

**Aurora Capital Partners Management VI L.P.**

**Part 2A of Form ADV: Firm Brochure**

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This brochure (“Brochure”) provides information about the qualifications and business practices of Aurora Capital Partners Management VI L.P. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at 310.551.0101. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Aurora Capital Partners Management VI L.P. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2      Summary of Material Changes**

Aurora Capital Partners Management VI L.P. (“ACPM VI”) filed its most recent Form ADV Part 2 on September 1, 2023. This annual amendment updates the description of the advisory business and relationships and affiliations of ACPM VI, including regarding fees and compensation, risks and potential conflicts of interest.

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#### **Item 4     Advisory Business**

Aurora (as defined below) is based in Los Angeles, California.

Aurora Capital Partners Management VI L.P., a Delaware limited partnership (“ACPM VI”) and Aurora Capital Partners Management L.P., a Delaware limited partnership (“ACPM,” and together with ACPM VI and ACP IV (as defined below), the “Managers”) are the investment managers for the main private equity funds (the “Funds”). The Funds focus principally on control investments in middle market businesses with leading market positions, strong cash flow profiles and actionable opportunities for growth in partnership with operating management. The business of managing the Funds (together with their predecessor funds), which is sometimes referred to using the trade name “Aurora Capital Partners,” was founded in 1991.

ACPM VI is the investment manager for Aurora Equity Partners VI L.P. and Aurora Equity Partners VII L.P. ACPM VI is principally controlled by Robert W. Fraser, Joshua R. Klinefelter, Matthew B. Laycock, John T. Mapes, Mark R. Moser, Mark D. Rosenbaum and Andrew P. Wilson through their direct ownership in Aurora Capital Partners UGP LLC (“ACP UGP”). ACPM VI is directly owned by Aurora Management Holdings L.P. (“AMH”), which is principally owned by Aurora Management Feeder II L.P. and the general partner for both entities is ACP UGP. ACPM is the investment manager for Aurora Equity Partners V L.P., and is principally controlled by Joshua R. Klinefelter, John T. Mapes, and Mark D. Rosenbaum through their direct ownership in Aurora Fund V UGP LLC. ACPM is directly owned by AMH, which is principally owned by Aurora Management Feeder II L.P. ACPM and ACPM VI also serve and are permitted to serve as investment managers for certain co-investment, parallel and/or feeder vehicles related to the Funds. ACPM VI is also permitted to serve as investment manager for future Funds. Certain affiliates of ACPM and ACPM VI act as General Partners (as defined below) of current and future Funds.

#### **Other Relationships and Affiliations; Use of Defined Terms**

The following primary general partner and/or managing member entities are affiliated with the Managers: Aurora Advisors IV LLC; Aurora Capital Partners V L.P.; Aurora Fund V UGP LLC; Aurora Capital Partners VI L.P.; and Aurora Capital Partners VII L.P. Certain other entities also affiliated with the Managers serve as general partner or managing members of certain co-investment, parallel and/or feeder vehicles related to the Funds. The foregoing general partner and/or managing member entities are each referred to herein as a “General Partner” (and collectively, together with any future affiliated general partner entities, the “General Partners,” and collectively with the Managers, “Aurora”).

Aurora Capital Partners IV LLC (“ACP IV”) is the manager for certain liquidation trusts and legacy investment vehicles that as of December 31, 2023 had gross assets of \$19,173,041. ACP IV is principally owned by John T. Mapes and Gerald L. Parsky (a former Aurora partner who is no longer active other than his involvement with ACP IV). The liquidation trust entities and legacy investment vehicles will be dissolved upon the closing of the sale of the real property held by the trust which is currently under contract for sale.

The Managers, which have related ownership, are affiliates of each other and of each General Partner. The Managers and the General Partners together operate a single advisory business, and this Brochure describes the business practices of the Managers and the General Partners. Each General Partner, ACPM and ACP IV is subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), pursuant to ACMP VI’s registration in accordance with SEC guidance.

References to a “Fund” shall include, unless the context requires otherwise, its respective feeder and/or parallel investment vehicles, and co-investment vehicles to the extent Aurora provides advisory services thereto.

### **Description of Businesses**

Aurora provides investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended, and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Managers currently provide investment advice to the Funds. In addition, Aurora provides investment advisory services to certain feeder vehicles which invest in a Fund and to parallel vehicles, alternative investment vehicles and/or certain co-investment vehicles which invest alongside a Fund in one or more specific portfolio investments. Such vehicles are permitted to be established in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. There is generally limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund. As investment adviser for each Fund, Aurora identifies investment opportunities and participates in the acquisition, management, oversight and disposition of investments for each Fund. Aurora provides these investment advisory services to each Fund pursuant to the limited partnership agreement governing such Fund, as well as separate investment advisory agreements (each an “Advisory Agreement”). The terms of the investment advisory services to be provided by Aurora to a Fund, including any specific investment guidelines or restrictions, are set forth in such Fund’s Advisory Agreement and/or in its limited partnership agreement. Aurora does not tailor its advisory services to the individual needs of any of the investors in the Funds (generally referred to herein as “investors” or “limited partners”). Advisory services are provided to the Funds based on each Fund’s overall investment guidelines and objectives, as well as the Fund’s overall portfolio characteristics, remaining life, available capital and other factors. Investment advisory services to parallel vehicles, alternative investment vehicles and certain co-investment vehicles typically include identification of the investment opportunity with respect to each such vehicle and participation in the acquisition, management, oversight and disposition of the investment. Such activities are incidental to, and generally consistent with, the determinations made with respect to such investments on behalf of the Funds, although the terms of such vehicles, the timing of investments and dispositions and returns may vary as discussed below.

Aurora does not participate in any wrap fee programs.

As of December 31, 2023, Aurora managed a total of approximately \$5,539,889,670 of regulatory assets under management on a discretionary basis. Aurora does not manage any assets on a non-discretionary basis.

## Item 5 Fees and Compensation

Aurora is compensated for its investment advisory services based on a percentage of committed capital or invested capital. Generally, each Fund pays Aurora a management fee based on committed capital during its investment period, and thereafter pays Aurora a management fee based on invested capital as set forth in the applicable limited partnership agreement. Where the relevant Fund partnership agreement generally calculate management fees based on the amount of commitments or the amount of investment contributions, the amount of management fees generally will not be reduced based on reductions in investment value, except where specified by the relevant agreement. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors in the relevant Fund.

Aurora negotiates the management fee rate with investors in each Fund at the time such Fund is established. Aurora is typically entitled to collect management fees from the Funds on a quarterly basis. As described below, the management fee is reduced or waived in some circumstances in connection with the receipt by Aurora or its affiliates of various fees paid by actual or prospective portfolio companies. The management fee and carried interest is otherwise generally subject to waiver or reduction with respect to some or all of a Fund's investors by Aurora in its sole discretion, including in connection with capital commitments made by the relevant General Partner, its affiliates and certain other advisers and service providers of the Fund, and certain other persons. Except as otherwise agreed, the General Partners and limited partners who are affiliates or personnel of Aurora will not be subject to carried interest or a management fee.

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 a date specified in the governing documents (the "Stepdown Date"), management fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate commitments. 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 any portfolio company that have not been fully disposed of or completely written off for U.S. federal income tax purposes or permanently written down (such written off and written down investments, "Impaired Value Investments"). An investment shall only be treated as permanently written down to the extent that the investment has been permanently written down on a cumulative basis (after giving effect to write-ups) to an amount that is less than 10% of the aggregate investment contributions used to acquire such investment, in each case, as determined on the first day of the period with respect to which a determination is being made.

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 partial sale, reorganization, roll-over investment

in connection with a sale or dividend distribution, except in the case of investments that have been fully disposed of or investments that have been fully disposed of or 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 investment that has not been fully disposed of or an Impaired Value Investment is less than the total amount of investment contributions relating to such investment that has not been fully realized or such investment that has not been fully realized or such Impaired Value Investment, then the amount of management fees otherwise payable relating to such investments will be reduced solely based on the ratio of the fair market value of each such relevant remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

As a result, 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 fully realized investments or 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 partial distributions (e.g., those resulting from a dividend recapitalization or partial sales) or partial sales of investments, reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, 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 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 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.

Management fees are generally payable in advance of the services rendered. If the Advisory Agreement is terminated (or a Fund is terminated) before the end of the applicable period, management fees generally will be charged on a *pro rata* basis through the date of termination, and any fees paid in advance but not earned will be refunded. To the extent provided for in the limited partnership agreement of a Fund, certain waived portions of the management fee are treated as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to such Fund.

In addition to management fees, some of the General Partners of the Funds receive carried interest distributions from the Funds, which are based on a share of gains in the assets of such Fund, as further discussed in Item 6 below. The calculations used to determine the amounts of such

distributions to the General Partners are set forth in the limited partnership agreements of the Funds. Similar to management fee waivers and reductions, Aurora may waive or reduce carried interest with respect to certain investors and other persons in its sole discretion.

Principals or other current or former personnel of Aurora generally receive salaries and other compensation derived from, and in certain cases including a portion of, the management fee, carried interest or other compensation received by Aurora or its affiliates.

The Funds generally bear all fees, costs, expenses, liabilities and obligations relating to their activities, business, portfolio companies or actual or potential investments, including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company). Each Fund's limited partnership agreement sets forth what categories of fees, costs, expenses, liabilities and obligations are authorized to be charged to such Fund, which may vary from Fund to Fund. In general, expenses of the Funds include, but are not limited to all fees, costs, expenses, liabilities and obligations relating or attributable to: activities with respect to sourcing, structuring, organizing, acquiring, financing, refinancing, holding, managing, operating, valuing, dissolving, winding up, liquidating, restructuring, taking public or private, selling or otherwise disposing of, as applicable, the Funds' portfolio companies and its actual and potential investments or in seeking to do any of the foregoing (including any associated legal, financing, commitment, origination, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful (e.g., break-up or topping fees or broken deal expenses, including those relating to transactions involving co-investors); indebtedness of, or guarantees made by, the Funds, the Managers, any General Partner or any "exempt partner" on behalf of the Funds, including interest with respect thereto or of seeking to put in place any such indebtedness or guarantee; broker, dealer, underwriting, investment banker, finder and similar services; brokerage, sale, custodial, depository (including a depository appointed pursuant to EU Alternative Fund Managers Directive ("AIFMD")), Swiss representative and Swiss paying agent (appointed pursuant to the Swiss Collective Investment Schemes Act (as amended) and its implementing ordinance), trustee, record keeping, account and similar services; legal, accounting, research, auditing, administration (including fees and expenses associated with any Fund third-party administrator for accounting, capital call, distribution, investor reporting, tax and other fund administration services), appraisal, valuation (including third-party valuations, appraisals or pricing services), consulting, tax and other professional services, including consulting fees, retainer fees, compensation, expense reimbursements and other amounts paid to Aurora Advisors (as defined below) for such services (subject to any limitations set forth in the relevant partnership agreement); reverse breakup, termination and other similar fees; financing, commitment, origination, private placement and similar fees and expenses; directors and officers, errors and omissions liability and other insurance, other than the incremental cost of any insurance coverage with respect to conduct for which a covered person would not be indemnified under the relevant partnership agreement; filing, title, transfer, registration and similar fees and expenses; printing, communications, marketing and publicity; the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, administrative or regulatory filings or reports (including Form PF and any filings, reports or



compliance contemplated by AIFMD or any similar law, rule or regulation) or other information (including any licensing, maintenance, upgrade and/or implementation fees, expenses and costs of any investor administrative or reporting tools (including software and extranet tools) related to the foregoing); any activities with respect to protecting the confidential or non-public nature of any information or data relating to the Funds or their affiliates; proceedings and activities of the limited partner advisory committee; indemnification; record keeping; telephone; actual threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; management fees; any taxes, fees and other governmental charges levied against the Funds; the annual limited partner meeting and any other conference or meeting with any limited partners(s); any compliance or regulatory matters related to the Funds; except as otherwise determined by the General Partners in their sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Funds; the termination, liquidation, winding up or dissolution of the Funds; defaults by partners in the payment of any capital contributions; any travel (including where appropriate, the cost of chartering private aircraft or other private air travel (including from the principals, affiliates of the General Partners or certain persons associated with the foregoing)); annual airport lounge fees, ground transportation (including car service and incidental travel expenses); meals or entertainment relating to any of the foregoing (to the extent a Fund's General Partner believes such entertainment to be reasonable in light of the industry in which the General Partner operates), including in connection with consummated and unconsummated investment and disposition opportunities, and any expenses incurred in connection with attending industry conferences (to the extent a Fund's General Partner reasonably believe such attendance could benefit the Fund or any portfolio company); closing dinners; mementos; the costs of hosting or attending training programs, meetings or other events for portfolio companies and/or their personnel; costs of workspaces or shared spaces; after-hours meals or transportation; any proposed or effective amendments or other alterations to the relevant partnership agreement or the certificate of limited partnership of the Funds, including the preparation, distribution and implementation thereof; any organizational expenses; and any placement fees. Each Fund's limited partnership agreement also generally specifies a maximum amount of certain types of organizational and related expenses that may be borne by such Fund, in which case organizational expenses incurred in excess of the maximum will be borne directly by Aurora or, if permitted by the applicable limited partnership agreement, by the Fund subject to a corresponding reduction in future management fees. For the avoidance of doubt, unless a Fund's General Partner determines otherwise, the Funds will be responsible for all broken-deal expenses related to an unconsummated transaction, notwithstanding the potential participation of one or more co-investors in such transaction. Except where the relevant governing documents or Side letter(s) expressly provide to the contrary, broken deal expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them for participating in the investment. 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, and (where applicable) environmental, social, governance ("ESG") and other standards to which the relevant General

Partner has committed in making investments on behalf of the Fund. In addition, certain of the foregoing expenses and costs may be borne by a portfolio company instead of a Fund. Generally included in the expenses permitted to be borne by the 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 management, monitoring, advisory, transaction-related, financial-advisory and other 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. Additionally, subject to the relevant partnership agreements, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Aurora 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. Although Aurora typically has not done so, it reserves the right to agree with joint venture or similar partners, service providers, portfolio company management, Aurora Advisors (as discussed below) or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than expected, which in either case could be substantial.

Aurora and its affiliates generally perform management, monitoring, advisory, transaction-related, consulting, board of director and other services for, and in connection therewith, generally receive cash fees and/or other compensation (generally referred to as "fees") from, actual or prospective portfolio companies of the Funds, including such fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, sales and similar transactions. These fees can be significant. Such amounts are generally payable to Aurora pursuant to a management services or similar agreement with a portfolio company.

Although such fees are in addition to the management fees paid by the Funds, in some circumstances Aurora is required pursuant to a Fund's limited partnership agreement to reduce future management fees in connection with the receipt of these fees. The calculation of such offset varies from Fund to Fund. A Fund's governing documents generally will provide that fees received by Aurora or its affiliates from portfolio companies, to the extent any such fees are charged, will be credited against management fees otherwise owed to Aurora in a specified percentage (*e.g.*, in the case of active Funds that pay a management fee, 100%), and the calculation of such offset is described in the applicable limited partnership agreements. Any remaining amount of such fees will be retained by Aurora. In most cases, the offset available to a Fund pursuant to the applicable limited partnership agreement excludes the portion of fees that is attributable to the relevant

General Partner, “affiliated partners,” co-investors and other investors in, and owners of the relevant portfolio company and/or that corresponds to the proportion of the Fund’s partners who are exempt from paying management fees, which has the effect of reducing the effective percentage of the Fund’s offset. Similarly, in certain circumstances, Aurora expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. In addition to the fees described above, Aurora and its affiliates are also generally entitled to be reimbursed for expenses incurred in connection with the performance of services rendered to portfolio companies of the Funds, which do not offset the management fee. For the avoidance of doubt, Aurora also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies. Similarly, to the extent a former Aurora employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the management fee, whether or not such former employee has a remaining interest in the relevant Fund’s General Partner or affiliated entity. Conversely, in the event that Aurora employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person’s employment with Aurora, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vests thereafter. Each of the foregoing conditions is expected to reduce the amount of such fees otherwise available to be offset against management fees, resulting in a potential material benefit to Aurora over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Aurora to seek to increase such amounts. The fees described above are disclosed to limited partners of the applicable Fund. Aurora 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). Aurora’s practice of allocating broken deal expenses among investing Funds is discussed under “Conflicts of Interest,” below.

Aurora and/or its affiliates generally have discretion over the rate, timing, method and/or amount of the above-described offset, 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 fees described above will give rise to potential conflicts of interest between the Funds, on the one hand, and Aurora and/or its affiliates on the other hand.

In addition to the investment advisory services it provides, Aurora has developed a broad network of external resources that it utilizes to seek to improve the operational and financial performance of the Funds’ portfolio companies, and thus to seek to increase investor value. Aurora coordinates the delivery of these services to the Fund, portfolio companies and/or prospective portfolio companies and typically negotiates the compensation payable to these resources on behalf of the portfolio companies. Aurora generally works with two separate advisory groups: (i) an executive board (the “Executive Board”), and (ii) a larger group referred to as its executive advisors (the “Executive Advisors”, and together with the Executive Board, the “Aurora Advisors”). The Executive Board members provide ongoing services to all of the portfolio companies of the Funds and participate in annual budget and strategic reviews, perform periodic mentoring and provide executive mentoring. They may also spend significant time consulting on

pre-investment diligence and other matters for the Funds. They may also work extensively with the portfolio companies on specified projects and initiatives (such as interim CEO roles). Executive Advisors typically only work with 1-3 portfolio companies, usually in the capacity of an outside board member and, in some cases, work with other investment advisory firms. The Aurora Advisors serve as independent consultants and are neither employed by nor affiliated with Aurora.

Aurora Advisors serve as external consultants and are not employed by Aurora. Any cash fees (including retainers, discretionary bonuses (whether or not based on pre-determined milestones)) and other compensation, incentive equity, other stock awards, expense reimbursements (including travel) or other amounts received by members of the Aurora Advisors is typically paid by a portfolio company or prospective portfolio company (or related holding companies) or directly by the Funds (or may be advanced by Aurora subject to reimbursement). Aurora Advisors also generally will be reimbursed by a Fund and/or portfolio company for certain travel and other costs in connection with their services. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on a Fund's investment, and has the potential to result in economic effects greater than expected, and the relevant Fund typically will bear the costs of all compensation as well as fees, costs and expenses of structuring Aurora Advisor arrangements. Aurora Advisors also are typically given the opportunity to invest in a Fund or General Partner with waived or reduced management fees and/or waived or reduced carried interest. Certain Aurora Advisors also receive office space, Aurora email addresses, business cards, healthcare benefits and/or other indicia of employment from Aurora or its affiliates, but are not personnel of Aurora. No such compensation, expense reimbursements, benefits or opportunities, which may be substantial, will reduce or otherwise offset the management fee paid by a Fund.

Because the Executive Board members work with the portfolio companies, on new deals (consummated and unconsummated), and at times work on matters directly for Aurora, Aurora allocates the time spent by such Executive Board members across all such categories. Whenever Aurora determines in its discretion to allocate Executive Board member compensation and expenses to the portfolio companies or to the Funds themselves, this allocation subjects Aurora to potential conflicts of interest; however, such allocations are made pursuant to Aurora's internal policies and procedures. See also Item 8 – "Conflicts of Interest - *Conflicts Related to Allocation of Expenses*." Once a portion of an Executive Board member's time and compensation and expense have been allocated to a portfolio company or to a Fund in accordance with its internal policies and procedures, the relevant Fund limited partnership agreement dictates what reimbursement, if any, Aurora is permitted to seek. For instance, in some Funds, the applicable limited partnership agreement limits the amount of expenses the Fund is permitted to pay directly on an annual basis for Executive Board member compensation. If an amount is allocated to such a Fund in excess of such annual limit, then the Fund would not pay any such excess and Aurora would bear such excess. Neither Aurora nor any of its supervised persons acting on its behalf accepts compensation for the sale of Fund interests or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6     Performance-Based Fees and Side-by-Side Management**

Some of Aurora's related persons receive carried interest distributions from the Funds (indirectly through the General Partners or otherwise), which are based on a share of gains in the assets of such Fund. The calculations used to determine the amounts of such distributions to related persons are set forth in the limited partnership agreements of the Funds. Such carried interest distributions create an incentive for Aurora and such related persons to make investments on behalf of the Fund that may be riskier or more speculative than would be the case in the absence of such distributions.

The terms of the management fee, carried interest distribution and other economic terms differ from Fund to Fund. Aurora also manages accounts that are not charged performance-based compensation, or are charged performance-based compensation in lower percentages or with higher preferred return amounts that must be met before Aurora is compensated. This practice could present a conflict of interest because Aurora has an incentive to favor accounts, including with respect to its allocation of investment opportunities, for which it receives the highest performance-based compensation. Additionally, because Aurora has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Aurora personnel are assigned varying percentages of carried interest from the Funds, Aurora and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. To mitigate this potential conflict of interest, the allocation of investment opportunities among Funds is made by Aurora in accordance with the limited partnership agreements of the applicable Funds and Aurora takes into account multiple criteria to derive an allocation that in Aurora's judgment is fair and equitable to each Fund relative to other Funds over the life of such Fund, taking into account all relevant facts and circumstances. Please see Item 8 below for additional detail. Aurora's investment allocation policies take a similar approach with respect to the allocation of follow-on investment opportunities, co-investment opportunities and divestment opportunities.

## **Item 7    Types of Clients**

Aurora provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to Aurora's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Investors in the Funds generally include insurance companies, public and private pension plans, funds-of-funds, other institutional investors, trusts, high net worth individuals, portfolio company executives and college and university endowments.

The Funds may have a specified minimum investment set forth in their offering documentation, organizational documents or other governing documents. Such minimums are typically subject to the discretion, on the part of Aurora, to accept lesser capital commitments in certain circumstances.

## **Item 8    Methods of Analysis, Investment Strategies and Risk of Loss**

The Funds' investment objective is to make investments primarily in the middle market focusing on investment opportunities where the target company's enterprise value ranges from \$100 million to \$1 billion.

Aurora's investment strategy is primarily long-term investment in privately held companies. In evaluating potential portfolio companies, Aurora conducts extensive due diligence to analyze, among other things, the company's industry, competitive positioning and business model.

- The Funds invest in businesses the Managers believe to be high quality companies with strong and defensible franchise positions and revenue driven by stable demand drivers. The Managers place a high premium on preservation of capital (stable businesses) and measuring investor returns first on an unlevered basis.
- The parallel vehicles, alternative investment vehicles and certain co-investment vehicles invest either in a Fund or alongside a Fund in a specific portfolio investment.

Acquiring an interest in a Fund involves a number of significant risks. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable Fund's investment, operational and other actual and potential risks. An investment in a Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of loss of an investment in a Fund. Investment risks include, but are not limited to, the following:

*Business Risks.* The Funds' investment strategies often involve investing in portfolio companies whose businesses are subject to significant risks, including strategic, financial or other challenges. Each Funds' investment portfolio is 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 loss. Although the General Partner believes that the Managers, their personnel and the strategy & operations process and team used by Aurora will have competitive advantages in identifying, diligencing, monitoring, improving and ultimately selling investments on behalf of the Fund, there can be no guarantee that the General Partner will be able to maintain such advantages over time, outperform third parties or the financial markets generally, or avoid losses. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war, pandemics and the effects of terrorist attacks. Some portfolio companies may be highly leveraged, and the Funds' exit strategies may be uncertain at the time the Funds make an investment in such portfolio companies. The success of the Funds' investments in portfolio companies is highly dependent on the ability of the managers of these companies to successfully navigate these and other challenges.

*Future and Past Performance.* The performance of Aurora's principals' prior investments is not necessarily indicative of the Funds' future results. No guarantee or representation can be made that a Fund will achieve its investment objective or that Fund investors will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods. While Aurora intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can

be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Investment in Junior Securities.* The securities in which the Funds will invest may be 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 the Funds' investment once made.

*Concentration of Investments.* The Funds 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, the Funds' 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, and limited partners will bear comparatively more expenses.

If the Funds make a co-investment with regards to any portfolio company, a limited partner participating outside the Funds in such co-investment may have increased exposure to such single portfolio company, potentially multiplying such limited partner's losses.

The Funds expect to provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the relevant Funds' partnership agreement, in which case the investment would be treated as a permanent investment of the Funds. As a result, the Funds' portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Funds' investment limitations, certain of which exclude bridge financing investments.

*Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing private equity transactions is highly competitive, involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives are expected to be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the General Partner, the Funds and their affiliates. The General Partner expects that competition for appropriate investment opportunities may increase, which increases the likelihood that the Funds will need 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 companies can be made. Participating in auctions will also increase the pressure on the Funds with respect to pricing of a transaction. Furthermore, given the increasingly competitive environment, the General Partner may find it more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate

a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate a transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, competitors for investment opportunities may be willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and fund-level guarantees. In the event a financing-related closing condition is not available to the Funds or if the Funds are required to provide a reverse break-up fee or guarantee in connection with a potential investment, the Funds may become obligated to consummate a transaction on less favorable terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. There can be no assurance that the Funds will be able to locate, complete and exit investments which satisfy the Funds' rate of return objectives, or realize upon their values, or that it will be able to invest fully its committed capital. However, regardless of the extent to which the commitments of the investors are invested (or drawn down to be invested) regardless of the extent to which the commitments of the investors are invested (or drawn down to be invested), investors in the Funds will be required to bear management fees through the Funds during their respective investment periods based on the entire amount of the investors' commitments and other expenses as set forth in the respective Fund's limited partnership agreement.

*Dynamic Investment Strategy.* While Aurora generally intends to seek attractive returns for the Funds primarily through pursuing the investment strategy described in the respective Fund's confidential private placement memorandum, Aurora reserves the right to pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. Aurora reserves the right to pursue investments outside of the industries and sectors in which Aurora's principals have previously made investments or have internal operational experience. In addition, the Funds are authorized to make debt investments.

*Leveraged Investments.* Certain Funds 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, including in respect of companies not rated by credit agencies. As security for such borrowing or guarantees, the Funds are authorized to guarantee a portfolio company's debt, letter of credits and/or grant liens on any of the Funds' assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio company. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a limited partner to such assets in an insolvency event or proceeding. It is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. Co-investors are expected to receive the benefit of such guarantee, although as co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Additionally, the Funds expect to borrow through a subscription-based credit facility (e.g., "subscription line"), which poses additional risks and potential conflicts of interest as further described below. The Funds also reserve the right to have a portfolio company incur leverage through the use of the Funds' subscription line or otherwise to finance operations and/or add-on investments. Leverage generally magnifies both the Funds' opportunities for gain and 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. The use of leverage by the Funds will also result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of its investments. The use of leverage by the Funds will also result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments. The use of leverage also often imposes restrictive financial and operating covenants on a 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. In addition, the leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a 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 the Funds' 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. 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 as well as any guaranteed amounts cannot generate adequate cash flow to meet its debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be limited or costly at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest 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.

Except where otherwise required by the relevant Funds' partnership agreement, the 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. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, the Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect the Fund's ability to generate attractive investment returns for the Fund as a whole. While Fund-level borrowings generally will be 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 are authorized to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Aurora 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. 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. Additionally, the incurrence of leverage or certain guarantees by the Fund or a flow-through entity in (or through) which the Fund invest may cause U.S. tax-exempt Partners to recognize UBTI.

*Subscription Lines and Fund-Level Borrowing.* As indicated above, certain Funds enter into credit facilities commonly known as “subscription lines” with one or more lenders in order to finance their operations, including the acquisition, financing or refinancing of the Funds’ investments, as well as to consolidate or make less frequent capital calls to limited partners. Amounts borrowed under the credit facility are generally secured by pledges of the relevant General Partner’s right to call capital from, and the right of the relevant Fund to receive amounts funded by, investors. Fund-level borrowing subjects Fund investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner’s right to call capital from the Fund investors, Fund investors may be obligated to contribute capital directly to the Fund’s lenders and/or contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Fund investor claim against the Fund would likely be subordinate to the Fund’s obligations to a subscription line’s creditors. The credit facility may also be secured by other collateral, including the Fund’s investments.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. 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 investors and the terms of the limited partnership agreements, it may be higher than the interest rate an investor could obtain individually. To the extent a particular investor’s cost of capital is lower than the Fund’s cost of borrowing, Fund-level borrowing can negatively impact an investor’s overall individual financial returns even if it increases the Fund’s reported returns. Calculations of performance in respect of the Fund as used in marketing and reported to limited partners are generally based on the payment date of capital contributions received from limited partners and not the date of an investment by the Fund. This treatment also applies in instances where the Fund utilizes borrowings under the Fund’s subscription line in advance of receiving capital contributions from limited partners to repay any such borrowings and related interest expense. 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 the Fund, or results in short-term gains to the Fund, which generally enhances the Fund’s internal rate of return (and potentially other return) calculations and thereby increases the likelihood that the preferred return component of the Fund’s carried interest waterfall will be met, and generally benefits the marketing efforts of the General Partner, the Managers and/or their affiliates. 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 Fund nor limited partners generally will be compensated for providing the relevant guarantee(s).

or being subject to the related costs, expenses and/or liabilities. 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, where authorized under a Fund's governing documents, 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 such Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. 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 investors 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 direct or indirect transfer of an investor's interest in the Fund or impose concentration or other limits on a 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 is often required to request certain financial information and other documentation from investors 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 investors. 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 a 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 investors that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for an investor 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 investor to meet the accumulated, larger capital calls at the same time. The General Partners are authorized to use Fund-level borrowing to pay management fees and to reimburse Aurora for expenses incurred on behalf of the Funds. A Fund is also permitted to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings

through those other means, investors would end up with increased exposure to the underlying investment, which could result in greater losses.

For purposes of distributions by the Funds, subject to the relevant limited partnership agreement, limited partners generally would not receive a preferred return accrual on the amount invested by the Funds until such time as capital may be called from limited partners in respect of the investment. The use of leverage by the Funds to make investments and/or to pay expenses also will result in interest expense and other costs to the Funds that may not be covered by Fund distributions or appreciation of Fund investments. If an investment acquired with proceeds of such borrowing loses value, limited partners may be subject to capital calls to fund that loss as a Fund expense by repaying the credit facility, including related interest and expenses. 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.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of the Funds' investments will be difficult to value. Although, prior to the termination of the Funds, the Funds generally intend to make distributions in cash or marketable securities, it is possible that under certain circumstances, 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 will be made in-kind. It may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors, and significant administrative burden may be involved. After a distribution of securities is made to investors in the Funds, many investors, including the relevant General Partner, may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. 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 securities may be sold by such investors may be lower than the value of such securities determined pursuant to the respective Fund's limited partnership agreement, including the value used to determine the amount of carried interest available to Aurora with respect to such investment.

*Reliance on Aurora and Portfolio Company Management.* Control over the operation of the Funds will be vested with Aurora, and the Fund's future profitability will depend largely upon the business and investment acumen of Aurora's principals. The loss or reduction of service of one or more of Aurora's principals could have an adverse effect on the Funds' ability to realize its investment objectives. In addition, Aurora's principals currently, and may in the future, manage multiple Funds (including other investment products and investments) and the principals may need to devote substantial amounts of their time to such activities, which may pose conflicts of interest in the allocation of the time of the principals. Aurora Advisors and other consultants and service providers will also devote time and attention to other investment advisers, investment funds and other outside activities. Investors in the Funds 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 Aurora. In addition, certain changes in Aurora or circumstances relating to Aurora may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Although Aurora will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although 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 management of such companies will be able or willing to successfully operate a company in accordance with the Funds' objectives.

*Projections.* Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Aurora 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.

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 Fund's activities, including the ability of the Fund 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 Fund's 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 Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, the Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of the Fund's business, including to establish greater presence in certain jurisdictions in which the Fund invests or proposes to invest, and the Fund may also become directly or indirectly subject to additional tax liabilities. The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions.

In addition, certain tax legislation treats certain allocations of capital gains to service providers by partnerships such as the Funds as short term gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for at least three years. This could reduce the after-tax returns of individuals associated with the Funds and the General Partners who were or may in the future be granted direct or indirect interests in the General Partners, which could make it more difficult for the General Partners and its affiliates to incentivize, attract and retain individuals to perform services for the Funds. This could also create an incentive for the Aurora principals to cause the Funds to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Aurora 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 Aurora 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.

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 the Managers or the Fund or otherwise impede the Fund's activities.

*Limited Access to Information.* Investors' rights to information regarding a Fund, the relevant General Partner or Aurora 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 investors because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Aurora's control. Decisions by Aurora or its affiliates to withhold information may have adverse consequences for investors 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 Aurora and its performance. Additionally, it is anticipated that investors that designate representatives to participate on a Fund's advisory committee generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other investors. Investors 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 relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Aurora reserves the right to withhold certain information from investors subject to such laws for reasons relating to Aurora's public reputation, business strategy or other reasons.

*Material Non-Public Information; Other Regulatory Restrictions.* As a result of the operations of Aurora and its affiliates, as well as in connection with officerships or directorships of Aurora personnel, Aurora frequently comes into possession of confidential or material non-public information. Therefore, Aurora and its affiliates expect to have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund 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 Aurora's internal policies.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Aurora or the funds from entering into transactions with certain individuals, entities, or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals, entities, or companies owned, controlled, or operated by such persons, or located in jurisdictions identified by OFAC. Additionally, the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act ("UKBA") and other anti-corruption and anti-bribery laws and regulations could impact Aurora, the Funds, their portfolio companies. In recent years, U.S. regulators have been increasingly focused on

private fund sponsors' compliance with the FCPA. Any policies and procedures that may be adopted by the General Partners to comply with the FCPA or similar laws may not be effective in all instances to prevent violations. In addition, despite any policies that the General Partners are authorized to seek to implement at portfolio companies, portfolio companies or their affiliates could engage in activities that could result in FCPA violations. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Aurora's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, ability to obtain or retain business, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Aurora, or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives. Failure by the General Partner, the Fund or any of the Fund's portfolio companies to comply with such laws and regulations could have serious legal and reputational consequences, including civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, or a general loss of investor confidence. Moreover, such laws and regulations of different jurisdictions in which the Fund makes investments could also conflict with one another, such that compliance with all applicable laws would be difficult or impossible.

*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.

*CFIUS and Other Non-U.S. Foreign Investment Clearance Regimes.* Certain investments by each Fund involving the acquisition of a U.S. business or assets with a nexus to U.S. interstate commerce may be subject to review by the Committee on Foreign Investment in the United States ("CFIUS") depending on the beneficial ownership and control of interests in the Fund and the General Partner. Significant CFIUS reform legislation and regulations, which became effective on February 13, 2020, among other things, expanded the scope of CFIUS' jurisdiction to cover more types of transactions and empowered CFIUS to scrutinize more closely investments in U.S. assets, including investments involving foreign limited partners or co-investors that may be deemed "non-passive." Additionally, other countries outside of the United States are increasingly taking action to strengthen their national security review regimes, and as a result, certain investments in any



foreign countries may likewise be subject to similar foreign investment clearance (“FIC”) regimes if the investments are perceived to implicate national security policy priorities.

Certain of the limited partners are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of the Fund’s aggregate commitments, which increases both the risk that investments may be subject to review by CFIUS, and the risk that limitations or restrictions will be imposed by CFIUS and/or other FIC regulators on the Fund’s investments. While the General Partner may take steps (including, but not limited to, placing limitations on limited partners’ governance rights) to help ensure that Fund investments are not within the jurisdiction of CFIUS and/or other FIC regulators or to improve the Fund’s regulatory profile to help obtain approval of CFIUS and/or other FIC regulators, there can be no assurance that any restrictions implemented on any such limited partner or any such group of limited partners will allow the Fund to maintain, or proceed with, any investment, that the Fund’s investments will be exempt from CFIUS and/or other FIC requirements, or that CFIUS and/or another FIC regulator will not seek to ask questions about a transaction or will approve a particular transaction.

Any review and approval of a Fund investment by CFIUS and/or another FIC regulator may have outsized impacts on transaction certainty, timing, feasibility, and cost, among other things. Moreover, in the event that CFIUS or another FIC regulator reviews one or more of the Fund’s investments, there can be no assurances that the Fund will be able to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another FIC regulator may seek to impose limitations, conditions, or restrictions on, or prohibit, one or more of the Fund’s investments. Such limitations, conditions, or restrictions may prevent the Fund from maintaining or pursuing investments or adversely affect the performance of Fund investments, and thus the Fund’s performance as a whole. Failure to submit required filings may result in significant financial penalties for each transaction party, as well as reputational damage and potential legal restrictions on future investments. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions or mitigation on, transactions post-closing.

Additionally, the Fund may invest in companies that are, or may become, subject to CFIUS requirements based on pre-existing foreign ownership and control; in such cases, CFIUS requirements may adversely impact a portfolio company’s ability to obtain or retain business or otherwise make it more difficult for the Fund to realize a profit from an investment. Moreover, CFIUS or other FIC regulatory considerations, including changes to the implementing laws and regulations and agency practice, may limit or restrict the universe of suitable prospective acquirers for certain investments that the Fund may exit and may make it more difficult for the Fund to realize value from such investments.

Current legislation pending before the United States Congress contemplates regulating outbound investment to countries and companies deemed to be averse to U.S. national security and foreign policy interests. If such legislation is not enacted, similar outbound investment controls may be implemented under the auspices of an executive order. Any restrictions on U.S. outbound investment could limit the universe of prospective investments available to the Fund making it more difficult to deploy capital, and/or adversely affect the governance and operations of the Fund’s investments and thus the performance of the Fund.

Under the governing documents, the General Partner is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or Limited Partner Advisory Committee rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

*Cyber Security Breaches and Identity Theft.* Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners, may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. The information and technology systems of the General Partner, the Managers, the Funds and their portfolio companies, and their respective service providers, may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Furthermore, the General Partner, the Managers, the Funds' service providers and their portfolio companies may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

The General Partner, the Managers, the Funds' portfolio companies, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and the limited partners, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Funds and the limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the General Partner, the Managers, the Funds' portfolio companies, the Funds' service providers, counterparties, or data within these systems, including through phishing or ransomware attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the General Partner's or the Managers' systems to disclose sensitive information in order to gain access to the General Partner's data or that of the Managers or the limited partners (including limited partner account and wire instructions). Similarly, third parties may attempt to fraudulently issue capital call notices or other requests to limited partners that purport to come from the General Partner or the Managers, and/or induce limited partners to disclose wire and account information. To the extent that the General Partner, the Managers, the Funds or a portfolio company is subject to cyber-attack or other unauthorized access is gained to such entity's systems, such entity would be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or company financial information; (iii) software, contact lists, or other databases; (iv) proprietary information or trade secrets; (v) loss of capital; or (vi) other items. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks.

If technology or security systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, the Managers, 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 General Partner's, the Managers', the Funds' and/or a portfolio company's operations, including the ability to make distributions to limited partners, 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 General Partner's, the Managers', the Funds' and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims (from an individual or a governmental body) or otherwise affect their business and financial performance. In addition, the General Partner's, the Managers', the Funds' and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, Aurora is permitted to decide to provide additional funds to such portfolio company or consider 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 any Fund will make follow on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund 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 such Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if a third party invests in such portfolio company.

*Non-U.S. Investments.* A Fund is generally 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. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or Fund investors with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or its investors.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Hedging Arrangements; Related Regulations. Aurora may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. Such Funds are permitted to incur costs related to such hedging arrangements, which are permitted to 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 a Fund 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 Aurora and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("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 a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Public Company Holdings. Certain Funds' investment portfolios may contain securities and debt issued by publicly held companies. Such investments may subject such Fund 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 such Fund 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 Aurora's principals, and increased costs associated with each of the aforementioned risks.

Distressed Investments. The Funds are authorized 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 Aurora 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, such Fund 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 such Fund invested.

*Non-controlling Investments.* Certain Funds 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, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had such Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of such Fund's 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 such Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

*Director Liability.* 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 they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund, 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 such Fund's investment activities.

*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 a Fund and its 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 a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

*Coronavirus and Other Public Health Emergencies.* 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 fulfill 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 Aurora 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.

ESG. The General Partner maintains an ESG policy and intends to apply the policy to each Fund's investment activities. Although the General Partner believes that its ESG policy will enhance the performance of the assets in which the Fund invests over the long-term while also providing infrastructure that benefits both society and the environment, the General Partner cannot guarantee that its ESG policy will positively impact the financial or ESG performance of any individual investment or the Fund as a whole.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks, methodologies, and tracking tools being implemented by other asset managers. Therefore the General Partner's approach to ESG integration may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. Additionally, the General Partner does not or may not be able to independently verify certain of the ESG information reported by the portfolio companies, which are or may be provided to Partners. Further, the General Partner may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations.

Finally, there is also growing regulatory interest, particularly in the UK, and the EEA (which may be looked to as models in growth markets), in improving transparency around how asset managers, amongst others, define, measure and disclose impact of ESG factors on the performance of the Fund.

The General Partner's ESG policy could become subject to additional regulation in the future, and General Partner cannot guarantee that its current approach will meet future regulatory requirements.

Market Conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's 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 a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, 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 a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event such Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of such Fund to dispose of investments at prices that Aurora believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

Unfunded Pension Liabilities of Portfolio Companies. A recent court decision found that, in certain circumstances, a Fund could be treated as a "trade or business" for purposes of determining pension liability under the Employee Retirement Income Security Act of 1974. Therefore, where an investment fund owns 80% or more (or possibly, under certain circumstances, less than 80%) of a portfolio company, such Fund (and any other 80%-owned portfolio companies of such 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 is permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund owns 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 a Fund and the companies in which a Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Monitoring Fees and Transaction Fees. As described above, Aurora and its affiliates generally perform management, monitoring, advisory, transaction-related, consulting, board of director and/or other services for, and in connection therewith, generally receive cash fees and/or other compensation (generally referred to as "fees") from, actual or prospective portfolio companies of the Funds, including such fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, sales and similar transactions. Subject to the applicable Fund's limited partnership agreement, monitoring fees or transaction fees paid to Aurora or its affiliates by a portfolio company or potential portfolio company generally only will offset the management fee (to the extent allocable to investors not otherwise designated as "exempt partners" or "affiliated partners" by Aurora) in proportion to the cost of such Fund's investment in such portfolio company

on a fully diluted basis, as further described below under “Strategic Investments and Co-Investments”.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, a Fund and Aurora 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. They 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 such Fund and, ultimately, its investors.

Certain Actions and Decisions. While Aurora’s principals generally will manage all aspects of the Funds, certain actions and decisions with respect to the Funds (which generally do not include buying or selling securities on behalf of such Funds) may require the approval of, or may be taken by, one or more committees or other groups of persons associated with Aurora, and the approval, disapproval or taking of any such actions or decisions may be material individually or in the aggregate. The persons comprising any such committees or other groups may manage or otherwise be associated with other investment funds besides the Funds and therefore may have interests that are not aligned, in whole or in part, with those of the Aurora principals.

Illiquidity; Lack of Current Distributions. An investment in the Funds 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. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. 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 fees payable to Aurora) may exceed its income, thereby requiring that the difference be paid from the Funds’ capital, including unfunded investor commitments.

Limited Transferability of Fund Interests. There will be no public market for interests in the Funds, and none is expected to develop. There are substantial restrictions upon the transferability of interests in the Funds under the Funds’ limited partnership agreements and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and elsewhere (“Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Aurora, the General Partner, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance 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 Aurora, 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 Aurora, the General Partner, the Funds and/or their portfolio companies.

United Kingdom (“UK”) Exit from the European Union (the “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. 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 adviser 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.

*International Conflicts.* Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and the Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

*Conflicting Investor Interests.* Investors in the Funds have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Potential conflicts are expected to arise in connection with decisions made by Aurora regarding an investment that may be more beneficial to one Fund investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, Aurora generally will consider the investment and tax objectives of the applicable Fund and its investors as a whole, not the investment, tax, or other objectives of any investor individually.

*Significant Adverse Consequences for Default.* A Fund's limited partnership agreement typically provides for significant adverse consequences in the event an investor defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from the applicable Fund, a defaulting investor may be forced to transfer its interest in the applicable Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

*Dilution.* Fund investors admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of such Fund, thereby diluting the interest of existing investors in such investments. Although any such new investor will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of such Fund's existing investments at the time of such contributions.

*Aurora's Carried Interest.* The fact that Aurora's carried interest is based on a percentage of net profits creates an incentive for Aurora to cause the Funds to make riskier or more speculative

investments or to hold an investment longer than otherwise would be the case and may create the potential for conflicts of interest between the General Partners and limited partners. See also Item 6 - “Performance-Based Fees and Side-by-Side Management.”

*Transfers by Aurora.* To the extent Aurora, its partners, Aurora’s principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side a Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in such Fund’s limited partnership agreement.

*Limitation of Recourse and Indemnification.* Each Fund’s limited partnership agreement generally limits the circumstances under which Aurora and its affiliates will be held liable to such Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, each Fund’s limited partnership agreement generally provides that such Fund will indemnify Aurora and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of such Fund. Such indemnification obligations could materially impact the returns to investors.

*Litigation.* In the ordinary course of its business, a Fund and/or its portfolio companies will, be subject to litigation. The outcome of such proceedings may materially adversely affect the value of such Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Aurora’s and the 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.

*Limited Partner Advisory Committee.* Aurora generally will appoint one or more investor representatives to an advisory committee for each Fund. The applicable Fund’s limited partnership agreement generally provides that to the fullest extent permitted by applicable law, none of the advisory committee members shall owe any fiduciary duties to such Fund or any other Fund investor. In addition, representatives of the advisory committee may have various business and other relationships with Aurora and its partners, personnel and affiliates. These relationships may influence their decisions as members of the advisory committee.

*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, Aurora will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. Valuations are subject to multiple levels of review for approval. 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 Aurora may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

*Strategic Investments and Co-Investments.* Aurora is authorized, in its sole discretion, to offer opportunities to invest alongside a Fund in one or more portfolio companies to certain persons, including one or more Fund investors (but not necessarily all investors), lenders, underwriters, bankers, Aurora Advisors, deal sources, other service providers, portfolio company

management or personnel, Aurora personnel and others, in each case in such relative amounts as Aurora may determine in its sole discretion, subject to any limitations and/or co-investment priority provided in a Fund's governing documents and/or investor Side Letters (as defined below). Potential conflicts of interest arise in the allocation of such opportunities. An allocation of opportunities to invest alongside a Fund may not be in the best interests of such Fund.

In exercising its discretion to allocate opportunities to invest alongside a Fund in one or more portfolio companies to and among potential co-investors and the terms thereof, Aurora may consider some or all of a wide range of factors included below in "Conflicts of Interest." Any investment opportunities provided to any person in accordance with the above will be on such terms and conditions (which may include payment of a management fee or carried interest) as are determined by Aurora in its sole discretion, subject to the terms and any limitations set forth in the applicable Fund's governing documents.

The Fund's governing document will also include terms regarding how compensation received by Aurora for co-investments (or similar strategic investments with third-parties in a portfolio company), if any, factors into the management fee offset. In general, and subject to the applicable Funds' limited partnership agreements, transaction fees, monitoring fees, directors fees and similar fees received by Aurora with respect to other investors' ownership interests in a portfolio company will not reduce the management fees of a Fund that also has invested in such investment, and as a result, the applicable Funds generally will only benefit with respect to such Funds' allocable portion on a fully diluted basis of any such fees and not the portion of any fee related to: co-investors (or other third-party investors) or potential co-investors (which could include co-investment vehicles managed by Aurora, 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 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, which have the potential to be significant.

A Fund is authorized co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may 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 such Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, such Fund potentially will in certain circumstances be liable for actions of its third-party co-venturer or partner.

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. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Aurora's sole discretion, Aurora reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle

(or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

*Credit Risk.* Credit risk is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt obligations when due or otherwise defaults on its obligations to a Fund and/or that the guarantors or other sources of credit support for such persons do not satisfy their obligations. A Fund's return to its investors would be adversely impacted if an issuer of debt securities or a borrower under a loan in which the Fund invests becomes unable to make such payments when due. Although the Funds may make investments that Aurora believes are secured by specific collateral the value of which may initially exceed the principal amount of such investments or the Fund's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Fund could experience delays or limitations with respect to its ability to enforce rights against, and realize the benefits of, the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of the Fund or the Fund's expected rights to such collateral could, under certain circumstances, be voided or disregarded. The Fund's investment in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Fund may not have priority over other creditors as anticipated. Furthermore, a Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of the senior lender. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, certain instruments may provide for payments-in-kind ("PIK") payments, which increases total risk by deferring current cash payments. In both cases, a portfolio company's ability to repay the principal of an investment (and with PIK instruments interest, as well) may depend on a liquidity event or the long-term success of the company, the likelihood of which is uncertain. With respect to a Fund's investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the indenture governing notes or the credit agreement that governs loans of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by the Fund. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of the Fund's investment or result in a pre-payment (in whole or in part) of the Fund's investment.

Even where a loan is secured by a properly perfected first priority security interest in collateral there are inherent credit risks, including, without limitation, the following: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) modification or extension of the loan terms based on the provisions of chapter 11 or similar foreign laws; (iii) lender-liability claims against the Fund by the issuer of the obligations; (iv) equitable subordination claims by other creditors; and (v) environmental liabilities that may arise with respect to collateral securing the obligations.

Moreover, the Funds reserve the right to invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans.

*Defaulted Securities or Instruments.* A Fund may invest in the securities or instruments of companies involved in bankruptcy proceedings, reorganizations and financial restructurings and may have a more active participation in the affairs of the issuer than is generally assumed by an investor. This may subject the Fund to litigation risks or prevent the Fund from disposing of securities or instruments. As more fully discussed below, in a bankruptcy or other proceeding, the Fund as a creditor may be unable to enforce or experience significant delays and expense when enforcing its rights in any collateral or may have its security interest in any collateral challenged, disallowed or subordinated to the claims of other creditors. The process of seeking to enforce claims or rights, including over any applicable collateral, may entail incurrence of significant expenses, including both monetary and otherwise. For example, there may be a need to engage third party advisors such as legal counsel and/or forensic accountants. There may be a requirement to indemnify third parties, such as any trustee, or provide rights of contribution or other forms of expense reimbursement. In seeking to enforce its rights, a Fund may need to make certain public disclosure of its positions or other information relating to its investment and other activity, which may result in adverse consequences to the Fund or may encourage the Fund to seek alternative enforcement mechanisms to avoid or minimize any such adverse consequences. These considerations may be particularly pronounced in non-U.S. jurisdictions, where special challenges (such as a more broad right to disregard security interests based on equitable considerations) may be present.

*Bankruptcy and Other Proceedings.* Bankruptcy or insolvency proceedings are often adversarial, lengthy, and complex, involve multiple and diverse constituents seeking to maximize their recovery from a debtor with limited assets (which often results in some classes of stakeholders receiving little or no recovery), and involve the exercise of equitable authority on the part of the bankruptcy court or other competent authority. Many of the events in or affecting bankruptcies or insolvencies are beyond the control of the creditors and other stakeholders. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court or other competent authority would not approve actions which may be contrary to the interests of a Fund. Furthermore, there are instances under applicable law where creditors' liens may be avoided and claims may be subordinated.

Generally, the duration of a bankruptcy case can only be roughly estimated and such estimates may later prove inaccurate. The reorganization of a portfolio company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the portfolio company and the relevant Fund; it is subject to unpredictable and lengthy delays, and, during the process, the portfolio company's competitive position may erode, key management may depart and the portfolio company may not be able to invest adequately in its business. In some cases, the portfolio company may not reorganize and may liquidate some or all of its assets. In the case of a Fund's debt investments, the debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of “substantially similar” claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund’s influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other changes with respect to, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite substantial.

When a company seeks relief under the U.S. Bankruptcy Code (or has a petition filed against it), an automatic stay prevents all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against the company prior to the date of the bankruptcy filing must petition the court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which the creditor has an interest will be “adequately protected” during the proceedings. If the bankruptcy court’s assessment of adequate protection is inaccurate, a creditor’s collateral may be wasted without the creditor being afforded the opportunity to preserve it. Thus, even if the Fund holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the court. Bankruptcy proceedings are sometimes litigious, time consuming, highly complex, and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. For example, security interests may be set aside because, as a technical matter, they have not been perfected properly under the Uniform Commercial Code or other applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral and because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment. There can be no assurance that the security interests will not be challenged vigorously and found defective in some respect.

Moreover, debt may be disallowed or subordinated to the claims of other creditors if the creditor is found guilty of inequitable conduct resulting in harm to other parties with respect to the affairs of a company filing for protection from creditors under the U.S. Bankruptcy Code. Creditors’ claims may be treated as equity if they are deemed to be contributions to capital, or may be equitably subordinated if a creditor attempts to control the outcome of the business affairs of a company prior to its filing under the U.S. Bankruptcy Code. If a creditor is found to have interfered with the company’s affairs to the detriment of other creditors, the creditor may be held liable for damages to injured parties. The risk of equitable subordination of claims is substantially higher if a Fund holds both claims and significant equity in the debtor. While the Funds will generally attempt to avoid taking the types of action that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that a Fund will be able successfully to defend against them.

While the challenges to liens and debt described above normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding could in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor or even the debtor itself in other state or federal proceedings. As is the case in a bankruptcy proceeding, there can be no assurance that such claims will not be asserted or that a Fund will be able to defend against them successfully.

A Fund may elect to serve on an official or unofficial creditors' committees if a company against which the Fund holds debt commences a bankruptcy case. To the extent the Fund assumes an active role in any legal proceeding involving the debtor or serves on a committee, the Fund may be prevented from disposing of securities or instruments issued by the debtor due to the Fund's possession of material, non-public information concerning the debtor. In addition, misuse of such confidential information could result in the equitable subordination of the Fund's claim. As a member of an official committee the Fund would owe a fiduciary duty to other unsecured creditors, the breach of which could lead to damage claims or equitable subordination of the Fund's claim.

A Fund may invest in or extend loans to companies that have filed for protection under Chapter 11 of the U.S. Bankruptcy Code or equivalent protections under the laws of other jurisdictions. These debtor-in-possession or "DIP" loans are most often revolving working-capital facilities put into place at the outset of a Chapter 11 case to provide the debtor with both immediate cash and the ongoing working capital that will be required during the reorganization process. While such loans are generally less risky than many other types of loans as a result of their seniority in the debtor's capital structure and because their terms have been approved by a federal bankruptcy court order, it is possible that the debtor's reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender's collateral might be insufficient to repay in full the DIP loan.

In addition, portfolio companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide a Fund with equivalent rights and privileges necessary to promote and protect its interest in any such proceeding, the Fund's investments in any such portfolio company may be adversely affected. For example, bankruptcy law and process in a non-U.S. jurisdiction may differ substantially from that in the U.S., resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

*Investments in Restructurings.* A Fund may make investments in restructurings which, as more fully described above, could involve portfolio companies that are experiencing or are expected to experience financial difficulties which may never be overcome. The return on investment sought or targeted by the Fund in any investment in a restructuring may depend upon the restructuring progressing in a particular manner or resulting in a particular outcome (including regarding the conversion or repayment of the Fund's investments). There can be no assurance that any such outcome, development or result will occur or be successful and, as a result, the premise underlying the Fund's investment may never come to fruition and the Fund's returns may be



adversely affected. Additionally, investments in restructurings could, in certain circumstances, subject a Fund to lender liability claims, which may exceed the value of the Fund's original investment therein. Payments to the Fund on account of claims against a debtor may be avoidable as preferences or fraudulent transfers and distributions to the Fund by a portfolio company on account of an equity interest may be avoidable as improper dividends or fraudulent transfers. Distributions by the Fund to its investors may be reclaimed if any payment or distribution by a debtor or portfolio company is later determined to have been a fraudulent conveyance or a preferential payment. In restructurings, whether constituting liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the restructuring either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security or instrument the value of which will be less than the purchase price the Fund paid for the security in respect to which such distribution was made. A Fund may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed restructuring is consummated.

*Companies Emerging From Bankruptcy May be Unable to Discharge Certain Indebtedness or Obligations.* Companies in which a Fund invests may have been the subject of bankruptcy proceedings prior to the Fund's investment or during the period that the Fund is invested in such companies. When a company files for Chapter 11 relief, most of its debts and obligations likely would be dischargeable under section 1141(d) of the U.S. Bankruptcy Code. The ability of a company to obtain a discharge of its debts and obligations would depend on a number of factors. First, obtaining a Chapter 11 discharge requires confirmation of a plan of reorganization providing for the continuation of the debtor's business. Were a company to cease to do business pursuant to its plan, or to otherwise liquidate under Chapter 7 or Chapter 11, then it would not be eligible for a discharge. Second, while confirmation of a corporate debtor's plan generally discharges it from all of its debts that arose prior to confirmation (except to the extent that the plan or the order confirming the plan provides for payment of those debts) there are certain debts or obligations of a corporate debtor that cannot be discharged. These include: (i) taxes owed by the debtor for which the debtor filed fraudulent tax returns; (ii) certain environmental liabilities; and (iii) debts owed to a domestic governmental unit for fraudulent activities in connection with obtaining money, property, services or an extension, renewal or refinancing of credit, or owed as a result of an action filed under Subchapter III of chapter 37 of title 31 or any similar state statute. Claims under Subchapter III of chapter 37 of title 31 include claims made under the False Claims Act. The False Claims Act, a federal law that imposes liability on persons and companies who defraud the federal government, includes a "qui tam" provision that allows people (so-called "whistleblowers" or "relators") who are not affiliated with the government to file actions on the government's behalf.

Any claims against a company that were not discharged in its bankruptcy case would remain obligations of the company after confirmation of its plan of reorganization which could adversely affect the future performance of the Fund's investment in such company and the performance of the Fund.

*Equitable Remedies.* Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the

undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer; (ii) engages in other inequitable conduct to the detriment of other creditors or the borrower; (iii) engages in fraud with respect to, or makes misrepresentations to other creditors, or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. If the seller of the claim has engaged in any of the types of misconduct described above the claims purchased may be subject to equitable subordination even after the claim is acquired by the Fund. The Fund will seek to conduct its activities in a manner that would not form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the often contentious nature of bankruptcy and insolvency proceedings, the Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

*Inflation.* High rates of inflation and rapid increases in the rate of inflation are expected to have a significant impact (often a negative or adverse impact) on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in a country’s economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, often have corresponding impacts (often negative) on the level of economic activity and also potentially result in market or financial sector uncertainty as a result of unintended consequences. Certain countries, including the U.S., have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Fund’s investments and aggregate returns. For example, if a company were unable to increase its revenue while business expenses were increasing, the company’s profitability would likely suffer. Likewise, to the extent a company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, the company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a company may see its competitors’ costs stabilize sooner or more rapidly than its own.

Moreover, as inflation increases, the real value of the interests in the Funds and distributions therefrom can decline. If a Fund is unable to increase the revenue and profits of its investments at times of higher inflation, it may be unable to pay out higher distributions to the Partners to compensate for the decrease in value of the money, thereby affecting the expected return of limited partners. A Fund could also be adversely affected if the market value of its investments declines during times of higher inflation as compared to periods with lower inflation.

*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, similar to that experienced by certain banks (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, Aurora, 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 Aurora to manage the Funds and their investments, and on the ability of Aurora, 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 Aurora 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 Aurora 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 Aurora 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 Aurora 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 Aurora seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Aurora 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.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated

such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or Aurora who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Aurora to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

*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 Aurora 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 Aurora 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 Aurora 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 Aurora 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 Aurora or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Aurora 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, Aurora, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent Aurora requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Aurora 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 Aurora 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 Aurora 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, Aurora reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant governing documents. Aurora 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.

*Artificial Intelligence and Machine Learning Developments.* Recent technological advances in artificial intelligence and machine learning technology (collectively, “Machine Learning Technology”), including OpenAI’s release of its ChatGPT application, pose risks to Aurora, the Funds and the portfolio companies. Aurora personnel, members of the Executive Board, senior executives and other associated persons of Aurora or any affiliates of Aurora could, unbeknownst to Aurora, utilize Machine Learning Technology in contravention of such policies.

Aurora, the Funds and the portfolio companies could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to Aurora, also use Machine Learning Technology in their business activities. Aurora will not be in a position to control the use of Machine Learning Technology in third-party products or services, including those provided by Aurora's and its affiliates' service providers.

Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non-public information)—either by third parties in contravention of non-disclosure agreements, or by Aurora personnel or the aforementioned Aurora Advisors and affiliates in contravention of Aurora's policies, contractual or other obligations or restrictions to which any of the foregoing or any of their affiliates or representatives are subject to, or otherwise in violation of applicable laws or regulations relating to treatment of confidential and/or personally identifiable information (including material non-public information)—into Machine Learning Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party Machine Learning Technology applications and users. For more information on risks relating to information security see also "Privacy and Data Protection Law Compliance Risk" above.

Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error—potentially materially so—and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that Aurora, the Funds or the portfolio companies are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on Aurora, the Funds or the portfolio companies. Conversely, to the extent competitors of Aurora and the portfolio companies utilize Machine Learning Technology more extensively than Aurora and the portfolio companies, there is a possibility that such competitors will gain a competitive advantage.

Machine Learning Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

### **Conflicts of Interest**

There are a number of potential conflicts of interest that apply to Aurora, its principals, the Funds and any future investment products. These potential conflicts include, without limitation, the following:

#### *Conflicts Related to Investment Products Other than the Existing Funds*

In accordance with the limitations set forth in the limited partnership agreements of the Funds, Aurora's principals, along with certain affiliates of Aurora and their respective principals and other Aurora investment professionals, currently manage, and in the future intend to manage, several other investment funds (possibly including other investment products) and investments

similar to those in which the Funds will be investing and expect to direct certain relevant investment opportunities or resources to those investment funds, products and investments. Such other investment funds and investments that Aurora's principals, certain affiliates of Aurora and their respective principals and other Aurora investment professionals expect control or manage generally have the potential to compete with a Fund or companies acquired by a Fund.

Subject to the relevant governing documents, Aurora's principals spend a portion of their time and attention pursuing investment opportunities for other investment funds and products and other than on behalf of the Funds. Aurora's principals and Aurora's investment staff may manage and monitor such investment funds, products and investments; the principals also are permitted to pursue business activities outside of Aurora, in accordance with the limitations set forth in the limited partnership agreements of the Funds. Aurora 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. To the extent an investment opportunity is received that is unsuitable for a Fund, in Aurora's sole discretion, Aurora and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Furthermore, unless restricted by the partnership agreements, Aurora personnel are permitted to serve on boards or act in other roles unaffiliated with Aurora, the Funds or their portfolio companies, including boards of charitable and educational institutions, private and public companies, and former portfolio companies, and receive compensation in connection with such services and roles and no such compensation will offset or otherwise reduce any management fees. Aurora believes that the significant investment of Aurora's principals in the Funds, as well as such principals' interest in the carried interest, operate to align, to some extent, the interest of the principals with the interest of Fund investors, although the principals have economic interests in such other investment advisers, funds, products and investments as well and receive management fees and carried interests relating to these interests. Aurora's principals will continue to manage the Funds' investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments may be allocated between a Fund and such other investment funds and products in a manner as set forth in the applicable Fund's limited partnership agreement.

*Conflicts Related to Which Fund or Other Investment Product Should Take Advantage of a Particular Investment Opportunity.*

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

Aurora must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Aurora generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's limited partnership agreement, as well as

factors including but not limited to: differences with respect to available capital (e.g., current or anticipated capital available for investment, including anticipated follow-on investments, if applicable), size, and remaining life of each applicable Fund; the nature of the investment opportunity (including the size and anticipated follow on investment requirements); potential conflicts of interest (including whether a Fund has an existing investment in the opportunity in question); the relevant allocation of investment opportunity provisions and restrictions in each Fund's governing documents; tax, legal or regulatory considerations; and current and anticipated market conditions. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of Aurora in the manner set forth in the Fund's limited partnership agreement and Aurora's allocation policy. Aurora will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Aurora's obligations and reserves the right to take into consideration factors such as those set forth above.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. 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. Aurora 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 the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Aurora'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. While Aurora 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 Aurora expects to be subject, discussed herein, did not exist.

#### *Conflicts Related to Co-Investment*



Aurora reserves the right to offer co-investment opportunities to one or more potential co-investors, including Aurora Advisors, vendors, service providers and/or other third parties, as determined by the limited partnership agreements, Side Letters and Aurora's procedures regarding allocation. Aurora's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: strategic value of a prospective co-investor to the underlying investment opportunity (including assisting the applicable Fund or any alternative investment vehicle in sourcing, securing, consummating, refinancing or restructuring an investment) or the existence of a formal or informal strategic relationship with the prospective co-investor, the size and/or timing of a commitment to a Fund, the ability of a person to react promptly to such opportunity to invest alongside such Fund, and/or a person's commitment (including the amount of such commitment) to or investment in (or the likelihood of any such commitment to or investment in) such Fund and/or one or more existing or subsequent partnerships, companies, accounts or other investment vehicles managed or advised by any of Aurora and its affiliates, their respective personnel or Aurora's principals. In accordance with the Funds' limited partnership agreements, Aurora 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. Certain limited partnership agreements provide that Aurora, in its discretion, is permitted to provide co-investment opportunities first to certain persons, including one or more limited partners (but not necessarily all limited partners), lenders, underwriters, bankers and deal sources, for strategic or other reasons.

Furthermore, Aurora or its related persons expect 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. Subject to the Funds' limited partnership agreements, co-investment opportunities may be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Aurora 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 Aurora and its affiliates make capital investments in or alongside certain Funds, Aurora 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.

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 Aurora, 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. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such broken deal expenses where permitted by such vehicle's governing documents. To the extent the 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.

#### *Conflicts Related to Allocation of Expenses*

The Funds will pay and bear all expenses related to their operations, including management fees and the costs of sourcing, holding, monitoring, reporting (as applicable), maintaining and disposing of investments, 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 these Fund expenses will reduce the actual returns realized by limited partners on their investment in the Funds (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Funds 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 the Fund expenses ultimately called or called at any one time could exceed expectations.

Subject to any relevant restrictions or other limitations contained in the Funds' limited partnership agreements, Aurora 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, Aurora 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 legal, contractual or similar restrictions, expense allocation decisions generally will be made by

Aurora 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 Aurora. 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.

#### *Conflicts Related to Aurora Advisors*

In addition, as described above, portfolio companies and the Funds typically pay certain compensation, equity grants and expenses to Aurora Advisors and other consultants (including consultants introduced or arranged by Aurora and/or its affiliates that regularly provide services to one or more portfolio companies and entities formed for the benefit of such persons and/or to facilitate the provision of their services), which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Aurora Advisor, 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 company. Additionally, portfolio companies provide opportunities for Aurora to invest in such portfolio company and reimburse costs and expenses incurred by Aurora Advisors. Aurora Advisors also may receive remuneration from the General Partner and/or the Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Aurora Advisors generally make use of Aurora resources. To the extent that Aurora Advisors 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 Aurora Advisor's services at a time when fewer portfolio companies or Funds make use of such Aurora Advisor. Such investment opportunities, reimbursements and other compensation paid to an Aurora Advisor will not offset the management fee, and the use of Aurora Advisors is expected to fluctuate and/or expand over time. Under many of these arrangements, including where Aurora Advisors 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 Aurora Advisor. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of Aurora Advisors. In such cases, where the relevant General Partner believes the services of the Aurora Advisor will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from Aurora Advisor services.

Although the use of the services of the Aurora Advisors and the allocation of compensation paid to them by Aurora, its affiliates and/or the portfolio companies subjects Aurora and/or its affiliates to potential conflicts of interest, Aurora believes that such services have the potential to

improve portfolio company performance and thus inure to the benefit of the Funds that own the portfolio companies. Although Aurora seeks to retain Aurora Advisors with a view to improving portfolio company performance, a number of factors may result in limited or no improvements in portfolio company performance from such retention. In addition, 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.

Aurora will face potential conflicts of interest in determining the allocation of Aurora Advisor compensation. For example, Aurora generally will not be allocated compensation that relates to services performed by Aurora Advisors for the Funds and/or portfolio companies or prospective portfolio companies. However, as discussed below, these services may also provide a benefit to Aurora and/or its affiliates. Therefore, Aurora may have an incentive to classify a particular service as being for the Funds and/or a portfolio company or prospective portfolio company, even though it may directly or indirectly benefit Aurora and/or its affiliates. The allocation of Aurora Advisor compensation may not be proportional, and any such determinations involve inherent matters of discretion by Aurora.

In addition, Aurora Advisor compensation that is allocated to a Fund may result in direct or indirect benefits to Aurora, its affiliates and/or portfolio companies of other Funds. Consequently, Aurora, its affiliates and/or portfolio companies of other Funds may receive services without bearing any of the associated costs. For the avoidance of doubt, any limitation in the relevant partnership agreements on the compensation paid to the Aurora Advisors by the Fund shall not apply to compensation, including fees, incentive equity, other stock awards, expense reimbursements or other amounts paid by portfolio companies. This gives Aurora an incentive to cause portfolio companies to engage such persons and/or otherwise pay such amounts.

Aurora and its affiliates seek to address the inherent conflicts that can arise from the discretion they exercise in determining whether the Funds or portfolio companies will reimburse Aurora. Because there may be equity investors in the portfolio companies (co-investors, management equity, etc.) other than the Funds, Aurora believes it is typically more appropriate that these other investors bear their *pro rata* cost of the Aurora Advisors' services. Accordingly, Aurora generally seeks to cause portfolio companies rather than the Fund to reimburse the amounts paid to the Aurora Advisors as compensation for their diligence on successful transactions and monitoring services, although there can be no assurance Aurora will cause the portfolio companies to do so. When reimbursed by the portfolio companies, these amounts constitute an expense of the portfolio companies and are not included in the Funds' audited financial statements.

The nature of the relationship with each Aurora Advisor and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they provide industry-specific insights, assist in transaction due diligence, and make introductions to and provide reference checks on management teams. In other cases, they may take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. Similarly, the use of Aurora Advisors is expected to fluctuate and/or expand over time. There can be no assurance that any Aurora Advisors will continue to serve in such roles and/or continue their arrangements with Aurora, a Fund and/or any portfolio companies throughout the term of a Fund. In addition, many of these Aurora Advisors provide services to other entities, including other funds and investment advisers and may, in the

future, provide services to new investment products established by the principals, Aurora or its affiliates, as well as other investment advisers, and as such, a conflict of interest has the potential to arise, including, with respect to the allocation of their compensation, and there can be no assurance such Aurora Advisors will be able to devote sufficient time and attention to the activities of a Fund and its portfolio companies.

Aurora is also authorized to retain other consultants on behalf of the Funds and/or portfolio companies, which could be affiliates of Aurora, personnel of such affiliates, portfolio companies of other funds managed by Aurora or its affiliates, third party consultants, “operating partners,” “strategic partners,” “executive partners” or “senior advisors.” Compensation and expense reimbursements will be of the same nature as the Aurora Advisors described above and generally will be paid by the Fund and/or any portfolio company or prospective portfolio company and will not offset the management fee. Such arrangements also pose potential conflicts of interest similar to those described above with respect to the Aurora Advisors.

#### *Conflicts related to Management Fees and Carried Interest*

The governing documents provide Aurora 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 Aurora’s compensation. In making such determinations, Aurora is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for Aurora or its 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. Aurora 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 if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments’ values will appreciate in the future.

Where the management fee is calculated taking into account the valuation of an investment, Aurora 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, Aurora is 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.

Aurora’s 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 Aurora's 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 Aurora intends 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.

#### *Conflicts Arising in Other, General Matters*

In certain cases, Aurora will have the opportunity (but, subject to any applicable restrictions or procedures in the Funds' limited partnership agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Aurora will use its discretion to select such transferees based on suitability and other factors, and unless required by the Fund's limited partnership agreement, 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.

As a result of the Funds' controlling interests in portfolio companies, Aurora and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Aurora personnel or persons such as Aurora Advisors serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to Aurora and/or its affiliates and/or to Aurora Advisors. Unless such amounts are subject to the applicable Funds' limited partnership agreements' offset provisions, they will be in addition to any management fees or carried interest paid by a Fund to Aurora.

Additionally, a portfolio company typically will reimburse Aurora or service providers retained at Aurora's discretion for expenses (including without limitation travel expenses) incurred by Aurora 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 Aurora personnel. This subjects Aurora 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. Aurora determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their general effect is reflected in each Fund's audited financial statements and the audited financial statements of the applicable portfolio company.

Aurora generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) Aurora or a related person of Aurora (which may include a portfolio company of such Fund), (ii) an entity with which Aurora or its affiliates or current or former members of their personnel has a relationship or from which Aurora or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Aurora personnel are seconded, or from which Aurora receives secondees; or (iii) certain limited partners or their affiliates. For example, Aurora 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 other businesses. In addition, Aurora can initiate transactions between two or more portfolio companies of the Funds, and/or cause portfolio companies to provide services to other portfolio companies, the Funds, and its respective affiliates at rates determined by Aurora. This discretion subjects Aurora to conflicts of interest, because although Aurora selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Aurora has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest such as an investor's historical or potential future relationship with Aurora, or Fund investments made or to be made by such investor. There is a possibility that Aurora, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Aurora), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Aurora will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) expenses associated with such service providers. Although Aurora generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, Aurora 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 Aurora or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not Aurora has a relationship 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.

Aurora and/or its affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Aurora and/or its affiliates; conversely, current or former personnel or executives of Aurora and/or its affiliates are expected to serve in significant management roles at portfolio companies or service providers recommended by Aurora, and/or provide services directly to Aurora, its Funds and/or portfolio companies. For example, a former Partner and General Counsel of Aurora has been retained to provide legal services to Aurora, the General Partners, the Funds, and/or the portfolio companies, and is expected to make use of certain Aurora resources,

including an email address and office space. Any compensation paid or expenses incurred in connection with these services will be allocated amongst Aurora, the General Partners, the Funds, and/or the portfolio companies in accordance with Aurora's expense allocation policies and procedures. Any such compensation or expense reimbursement paid to such former General Counsel will not reduce or otherwise offset the management fee paid by a Fund. Such former General Counsel also retains carried interest with respect to certain Funds. Similarly, Aurora, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to 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 personnel, 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, Aurora and/or its affiliates, and/or the Funds or other investment vehicles they advise. 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 Aurora entities, whether or not relating to financing Aurora personnel obligations to fund General Partner commitment obligations) to Aurora personnel and their estate planning vehicles. Aurora 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 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 Aurora information about markets and industries in which Aurora operates (or is contemplating operations) or will provide other services that are beneficial to Aurora. For example, Aurora reserves the right to cause a Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a successor Fund rather than the Fund making the payment. Aurora expects to be subject to a potential conflict of interest in making such recommendations, in that Aurora has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

In certain circumstances, current or former Aurora or Aurora Advisor personnel are expected to serve in interim or part-time roles at a portfolio company, or provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at Aurora. Under such arrangements, Aurora and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships (including compensation, benefits and other incentives or opportunities (including investment opportunities)) or to former personnel generally will not result in additional offsets to or reductions of the management fee.

Aurora, its affiliates, and equity holders, officers, principals and personnel of Aurora and its affiliates reserve the right to buy or sell securities or other instruments that Aurora has



recommended to a Fund. In addition, officers, principals and personnel reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not, in such circumstances, be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Funds' limited partnership agreements and any related policies and procedures set forth in Aurora'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 Aurora 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 expects 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 Aurora 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. Conversely, the General Partner and its beneficial owners potentially will decide to sell such securities within a short period of time, which could have an adverse impact on the price of securities that are held by limited partners at the time of such sale. Limited partners in receipt of a distributed investment will have no guidance from relevant the General Partner with respect to disposition of such investment (including timing of such disposition). 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.

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 Aurora may not otherwise have done so. Since Aurora is permitted to retain certain fees in connection with management, monitoring, advisory, transaction-related, consulting, board of director and other services with respect 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, such fees are based on a flat amount established with Aurora and/or its affiliates at the time of engagement, or enterprise value, revenues 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 such 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, Aurora, its personnel, affiliates or others designated by Aurora is permitted to time receive compensation in the form of portfolio company securities for management, monitoring, advisory, transaction-related, financial advisory and other services. To the extent any such securities are received, after any applicable offset provisions in the relevant limited partnership agreements are applied (typically based on the then-present value of such securities), Aurora 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 Aurora 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, Aurora reserves the right to accrue, defer or forego payments of certain fees. 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.

Aurora and/or its affiliates reserve the right to enter into side letters ("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 Aurora'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, investment pacing restrictions, 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.

Aurora is likely to have its own economic and/or other business incentives to provide certain terms to certain investors, e.g., based on commitment amount to a Fund or the timing thereof, the ability of an investor to provide sourcing or other services to Aurora, 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 Aurora, 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 capital commitments to multiple Funds. Except in the circumstances and on the timing required by the 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, Aurora, 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 Aurora 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 investors 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 investors could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event an investor defaults on a drawdown in respect of an investment. Although Aurora believes it to be unlikely, excuse or other rights requested or received by one or more investors (or such regulatory, tax or other factors applicable to such investors) representing a substantial percentage of a Fund have the potential to create significant variations in an investor's 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. An investor'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 investor's voting rights generally will increase the voting rights percentage of other investors in the relevant Fund. Further, investors 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.

Aurora organizes programs under which portfolio companies owned by the Funds are able to participate in purchasing, vendor or similar arrangements with Aurora, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Aurora allocates fees and costs for program among the relevant portfolio companies and Aurora. Aurora and its affiliates may also participate in the program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will offset or reduce management fees. Aurora believes the potential for conflicts relating to such arrangements is mitigated 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 rates for goods and services are discounted relative to those widely available in the market.

Aurora may have 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 Aurora 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.

In borrowing on behalf of a Fund, Aurora is subject to potential conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the management fee is calculated as a percentage of invested capital, a limited partner may pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. Further, Fund borrowing can affect Fund performance because performance generally is measured from the date(s) limited partners made capital contributions for purposes of repaying the borrowed amounts rather than the date the Fund made the investment, resulting in higher returns than if measured from the date the investment was made using Fund-level borrowings. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. Aurora will effect such borrowings consistent with a Fund's governing documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

Although the governing documents generally contain broad exculpation and indemnification provisions, Aurora 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 Aurora 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 Aurora's insurance coverage are higher or lower than that set forth in the governing documents.

In connection with its services to the Funds and their investments, Aurora, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Aurora's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Aurora 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, "Aurora Information"). In many cases, Aurora Information will include tools, procedures and resources developed by Aurora to organize or systematize Aurora Information for ongoing or future use. Although Aurora expects its Funds and their portfolio companies generally to benefit from Aurora's possession of Aurora Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by

Aurora and its personnel) and not by the Fund or portfolio company from which Aurora Information was originally received or derived. Aurora Information will be the sole intellectual property of Aurora and solely for the use of Aurora. Aurora reserves the right to use, share, license, sell or monetize Aurora 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, 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. Any of these situations subjects Aurora and/or its affiliates to potential conflicts of interest. Aurora attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Aurora’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 Fund under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Aurora will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Aurora consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles. See also Item 11 below.

#### **Item 9     Disciplinary Information**

Aurora and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **Item 10    Other Financial Industry Activities and Affiliations.**

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

A third-party institutional investor indirectly owns a passive minority economic interest in ACPM and ACPM VI and owns a passive minority economic equity interest in certain affiliated General Partner entities and Funds. Such investor does not have authority over the day-to-day management or operations of ACPM or ACPM VI, although it has negotiated certain customary minority protection and consent rights. ACPM and ACPM VI will have incentives to conduct operations in a manner that benefits such third-party investor.

Other than as described above, neither Aurora nor any of its management persons have any relationship or arrangement that is material to Aurora’s advisory business or to the Funds with any related person who is a broker-dealer, municipal securities dealer or government securities dealer or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator or commodity trading

advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

ACPM VI is affiliated with other Aurora investment advisers including General Partners and equivalent entities formed and subject to the Advisers Act pursuant to ACPM VI's registration in accordance with SEC guidance. These advisers also include ACPM VI's relying advisers that are registered with the SEC under the Advisers Act pursuant to ACPM VI's registration. These entities operate as a single advisory business together with ACPM VI and serve as managers, managing members or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

More particularly ACPM VI shares certain common owners and partners with ACPM and ACP IV, and shares personnel and office space with ACPM and ACP IV. All of the Aurora entities operate pursuant to a single consolidated compliance program pursuant to a written compliance manual ("Compliance Manual") and code of ethics ("Code of Ethics") adopted by Aurora in accordance with the requirements of the Advisers Act. A single compliance officer oversees compliance efforts with respect to these policies and procedures for each of ACPM VI, ACPM, and ACP IV.

Aurora does not recommend or select other investment advisers for the Funds or have other business relationships with other investment advisers that create a material conflict of interest.

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

Aurora has adopted a written Code of Ethics which applies to all of personnel, and any person who enters into a significant consulting or other similar agreement with Aurora that is not specifically exempted. The Code of Ethics requires Aurora personnel to serve the best interests of Aurora clients in compliance with Aurora's status as a fiduciary, to comply with applicable federal securities laws and to report any violations of the Code of Ethics promptly to Aurora's Chief Compliance Officer. Among other things, each of Aurora's access persons (as defined in the rules and regulations promulgated under the Advisers Act) is generally required to pre-clear personal securities transactions and is also required to provide copies of periodic account statements, annual securities holdings reports and quarterly securities transactions reports. The Code of Ethics also includes insider trading policies and procedures. Aurora makes its Code of Ethics available to any investor or prospective investor who requests a copy. To request a copy, please contact Aurora's Chief Compliance Officer.

Aurora seeks to mitigate or avoid any conflicts of interest, to the extent reasonably possible. Despite such efforts, potential or actual conflicts of interest will still exist. Aurora has carefully considered, and evaluate on an ongoing basis, the conflicts of interest that are inherent in Aurora's business and have adopted policies and procedures to properly address and disclose such conflicts. In certain situations, Aurora reserves the right to consult with its advisory committee of limited partners of the affected Fund and/or retain the assistance of a third party to evaluate and resolve such conflicts. The following are descriptions of the types of conflicts of interests that may arise and how Aurora seeks to address such conflicts.

Aurora officers, directors or affiliates may wish to co-invest in a transaction in which one of the Funds is making an investment. This may create a conflict of interest between the Fund and the relevant officer, director or affiliate. Pursuant to the limited partnership agreements of each of the Funds, co-investments are offered pursuant to specifically negotiated terms and conditions.

Each General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the governing documents.

Aurora may cause one of the Funds to buy or sell securities in which one of Aurora's officers, directors or affiliates has a material financial interest. In addition, Aurora and its affiliates may perform management, advisory, transaction-related, financial advisory and other services for, and in connection therewith, may receive fees from, actual or prospective portfolio companies of the Funds, including such fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, sales and similar transactions. The existence of such relationships may create a conflict of interest between the Fund and the relevant officer, director or affiliate. These potential conflicts are addressed in the limited partnership agreements of the Funds. Generally, transactions of this nature must be fair to the Fund and on terms no less favorable to the Fund than could be obtained on an arm's-length basis and/or must be approved by the limited partners of the Fund or an advisory committee of limited partners of the Fund. In some instances, reporting and notice requirements apply as well and will be provided in a timely manner.

In addition, Aurora has the potential to enter into cross-transactions on behalf of the Fund and/or another Fund, or co-investors or co-investment vehicles, in which one Fund buys securities from, or sells securities to, such other persons. In some cases, a portfolio company of one Fund may be merged with or into, or acquired by, a portfolio company owned by another Fund. Any such transactions raise potential conflicts of interest, including where the assets of one Fund support positions taken by other Funds and/or the transaction allows a General Partner or its affiliates to realize carried interest and/or obtain future management fees and/or carried interest with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' limited partnership agreements or otherwise in the sole discretion of the applicable funds' General Partners, such General Partner may seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, proposal or quotation paid for by the relevant Fund(s)) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. The relevant General Partners also are authorized to determine that the willingness of a third-party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Fund(s) under then-current market conditions and therefore determine not to obtain any consent or fairness opinion (except where required by applicable law). Further, funds sponsored by the General Partner or its affiliates nearing the end of their term are expected from time to time to sell their interest in commonly held investments to other funds sponsored by the General Partner or its

affiliates with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the General Partner are assigned varying percentages of carried interest from funds in the same investment, or if economic terms, performance or the potential for carried interest vary between funds sponsored by the General Partner or its affiliates, particularly when one fund sells its portion of such investment to another fund, which could cause a portion of such carried interest to become “realized.” Whether or not consent or an opinion is obtained from a third-party investor, the General Partners intend to conduct such transactions in a manner that the General Partners believe to be fair and equitable to each Fund under the circumstances over time, including a consideration of the potential present and future benefits with respect to each Fund, including the relative ownership percentages of the funds in the applicable investment, the length of time remaining in a Fund’s term and other factors similar to those discussed above regarding the allocation of investment opportunities. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances Aurora generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Funds’ investment or pursuant to authorizing provisions in the relevant governing documents.

## **Item 12 Brokerage Practices**

Aurora invests primarily in privately negotiated investments, although Aurora reserves the right to occasionally acquire, sell or distribute public securities on behalf of the Funds. When investing in privately-negotiated transactions, Aurora believes it satisfies best execution responsibilities through careful negotiation of the terms of the investment.

With respect to those limited instances in which Aurora purchases, sells or distributes publicly-traded securities on behalf of an Aurora client through a broker-dealer, Aurora will seek to satisfy best execution obligations by considering all relevant facts and circumstances. Aurora will generally seek competing bids and look for whether the transaction represents the best qualitative execution, including the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker’s execution abilities, commission rates, financial responsibility and responsiveness. However, Aurora reserves the right to execute trades through broker-dealers that have acted as placement agents on behalf of the Funds or otherwise assisted capital-raising efforts so long as Aurora has determined that such broker-dealer is capable of delivering best execution in respect of Aurora trades on behalf of Aurora clients.

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



Aurora does not generally have any soft dollar arrangements with any brokers whereby Aurora can direct a broker to pay for external research services from a soft dollar account. To the extent Aurora aggregates orders for the purchase or sale of securities on behalf of multiple clients, Aurora will aggregate such orders as Aurora deems appropriate and in the best interest of the participating clients, subject to any applicable provisions in the Fund's limited partnership agreements.

### **Item 13    Review of Accounts**

Aurora manages the Funds on a day-to-day basis, as needed. The Funds' portfolio companies are closely reviewed by Aurora principals and other investment professionals on a periodic basis. Audited financial statements are generally prepared for each of the Funds following the end of each fiscal year, and unaudited financial statements are prepared for each of the Funds following the end of each fiscal quarter, in each case subject to the terms of the Funds' limited partnership agreements.

### **Item 14    Client Referrals and Other Compensation**

As noted above in response to Items 5 and 11, Aurora and its affiliates intend to perform management, monitoring, advisory, transaction-related, financial advisory and other services for, and in connection therewith, expect to receive fees from, actual or prospective portfolio companies of the Funds, including such fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, sales and similar transactions. These fees can be significant and are generally paid in cash. Although such fees are in addition to the management fees paid by the Funds, in some circumstances Aurora is required pursuant to a Fund's limited partnership agreement to reduce future management fees in connection with the receipt of these fees. The calculation of such offset varies from Fund to Fund and is described in the applicable limited partnership agreements. In some cases, the offset available to a Fund pursuant to the applicable limited partnership agreement excludes the portion of fees that is attributable to the Fund's co-investors in the relevant portfolio company and/or that corresponds to the proportion of the Fund's partners who are exempt from paying management fees, which has the effect of reducing the effective percentage of the Fund's offset. The fees described above are disclosed to limited partners of the applicable Fund. In addition to the fees described above, Aurora and its affiliates are also generally entitled to be reimbursed for expenses incurred in connection with the performance of services rendered to portfolio companies of the Funds.

Aurora reserves the right to enter into solicitation agreements pursuant to which it compensates third parties for the purpose of introducing potential investors during the fundraising period for a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. The compensation and expense reimbursements vary, but compensation is generally based on the capital committed by the referred investors. Aurora discloses the use of such placement agents to its referred investors. Any fees payable to any such placement agents generally will be borne by Aurora indirectly through an offset against the management fees paid by the Funds under the governing documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, lodging, meal and entertainment expenses, typically are borne by the relevant Fund(s). Aurora currently is under an agreement with Park Hill Group LLC (the "Placement Agent"), pursuant to which it pays a fee to

the Placement Agent for its solicitation of investors, calculated as a percentage of commitments made by investors to the relevant Fund.

#### **Item 15 Custody**

Aurora or its affiliates generally expects that it will be deemed to have, custody of certain of the funds and securities of the Funds. Aurora is subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) and satisfies or will satisfy its Custody Rule obligations with respect to each Fund by either: (i) complying with the provisions of the so-called “Pooled Vehicle Annual Audit Exception” with respect to such Fund, which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year or (ii) complying with the requirements related to quarterly delivery of account statements and annual independent verification, and any other applicable requirements of the Custody Rule with respect to such Fund. The Funds complying with (ii) above and their investors receive account statements on a quarterly or more frequent basis from Principal Financial Group or another qualified custodian. Such Funds and their investors should carefully review those account statements and are urged to compare those account statements to other statements they may receive, including statements from Aurora, if any.

#### **Item 16 Investment Discretion**

Aurora and its affiliates generally have discretionary authority to make all investment determinations on behalf of the Funds. As a general policy, Aurora does not allow clients to place limitations on this authority. The limited partnership agreements of the Funds, however, generally impose some limitations on our investment discretion, which limitations can only be waived by the Fund’s limited partners. Similarly, pursuant to the terms of the Funds’ limited partnership agreements, Aurora 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. Aurora assumes this authority pursuant to the terms of the Funds’ limited partnership agreements.

#### **Item 17 Voting Client Securities**

Aurora has adopted a proxy voting policy (“Proxy Voting Policy”) to comply with Rule 206(4)-6 promulgated under the Advisers Act. The Proxy Voting Policy, which is designed to ensure that Aurora votes proxies in the best interest of the Funds and provide the Funds with information about how their proxies are voted, contains procedures that have been reasonably designed to prevent and detect fraudulent, deceptive or manipulative acts by Aurora. The Proxy Voting Policy is only applicable to investments by the Funds in public securities.

It is Aurora’s policy to vote proxies in the interest of maximizing shareholder value. To that end, Aurora votes in a way that Aurora believes, consistent with Aurora’s fiduciary duty, will cause the value of the shares to increase the most or decline the least. Consideration is given to both the short- and long-term implications of the proposal to be voted on when considering the

optimal vote. In voting proxies, Aurora believes its policies address any conflicts of interest between our interests on the one hand and the interests of the Funds.

The Funds are not able to direct our vote in a particular solicitation.

Aurora maintains records of all proxy statements received and votes cast in an easily accessible place for five years. Investors and prospective investors in the Funds may request information from Aurora about how it voted the securities held by the Funds. Aurora makes its Proxy Voting Policy available to any investor or prospective investor who requests a copy. To request a copy, please contact Aurora's Chief Compliance Officer.

#### **Item 18 Financial Information**

Aurora does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. However, when Aurora receives monitoring or transaction fees that are required to offset future Fund management fees, or when a Fund pays placement agent fees or excess organizational expenses that are required to offset future Fund management fees, in either case as specified in each Fund's limited partnership agreement, the amount of the future management fee offset may remain outstanding for more than six months and may extend through the termination date of the Fund. Depending on the terms of a particular Fund's limited partnership agreement, upon a Fund's termination the remaining unapplied management fee offset balance may be refunded by the General Partner to the limited partners or may expire with no obligation to refund.

Aurora has not been the subject of a bankruptcy petition at any time during the past ten years.

#### **Item 19 Requirements for State-Registered Advisers**

Not applicable.