insurance that Portfolio Companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

Limitation of Recourse and Indemnification. The Governing Documents will limit the circumstances under which the General Partner and its affiliates will be held liable to a Fund. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provisions. In addition, the Governing Documents will provide that a Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of a Fund. Such indemnification obligations could materially impact the returns to the Limited Partners. The obligations of a Limited Partner to fund any indemnification will generally survive the dissolution of a Fund.

Litigation. The transactional nature of the business of the Funds exposes the Funds, the respective General Partner and their respective affiliates generally to the risk of third-party litigation. In the ordinary course of its business, the Funds may be subject to litigation from time to time. Additional regulation could also increase the risks of third-party litigation. The outcome of such proceedings may materially adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Firm's principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Advisory Board. The relevant General Partner will appoint one or more Limited Partner representatives to the Advisory Board. The partnership agreement will provide that to the fullest extent permitted by applicable law, none of the Advisory Board members in respect of the activities of the Advisory Board shall owe any fiduciary duties to the Funds or any limited partner. In addition, representatives of the Advisory Board may have various business and other relationships with Axial Reade and its partners, officers, directors, employees and affiliates. These relationships may influence their decisions as members of the Advisory Board.

Board.Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their Portfolio Companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' Portfolio Companies.

General Economic and Market Conditions. The private equity industry generally and the success of the Funds' investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the Funds' Portfolio Companies. The Funds' performance can be affected by deterioration in the capital

markets and by market events, including events similar to the credit crisis in the summer of 2007, the downgrading of the credit rating of the U.S. in 2011 or the recent downturn in the U.S. and global financial markets, which, among other things, can impact the public market comparable earnings multiples used to value privately held Portfolio Companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in Portfolio Companies and the Funds' performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Funds to sell and/or partially dispose of its Portfolio Company investments. Such adverse effects may include the requirement of the Funds to pay break-up, topping, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the respective General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support its investment objective.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as the Funds to obtain favorable financing for investments, the Funds' ability to generate attractive investment returns may be adversely affected. Moreover, to the extent that such deterioration is not temporary and continues, it may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such deterioration also may restrict the ability of the Funds to realize its investments at favorable times or for favorable prices.

Adequacy and Availability of Insurance. While the Funds may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the Funds' profitability.

SPAC Investments. Axial Reade and/or one or more of its affiliates (including, potentially, the Funds) is permitted to participate in one or more entities (each such entity, a "SPAC Sponsor") that is formed for the primary purpose of forming, sponsoring, controlling and/or managing a publicly-traded special purpose acquisition company (a "SPAC"). Each SPAC will register its shares with the SEC in an initial public offering and seek to use the funds raised in such offering to effect a business combination and, thereafter, operate as a public company. To the extent a SPAC is sponsored by a SPAC Sponsor owned by a Fund (either entirely or in part), a Fund will be required to contribute significant capital to the SPAC, including in respect of underwriting fees, deal expenses and working capital (collectively, the "at-risk capital"). If, following a SPAC's initial public offering, the funds held in a SPAC's trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans

from its SPAC Sponsor or its management team (which management team could include employees (including the Firm's principals), advisors and/or consultants of Axial Reade and/or its affiliates) to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If a Fund does not control the SPAC Sponsor, there can be no assurance that the other owners of the SPAC Sponsor will loan the SPAC sufficient capital to fund the SPAC's continued search for a suitable target. If a SPAC Sponsor (including any SPAC Sponsor owned, entirely or in part, by a Fund) loans any amounts to its applicable SPAC, a Fund (if applicable) may bear a significant amount of the risk of any such loan and any related expenses. There can be no assurance or guarantee that any SPAC will be able to identify a suitable target business and consummate an initial business combination within the limited completion window of 18-24 months established in connection with the SPAC's initial public offering, and in such case, the SPAC will be forced to cease operations and liquidate, any loans it received (including indirectly from a Fund) will not be repaid and the SPAC Sponsor (including any SPAC Sponsor owned, entirely or in part, by a Fund) will lose the at-risk capital it contributed, which may be substantial. Moreover, following the initial public offering of a SPAC, the trading price of its securities may materially increase or decrease, whether before or after the initial business combination, and none of Axial Reade, a Fund, the General Partner, the applicable SPAC Sponsor or any of their respective affiliates will be able to control or predict the movement of such price. The Funds could also make a direct investment in connection with the initial business combination transaction of a SPAC (including a SPAC sponsored by Axial Reade, its principals or their respective affiliates).

Material Non-Public Information. As a result of the operations of the Firm and its affiliates, as well as in connection with officerships and directorships of Axial Reade's personnel, the Firm may come into possession of confidential or material, non-public information. Therefore, the Firm and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Funds. Consequently, the Funds may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Firm's internal policies. Due to these restrictions, the Funds may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by (i) Axial Reade employees, (ii) Portfolio Company directors, officers or employees, and (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of the Funds and/or the respective General Partner and cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to the Funds. Axial Reade has controls and procedures through which it seeks to minimize the risk of such

misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

Unfunded Pension Liabilities of Portfolio Companies. A recent court decision found that, in certain circumstances, an investment fund could be treated as a “trade or business” for purposes of determining pension liability under ERISA. Therefore, where an investment fund owns 80% or more (or possibly, under certain circumstances, less than 80%) of a portfolio company, such investment fund (and any other 80%-owned portfolio companies of such investment fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. A Fund may, from time to time, invest in a Portfolio Company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a Portfolio Company. If a Fund (or other 80%-owned Portfolio Companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invest.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the respective General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner gives rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Funds and/or the respective General Partner may be required to make (and/or be responsible for another person’s or entity’s breach of) representations and warranties (e.g., about the business and financial affairs of the applicable Portfolio Company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses), and may be responsible for the content of disclosure documents under applicable securities laws. The Funds and/or the respective General Partner may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Funds and, ultimately, their Investors. In such a situation, the Limited Partners may be required to return distributions received by them to pay such indemnification obligations, subject to certain limitations provided in the Governing Documents. Furthermore, each Limited Partner that receives a distribution in violation of the Partnership Act will, under certain circumstances, be obligated under the Partnership Act to recontribute such distribution to the Fund.

Limited Access to Information. The Limited Partners’ rights to information regarding the Funds, the respective General Partner or Axial Reade generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General

Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to the Limited Partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Axial Reade's control. Decisions by Axial Reade or its affiliates to withhold information may have adverse consequences for the Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor Axial Reade and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on the Advisory Board generally may, by virtue of such participation, have more or earlier information about the Funds and their investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the Funds succeed in asserting confidentiality for requested documents and other materials, and Axial Reade reserves the right to withhold certain information from Investors subject to such laws for reasons relating to Axial Reade's public reputation, business strategy or other reasons.

Cybersecurity Risks and Identity Theft. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. The Funds and their Portfolio Companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquake. Although the respective General Partner intends to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the respective General Partner, the Funds and/or a Portfolio Company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the respective General Partner's, the Funds' and/or a Portfolio Company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm the respective General Partner's, the Funds' and/or a Portfolio Company's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions or otherwise affect their business and financial performance. To the extent that a Portfolio Company is subject to cyber-attack or other unauthorized access is gained to a Portfolio Company's systems, such Portfolio Company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or Portfolio Company financial information; (iii) Portfolio Company software, contact lists or other databases; (iv) Portfolio Company proprietary information or trade secrets; or (v) other items. In certain events, a Portfolio Company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a Portfolio Company, or the Funds, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the General Partner or one of its affiliates or service providers holding its financial or Investor data, the General Partner, its affiliates or a Fund may also be at risk of loss.

Disclosure of Confidential Fund and Investor Information. The Limited Partners are expected to include entities that are subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding a Fund, its investments and its Investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and Side Letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. A Fund may incur expenses in connection with responding to any such disclosure requests, even if the Fund ultimately succeeds in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the Limited Partners will have pursuant to the Governing Documents to maintain the confidentiality of the Fund's information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise. The respective General Partner also reserves the right, in certain circumstances, in an effort to protect any such potential disclosure, to withhold all or any part of the information otherwise to be provided to such a Limited Partner, as more fully described in the Governing Documents. There can be no assurance that such information will not be disclosed by the Funds, the respective General Partner, Axial Reade, their affiliates and personnel, Portfolio Companies or service providers to any of them including to comply with laws, regulations or policies to which they are or may become subject. In addition, under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has the authority to require private equity fund advisers, such as Axial Reade, to file additional reports with the SEC regarding their funds and investment activities. Any public disclosure of Fund information could have an adverse effect on a Fund and its Investors, for example, by affecting a Fund's competitive advantage in finding attractive investment opportunities.

Changes to Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("**LIBOR**"), Secured Overnight Financing Rate (SOFR) or other rates (each, a "**Benchmark Rate**"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and the Firm reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by the Firm following

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

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

reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. The Firm is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding the Firm, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

Conflicts of Interest

The Firm and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. The Firm will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Firm conducting its activities, the interests of a Fund likely will conflict with the interests of the Firm, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. The following discussion identifies certain potential conflicts of interest that should be carefully considered before making an investment in a Fund. In addition, investors should be aware that the respective General Partner, the Firm and their respective personnel might in the future engage in further activities that result in additional conflicts of interest not addressed in the offering documents. As a general matter, the Firm will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds. There can be no assurance that the respective General Partner or the Firm will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds.

The respective General Partner believes that the significant investment of the Firm's principals in each of the Funds, as well as the Firm's principals' interest in the carried interest, operate to align, to some extent, the interest of the Firm's principals with the interest of the Partners of each Fund, although the Firm's principals currently have, and in the future could obtain, economic interests in other investment vehicles, funds and/or investments as well and receive management and other fees and carried interests relating to such investment vehicles, funds and/or investments. At such time as the General Partner is permitted to commence the operations of a new investment Fund, the Firm's personnel will continue to manage the Funds' investments, but also will focus

investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments are permitted to be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Governing Documents.

Until such time as the General Partner is permitted under the Governing Documents to commence operations of a new investment Fund, the Firm's principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of a Fund principally for the benefit of a Fund, subject to certain exceptions set forth in the Governing Documents. However, the Firm's principals currently, and in the future expects to, manage several other investment vehicles, funds and/or investments besides the Funds and investments similar to those in which the Funds will be investing and, in certain instances, will be authorized to direct certain relevant investment opportunities to those investment funds and investments. Firm personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Firm's principals and the Firm's investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Firm principals expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, the Firm principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in the Firm's sole discretion, the Firm and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, the Firm personnel are permitted to serve on boards or act in other roles unaffiliated with the Firm, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

Over time, the Firm expects to be presented with certain investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of the Firm. In determining which investment funds should participate in such investment opportunities, subject to the Governing Documents, the Firm and its affiliates are subject to potential conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, the Firm is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of the Firm in a portfolio company also have the potential to raise the risk of using assets of a client of the Firm to support positions taken by other clients of the Firm.

To determine whether a Fund will participate in the relevant investment opportunity, the General Partner generally assesses whether an investment opportunity is appropriate for each relevant Fund based on the Governing Documents, as well as factors including, but not limited to: the respective fund's available capital, each fund's investment restrictions and objectives (including those set forth in the Governing Document (including Side Letters), if any), strategy, risk profile, sourcing, structural and operational considerations of the relevant fund, investment limitations, target rate of return, composition of each fund's portfolio, target investment size, suitability as a

follow-on investment for current Investors, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification considerations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure size and nature of investment, anticipated duration/hold period and other relevant factors (including agreements with co-sponsors). The Funds are authorized to invest together in the manner set forth in the Governing Documents. The General Partners will determine the allocation of investment opportunities among Funds in a manner that they believe is fair and equitable under the circumstances over time consistent with the General Partners' obligations and, in connection with such determination, the General Partners are permitted to take into consideration factors such as those set forth above. In the event that the General Partner determines that the available amount of an investment opportunity in which the Funds will invest exceeds an amount appropriate for a Fund, such excess is permitted to be offered to one or more potential co-investors.

Following such determination of allocation among Funds, the Firm reserves the right to offer co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Firm personnel and/or certain other persons associated with the Firm and/or its affiliates, as determined by the Governing Documents, Side Letters and the Firm's Allocation Policy. The Firm's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: (i) the ability of a potential co-investor to react promptly to a co-investment opportunity; (ii) any strategic advantages that may result from a potential co-investor's participation in a co-investment opportunity; (iii) a potential co-investor's commitment to a Fund and/or commitment to one or more other Axial Reade-advised funds; (iv) the likelihood that a potential co-investor may invest in a Fund and/or future Axial Reade-advised funds; (v) the potential co-investor's investable assets relative to the size of the co-investment opportunity; (vi) tax, regulatory and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); (vii) confidentiality concerns that may arise in connection with providing the potential co-investor with specific information relating to the co-investment opportunity; (viii) whether the potential co-investor's participation in an investment opportunity may subject the potential co-investor to legal, regulatory, reporting or other burdens that make it less likely that the potential co-investor would act upon the investment opportunity if offered or would impair Axial Reade's ability to execute the relevant transaction in the desired time or on desired terms; (ix) the size of the investment allocation available to Axial Reade (and not being allocated to Axial Reade's funds), and practicality of splitting the allocation into smaller tranches; (x) third-party lender requirements; and/or (xi) whether Axial Reade believes that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to Axial Reade or its Funds. Although the Firm reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by the Firm in identifying co-investors. The Firm reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle

(including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility.

Furthermore, the General Partner reserves the right to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Additionally, from time to time, certain service providers (e.g., lenders) are expected to seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to Axial Reade, the Funds or a Portfolio Company in connection with the services provided. Co-investment opportunities typically will be offered to some and not to other Limited Partners. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and the Firm expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Fund’s Governing Documents and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund’s Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner’s interest in limiting the Fund’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of the Firm and its affiliates make capital investments in or alongside certain Funds, the Firm and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund’s return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments have the potential to involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

The General Partner reserves the right, in its sole discretion, to charge a management fee and/or obtain a carried interest in respect of any co-investment. As a result of the fact that co-investments alongside the Funds will not be made through the Funds, any fees or other co-investor related compensation (including fees of the type included in the definition of "Transaction Fees") received in connection with co-investments will not arise out of the investment activities of the Funds or actions taken directly or indirectly by Axial Reade on behalf of the Funds and, therefore, none of such fees or other co-investor-related compensation will offset or otherwise reduce the Management Fee. Any such fees may be retained by the General Partner and/or any of its affiliates.

The Firm's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others, or vice versa. While the Firm will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time, and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which the Firm expects to be subject, discussed herein, did not exist.

In certain cases, the Firm will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Firm will use its discretion to select such transferees based on eligibility and other factors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Additionally, potential conflicts of interest are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund or if it were to invest in the securities of a company in which another Fund has already made an investment. For instance, it is possible that a Fund will not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, investment terms, leverage and associated costs between the Funds. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Firm and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance

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

Subject to any relevant restrictions or other limitations contained in the Governing Documents, the Firm will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, the Firm expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by the Firm or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or the Firm. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the facility as a whole. While the Firm believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund.

The Funds intend to make controlling investments in Portfolio Companies. As a result of these significant investments, the Funds anticipate that they will have the right to appoint Portfolio Company board members (including current or former Firm personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Portfolio Company board members frequently approve compensation and/or other amounts payable to the Firm and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provision, they likely will be in addition to any Management Fees or carried interest paid by a Fund to the Firm.

Additionally, a Portfolio Company typically will reimburse the Firm or service providers retained at the Firm's discretion for expenses (including, without limitation, travel expenses) incurred by the Firm or such service providers in connection with its performance of services for such Portfolio Company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by the Firm personnel. This subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Firm determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

In connection with its services to the Funds and their investments, the Firm, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Firm's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Firm and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**the Firm Information**"). In many cases, the Firm Information will include tools, procedures and resources developed by the Firm to organize or systematize the Firm Information for ongoing or future use. Although the Firm expects its Funds and their portfolio companies generally to benefit from the Firm's possession of the Firm Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by the Firm and its personnel) and not by the Fund or portfolio company from which the Firm Information was originally received or derived. The Firm Information will be the sole intellectual property of the Firm and solely for the use of the Firm. The Firm reserves the right to use, share, license, sell or monetize the Firm Information, without offsetting or otherwise reducing Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset or reduce Management Fees.

The Firm generally exercises its discretion to recommend to the Funds or to a Portfolio Company thereof that it contract for services with various service providers, potentially including, among others: (i) the Firm or a related person of the Firm (which may include a Portfolio Company of such Fund); (ii) an entity with which the Firm or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where the Firm personnel are seconded, or from which the Firm receives secondees; or (iii) certain Limited Partners or their affiliates. For example, the Firm expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion

subjects the Firm to conflicts of interest, because although the Firm selects service providers that it believes are aligned with its operational strategies and that will enhance Portfolio Company performance, and relatedly, returns of the relevant Fund, the Firm has a potential incentive to recommend the related or other person (including a Limited Partner) because of its financial or other business interest. Additionally, there is a possibility that the Firm, because of such incentive or for other reasons (including whether the use of such persons or entities could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Firm), would favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person or entity. The Firm will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although the Firm generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, the Firm expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to the Firm or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not the General Partner has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to, and reimburse expenses of, Special Consultants and other consultants (including consultants introduced or arranged by the Firm and/or its affiliates that regularly provide services to one or more portfolio companies), and such amounts do not offset or reduce the Management Fee as described herein. Special Consultants generally make use of the Firm resources or otherwise are associated with the Firm. The Firm and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Special Consultants are expected to include former personnel of the Firm or certain portfolio companies, and in some circumstances former Special Consultants are expected to become the Firm personnel or personnel of portfolio companies. Consequently, the determination of whether individuals are Special Consultants is expected to vary and/or be revisited, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that the Firm otherwise would be required to bear. Special Consultants generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Fund, as described herein, and the use of Special Consultants is expected to fluctuate and/or expand over time. To the extent that Special Consultants are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Special Consultants' services at a time when fewer portfolio companies or Funds make use of such Special Consultants. Under many of these

arrangements, including where Special Consultants are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Special Consultants. Although the use of Special Consultants and the allocation of compensation paid to them by the Firm, its affiliates and/or the portfolio companies subjects the Firm and/or its affiliates to potential conflicts of interest, the Firm believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Special Consultant is lower than market rates for the services provided and/or if the services of the Special Consultants align with the Firm's model for the portfolio company and improve portfolio company performance. Although the Firm intends to retain Special Consultants with a view to reducing costs to Portfolio Companies (and, ultimately, the Funds) and/or improving Portfolio Company performance, a number of factors may result in limited or no cost savings from such retention. In addition, the Firm intends to retain only such Special Consultants which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, Portfolio Companies of the Funds may pay certain of the Special Consultants to perform Services that, directly or indirectly, benefit Axial Reade, its affiliates, other Axial Reade-advised funds and/or Portfolio Companies of other Axial Reade-advised funds. Consequently, Axial Reade, its affiliates and/or Portfolio Companies of other Axial Reade-advised funds may receive Services without being charged or at rates that are lower than the rates borne by a particular Fund or its Portfolio Companies. Conversely, Portfolio Companies of a Fund may benefit from Services that are paid for by Axial Reade, its affiliates and/or Portfolio Companies of other Axial Reade-advised funds. Likewise, certain other Axial Reade-advised funds may pay certain of the Special Consultants (including individual members of the Operations Group) to perform Services that, directly or indirectly, benefit Axial Reade, its affiliates, the Funds and/or Portfolio Companies of the Funds. There can be no assurance that any given Fund or its Portfolio Companies will receive benefits paid for by other Axial Reade-advised funds or their Portfolio Companies that are commensurate to the benefits received by such other Axial Reade-advised funds and their Portfolio Companies that are paid for by the Fund or its Portfolio Companies.

Although the Firm generally structures Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any the Firm affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such cases, the Firm intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market participants are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or an the Firm affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could

suffer adverse effects resulting from any default by any Fund or an the Firm affiliate, whether or not related to the Fund in which such limited partners have invested.

The Firm and/or its affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in or who were employed by Portfolio Companies owned by the Funds or other funds or investment vehicles advised by the Firm or an affiliate; conversely, former personnel or executives of the Firm and/or its affiliates are expected to serve in significant management roles at Portfolio Companies or service providers recommended by the Firm. Similarly, the Firm, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, and their respective affiliates and personnel, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees and current and former Portfolio Company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Firm and/or its affiliates and/or the Funds, other funds or other investment vehicles the General Partner or an affiliate advises. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through the Firm entities, whether or not relating to financing the Firm personnel obligations to fund General Partner commitment obligations) to the Firm personnel and their estate planning vehicles. The Firm expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a Portfolio Company owned by a Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Firm information about markets and industries in which the Firm operates (or is contemplating operations) or will provide other services that are beneficial to the Firm or one or more other Funds. The Firm will have a potential conflict of interest in making such recommendations, in that the Firm has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to a Fund or its Portfolio Companies.

The Firm, its affiliates, and equity holders, officers, principals and personnel of the Firm and its affiliates reserve the right to buy or sell securities or other instruments that the Firm has recommended to a Fund. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in the Firm's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Personnel and related persons of the Firm have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to

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

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

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

The Governing Documents provide the Advisers with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the Advisers' compensation. In making such determinations, the Advisers are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Advisers or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Advisers expect to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the Advisers will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees

to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Advisers are incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

The Advisers' wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the Advisers' compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Advisers intend to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Since the Firm is permitted to retain certain Transaction Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Transaction Fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Transaction Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Additionally, the Firm, its personnel, affiliates or others designated by the Firm expect to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied, the Firm and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the Firm) or retain such securities for a period consistent with their own financial and investment objectives,

which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, the Firm reserves the right to accrue, defer or forego payments of Transaction Fee. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

The Firm and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Firm's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Governing Documents.

The Firm is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to the Firm, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm, its affiliates and personnel, or the Funds. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the Firm, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject the Firm to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain

liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although the Firm believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

The Firm has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as the Firm has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to the Firm, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, the Firm will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by the Firm are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in the Firm's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects the Firm and/or its affiliates to potential conflicts of interest. the Firm attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by the Firm's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Firm will review the circumstances of such investment or

relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Firm consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

The Firm is affiliated with other Axial Reade investment advisers, including General Partners and equivalent entities formed and subject to the Advisers Act pursuant to the Firm's registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Firm and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

Neither the Firm nor any of its management persons are registered, or have an application pending to register, with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Code of Ethics

The Firm has adopted a **"Code of Ethics"** that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Additionally, employees are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are permitted to maintain personal brokerage accounts for the purpose of trading “**Reportable Securities**” (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives). Employees are permitted to trade reportable and non-reportable securities, provided that they do not violate the Firm’s Restricted List without preclearance from the CCO. Employees may participate in initial public offerings or secondary transactions with the preclearance of the CCO. In addition, Employees may not purchase any security for which they may have received material nonpublic information.

Employees must also obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on our premises.

Item 12: Brokerage Practices

Selection of Brokers

Because the Firm provides advice to its Funds, and historically most investments have been made on a negotiated basis in private companies, opportunities for trade executions are rare. However, in the event of a Fund’s investment in which public securities are purchased or sold, the Firm anticipates trading such public securities through a broker providing a supply of securities of interest to the relevant Funds.

The Firm will attempt to obtain the “best execution” for all such Fund-related transactions. The Firm will use its best judgment to select a broker-dealer most capable of providing “best execution” on an overall basis in the purchase or sale of a publicly-traded security on behalf of a Fund. When evaluating broker-dealers for a transaction, the Firm’s principals will note that “best execution” does not mean the lowest dollar cost. “Best execution” is the execution of a trade at the most favorable net price, taking into account all reasonably relevant circumstances, and with a view to the maximization of value, broadly, of the Fund on behalf of which the trade is made. In selecting a broker to execute Fund transactions, the Firm will consider a variety of factors, including, among other things: (i) execution capabilities with respect to the relevant type of order, including the ability of the broker to provide an adequate supply of the security; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Research and Other Soft-Dollar Benefits

The Firm may receive products or services which are used solely for investment research. In such circumstances, the Firm would make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portion of the costs of such products or services attributable to research usage may be defrayed by the Firm through directing brokerage commissions generated by Fund transactions (soft dollars). This may be done without prior agreement or understanding by a Fund’s Investors (and done at the Firm’s discretion). The portion of the costs attributable to non-research usage of such products or services would be

paid by the Firm in hard dollars. To the extent the Firm were to use Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm would be receiving a benefit by not producing or paying for the research, products or services. In such circumstances, the Firm might have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the Fund's interest in receiving most favorable execution. At present, the Firm has not acquired any products or services with Client brokerage commissions (or markups or markdowns) and does not have any agreements in place that would require that it give any specified amount of brokerage to any broker-dealer.

Item 13: Review of Accounts

The Firm's Investment Committee continuously monitors and analyzes the transactions, positions, and investment levels of its Funds to ensure that they conform with the investment objectives and guidelines that are stated in each's Governing Documents. In these reviews, the Firm pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

The Firm performs various periodic reviews of each Fund's portfolio. Such reviews are conducted by appropriate Axial Reade personnel and its designees.

For each Fund, the Firm distributes an audited financial report for the previous fiscal year and Schedule K-1s to all of its Investors, generally within 120 days of fiscal year end. The Firm may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly letter to all Investors.

Item 14: Client Referrals and Other Compensation

The Firm and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. We do not receive economic benefits from non-Clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for Client referrals. The Firm reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund.

Item 15: Custody

Under Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**"), the Firm is deemed to have custody of its Funds' assets because of its affiliation with each Fund's general partner and the general partners' authority to deduct fees and other expenses from Fund accounts.

The Firm utilizes the services of a bank or other qualified custodian (as defined under the Custody Rule) to hold all assets for each of our Funds, upon receipt, as applicable under the Custody Rule. We ensure that the qualified custodian maintains these funds in accounts that contain only the assets and securities of that particular Fund, under our name as agent or trustee for the Fund. To hold the privately issued securities of Portfolio Companies owned by the Funds, which are in each case non-transferrable and electronic, we rely on the guidance provided by the SEC Staff in August 2013.

The Firm's Funds are private equity funds subject to audit annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. We distribute the audited financial statements to all of our Funds' Investors, generally within 120 days of the end of its fiscal year and in accordance with each Fund's Governing Documents.

Item 16: Investment Discretion

With the exception of any parameters set forth in a Fund's Governing Documents, each Fund's general partner has full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities are to be bought and sold, as well as the amount and price of those securities. As a general policy, the Firm does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, the Firm and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

Item 17: Voting Client Securities

By virtue of the applicable Governing Documents, Axial Reade has the authority to vote Client proxy statements on behalf of the Funds. The majority of "proxies" received by the Firm, however, are written shareholder consents or similar instruments for private companies owned by the Funds. As such, the Firm has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. The Firm's "**Voting Proxy Policy**" seeks to ensure that it votes proxies in the best interest of the Funds, including where there are material conflicts of interest in voting proxies.

The Firm generally believes that its principals' significant investment in the general partners of its Funds, as well as the principals' interest in the carried interest, operate to align, to some extent, the interests of the principals with the interests of the Investors. However, in the event that there is a conflict of interest in voting proxies, the Firm's Voting Proxy Policy provides that the Firm address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives as set forth in the Firm's Voting Proxy Policy. Investors in the Funds cannot direct how the Firm votes proxies or shareholder consents nor is the Firm required to seek Investor approval or direction from

Investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

The Firm will provide a copy of its Voting Proxy Policy to Investors upon request to Jennie Adam, the Firm's CCO, at (212) 660-9502 or jennie@axialreade.com. Investors can also obtain information from the Firm about how it voted any previous proxies, if any.

Item 18: Financial Information

Axial Reade is not required to include a balance sheet for our most recent fiscal year.

The Firm is not aware of any financial condition reasonably likely to impair our ability to meet the contractual commitments to our Clients. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.