

Item 1: Cover Page



Northrim Adviser, LLC

PART 2A OF FORM ADV: FIRM BROCHURE ("Brochure")

2500 South Power Road
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This brochure provides information about the qualifications and business practices of **Northrim Adviser, LLC**. If you have any questions about the contents of this brochure, please contact **Bradley Gulbrandsen, Chief Compliance Officer at 480-206-7683 or bgulbrandsen@northrimhorizon.com**. Northrim Adviser, LLC is an investment adviser registered with the United States Securities and Exchange Commission ("**SEC**") under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Registration with the SEC does not imply a certain level of skill or training.

The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about Northrim Adviser, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Northrim Adviser, LLC (“**Northrim**,” the “**Firm**,” or the “**Adviser**” or “**Manager**”) filed its most recent prior brochure on March 31, 2023. There were no material updates to the brochure since the last filing.

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Item 4: Advisory Business

Item 4.A.

Northrim is an investment management firm with its principal place of business located in Mesa, Arizona. The Firm is a Delaware limited partnership founded in October 2019. The Firm is directly and/or indirectly majority owned by Bradley Gulbrandsen. For more information about the Adviser and the principal owners of the Firm, please review Schedule A and Schedule B of the Form ADV Part 1A.

Northrim serves as an investment manager and provides investment advisory or portfolio management services on a discretionary basis to privately offered pooled investment vehicles (each, a "**Fund**" or "**Partnership**" or, collectively, the "**Funds**" or "**Partnerships**"). The Funds are exempt from registration as investment companies under the Investment Company Act of 1940, as amended (the "**IC Act**"), in reliance upon one or more exclusions or exemptions thereunder.

The Funds are typically structured as limited partnerships and each has a general partner (or similar persons or entities, each, a "**General Partner**" or collectively, the "**General Partners**"). Each General Partner is an affiliate of Northrim.

Item 4.B.

Northrim provides investment advisory services or portfolio management services to the Funds based on the particular investment objectives and strategies described in the relevant Fund's confidential subscription document ("**Subdoc**"), limited partnership agreement ("**LPA**") among the relevant General Partner and the relevant Fund's limited partners ("**Limited Partners**") and other governing documents (referred to collectively as "**Offering Documents**").

The Adviser, through its clients (i.e. Funds), seeks to achieve superior risk adjusted investment returns for investors by capitalizing on uncompetitive opportunities with lower and middle market companies by acquiring, directly or indirectly, holding for investment, converting and distributing or otherwise disposing of Securities. The Partnership will raise funds from investors and use the funds to invest in capital stock of Northrim Horizon Holdings Corp. (the "**Holding Company**"), a Delaware C corporation. The Holding Company will, in turn, pay fees and expenses as well as make Portfolio Investments and acquire Portfolio Companies directly or through one or more wholly-owned subsidiaries.

Item 4.C.

Northrim's investment management and advisory services or portfolio management services to the Funds are provided pursuant to the terms of the Offering Documents and investors in the Funds cannot obtain services tailored to their individual specific needs.

Item 4.D.

Northrim does not participate in a wrap fee program.

Item 4.E.

As of registration, Northrim manages approximately \$185,000,000 in client assets on a discretionary basis. Northrim does not manage any client's assets on a non-discretionary basis.

Item 5: Fees and Compensation

It is important that investors refer to and carefully read the relevant Offering Documents for a complete understanding of expenses and fees they may pay through an investment in the Fund. The information contained in this Item 5 is a summary only and is qualified in its entirety by such documents.

Item 5.A.

The fees and expenses associated with an investment in the relevant Fund are described in detail in the Funds' Offering Documents. Northrim may, in its sole discretion, manage funds with higher or lower fees, different fee structures and different expense payment arrangements.

Northrim will receive a management fee that is calculated as a percentage based on invested capital of the Fund. Generally, the management fee is 2% per annum, subject to adjustments as described in the Offering Documents. Northrim reserves the right to waive or reduce the management fee for certain Limited Partners including, but not limited to, employees, or affiliates of Northrim. The management fees are typically paid by the Funds annually, in advance. Management fee for any partial year will be prorated.

The General Partners or affiliate of Northrim are also entitled to receive performance-based compensation from the Funds in the form of carried interest from their related Funds, of 20%. A detailed description of the carried interest calculation is further described in the LPA. Generally, carried interest utilizes a European style waterfall and is calculated based on a percentage of the profits distributed from each Fund investment and is subject to fees and expenses and other criteria set forth in the relevant LPA.

Item 5.B.

Northrim is authorized to deduct management fees from Limited Partners' capital accounts. These fees can be called from Limited Partners or netted against proceeds from portfolio investments. Carried interest will be distributed from investment proceeds.

Item 5.C.

Other Fees and Expenses

In addition to paying investment management fees and performance-based compensation, the Funds (and, indirectly, the investors therein) will pay such additional expenses as are disclosed in the Funds' applicable Offering Documents.

The Funds will reimburse the General Partner and/or Northrim for the Funds' and its affiliated entities' organizational and start-up expenses (as further set forth in the LPA). These organizational expenses, include all reasonable and documented out-of-pocket expenses incurred by the General Partner, the Limited Partner, and their respective Affiliates in connection with the organization of the Fund (and the General Partner with respect to any incremental costs of the organization of the General Partner associated with the Fund), and the offering of limited partnership interests therein, including without

limitation any related legal and accounting fees and expenses, filing fees and other similar costs and organizational expenses.

Additionally, Fund expenses include, all other fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including but not limited to

a) all expenses, fees and costs incurred in connection with Partnership's investments, including all expenses incurred in connection with the identification, purchase, holding, monitoring, hedging, restructuring, refinancing, sale or other Disposition (and any proposal with respect to the foregoing) relating to any Partnership investments or proposed investments (whether or not completed), all broker, dealer or finder fees and expenses, all due diligence, research, legal, compliance, and administrative expenses and all travel (including the use of first or business class), transportation, lodging, meals, entertainment and other similar expenses relating to the foregoing, unless such costs or expenses are paid for by the proposed investment or Portfolio Investment;

(b) all expenses, fees and costs of the Partnership incurred in connection with the ongoing operation and administration of the Partnership, including any legal, tax, auditing, accounting, consulting, bookkeeping, record-keeping and clerical services, including all unreimbursed third-party out of-pocket costs and expenses of operating partners, independent directors, custodians, paying agents, registrars, counsel, independent accountants, and others, unless such expenses, fees or costs are paid for by a Portfolio Investment or a proposed Portfolio Investment;

(c) all expenses, fees and costs incurred in connection with the preparation of or relating to financial and tax reports made to the Partners and portfolio valuations;

(d) all expenses, fees and costs of Alternative Investment Vehicles and other special purpose entities through which investments are held or managed, including costs associated with establishing and administering such entities, maintaining a permanent residence in certain jurisdictions (such as rent for office space, related overhead, board of directors expenses and employee salaries and benefits) and dissolving, winding-up and liquidating such entities;

(e) all expenses, fees and costs relating to meetings of the LP Investment Committee, the LP Governance Committee, and/or the Partners, including reasonable and documented professional and attorneys' fees incurred by the LP Investment Committee and the LP Governance Committee in connection with the exercise of their responsibilities and approved by the majority of the LP Investment Committee or the LP Governance Committee, as applicable, including travel and other expenses;

(f) all expenses, fees and costs incurred in relation to obtaining consents or approvals of the LP Investment Committee, the LP Governance Committee, or any Limited Partner; (g) all expenses, fees and costs incurred in connection with the preparation of or relating to reports required to be filed in connection with the business of the Partnership with any Governmental Authority;

(h) all expenses, fees and costs related to litigation involving or arising in respect of the Partnership, directly or indirectly, including, without limitation, attorneys' fees incurred in connection therewith;

(i) Management Fees;

(j) interest on and expenses, fees and costs arising out of all permitted borrowings made by the Partnership;

(k) all expenses, fees and costs related to the Partnership's indemnification or contribution obligations set forth in Article 13;

(l) the expenses, fees and costs of any litigation, director and officer liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Partnership;

(m) all unreimbursed expenses, fees and costs relating to transactions that are not consummated, including legal, accounting, brokerage, investment banking, advisory, financing and consulting fees and all extraordinary professional fees incurred in connection with the business or management of the Partnership;

(n) all expenses, fees and costs (including reasonable legal fees and expenses) incurred to comply with any law or regulation related to the activities of the Partnership (including the offering of limited partnership interests in the Partnership (in accordance herewith) and any "blue sky" filing fees and expenses) or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Partnership, including the amount of any judgments, settlements or fines paid in connection therewith;

(o) any taxes, fees or other governmental charges levied against the Partnership (and not attributable to a Partner) and all expenses, fees and costs incurred in connection with any tax audit, investigation, settlement or review of the Partnership, including expenses incurred by the Partnership Representative in connection with the Partnership;

(p) all expenses, fees and costs of dissolving, winding-up and liquidating the Partnership; and

(q) other similar expenses, fees and costs.

Northrim will bear its own operating, general, administrative, and overhead costs and expenses, other than the expenses described above.

Please refer to Item 12 of this Brochure for a discussion of Northrim's brokerage practices.

Item 5.D.

The management fee of 0.667% is payable tri-annually (i.e. every four months), in advance.

Item 5.E.

Not Applicable. Neither Northrim nor its supervised persons are compensated for the sale of securities or other investment products.

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

Northrim understands that there exist certain potential conflicts of interest associated with the presence of a performance-based fee. Such a fee may create an incentive for Northrim to cause the Funds to make investments that are riskier or more speculative than would be the case if there were no performance-based fee. However, Northrim will manage the Funds in accordance with its investment strategy and any

restrictions set forth in the Funds' Offering Documents so that investors are aware of the applicable investment strategy, restrictions, and risks. Additionally, Northrim has adopted a Code of Ethics that addresses potential conflicts of interests and requires, in any situation where the interests of Northrim's clients are at stake, the client should be treated fairly and have priority over the economic interests of employees or Northrim. In addition, Northrim understands that the provision of advisory services to multiple clients could also create a potential conflict of interest to favor clients to whom higher advisory and performance fees are charged. However, as stated above, Northrim will advise each client in accordance with its advisory agreement and governing documents and strives to ensure that all clients are treated fairly and equally.

Item 7: Types of Clients

Northrim provides discretionary investment management services to privately-offered, pooled investment vehicles, as described above in Item 4.B, which is intended for investment by, in the United States, investors that are "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") and "qualified purchasers" as defined under Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder. The minimum capital commitment for a limited partner has not been established and Northrim or the General Partner may, in its sole discretion, elect to allow for any subscription amounts with respect to any investor.

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

Item 8.A.

The investment objective is discussed in response to Item 4.B.

An investment in Northrim's respective Fund involves significant risks and is suitable only for Investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. An investment in the respective Fund is speculative, illiquid and long-term in nature, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Fund and for which the Fund does not represent a complete investment program. There can be no assurance that the Fund will achieve its investment objectives. Each prospective Investor should carefully review the Offering Documents and the agreements referred to therein prior to deciding to invest in the Fund.

Item 8.B. and Item 8.C.

The following summary identifies the material risks related to Northrim's investment strategy and should be carefully evaluated before making an investment. Capitalized terms used but not defined herein have the meanings given to them in the LPA.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the respective Fund. Prospective Investors should carefully read the relevant Offering Documents in their entirety and consult with their own advisors before deciding to invest in the respective Fund.

General Risk Factors

No Assurance of Investment Return

The success of the Fund depends upon the ability of the General Partner, the Adviser or their affiliates (the “**Sponsors**”), more specifically their employees (the “**Investment Professionals**”) to identify, select, develop and invest in investments that the Investment Professionals believe offer the potential for superior risk-adjusted returns. The Investment Professionals cannot provide any assurance whatsoever that they will be able to choose, make and realize investments in any particular asset or portfolio of assets. There can be no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments and transactions described herein. There can be no assurance that any Limited Partner will receive any distribution from the Fund.

Investors should bear in mind that past or targeted performance is not a guarantee, projection, or prediction, and is not a reliable indicator of future performance. There can be no assurance that targeted returns will be achieved, that the returns generated by the Fund will equal or exceed those of other or past investment activities of the Investment Professionals or that the Fund will be able to implement its investment strategy or achieve its investment objectives.

Role of the Investment Professionals /Reliance on Key Personnel

Investors in the Fund are placing their entire Capital Commitment in the discretion of and are dependent upon the skill and experience of the Investment Professionals. The success of the Fund will depend in significant part upon the skill and expertise of the Investment Professionals and may be affected by key individuals joining or leaving the Investment Professionals from time to time. There is ever-increasing competition among alternative asset firms, financial institutions, private equity firms, investment managers and other industry participants for hiring and retaining qualified investment professionals. The Manager expects all such individuals to devote such time to the Fund as they believe necessary to assist the Fund in achieving its investment objectives. The loss of one or more of the Fund’s key personnel could have a material adverse effect on the performance of the Fund.

Further, individuals that work on matters related to the Fund are also expected to work on other projects for the Investment Professionals (including other private investment funds sponsored by the Manager and/or its affiliates and other accounts) and may at times be limited by the internal compliance policies of the Manager and its affiliates (including information barriers) or other legal or business considerations or other constraints set forth in the governing agreements of such other private investment funds, and constraints discussed herein. In addition, new Investment Professionals and IC members may be added at any time.

Reliance on the Investment Professionals; Passive Investment

The General Partner and the Manager will have exclusive responsibility for the Fund’s activities, and, other than as is set forth herein and in the LPA, Limited Partners will not be able to make investment or any other decisions concerning the management of the Fund, and will generally have no right to participate in the management or control of the day-to-day operations of the Fund, and thus must depend solely upon the ability of the Investment Professionals with respect to making, monitoring and exiting from investments. The General Partner generally will have sole discretion in structuring, negotiating, purchasing, financing and eventually divesting investments on behalf of the Fund. No person should purchase an Interest unless such person is willing to entrust all aspects of the management of the Fund to the General Partner and the Manager.

The Limited Partners will not have voting rights except with respect to certain limited matters. In the limited areas where the Limited Partners have the right to consent to or to take certain actions, it should

be noted that the Limited Partners and the limited partners of any parallel funds generally vote on all matters on a combined basis as set forth in the LPA. Accordingly, action by limited partners in a parallel fund could affect the Fund.

Forward-Looking Statements; Opinions.

Statements contained in the Investment Materials or otherwise provided to a prospective investor in connection with its investment in the Partnership that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the Sponsor and Northrim. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained herein or otherwise provided to a prospective investor in connection with its investment in the Partnership constitutes “forward looking” statements, which often can be identified by the use of forward-looking terminology such as “may,” “can,” “will,” “would,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target,” “plan” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Partnership may differ materially from those reflected or contemplated in such forward-looking statements.

Business Risks.

The Fund’s 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 losses.

Future and Past Performance.

The Fund is a newly organized entity that has no prior operating history or track record. Accordingly, the Fund does not have performance history for a prospective investor to consider. In considering the prior performance information of the investment funds, individual investments or accounts previously managed by the Key Persons or in respect of which the Key Persons served as investment professionals (collectively, the “**Prior Investments**”), prospective investors should understand that an investment in the Fund does not represent an interest in any investment or investment portfolio of any Prior Investment.

Information about the prior performance of the Prior Investments is not necessarily indicative or a guarantee of the Fund’s future results. There can be no assurance that the Fund will generate investment returns commensurate with the past performance of the Prior Investments. An investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in the Fund will resemble that of the Prior Investments. The Fund’s investments may differ from previous investments made by the Key Persons in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period. An investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment in the Fund. While the General Partner intends for the Fund 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. An investment in the Fund should only be considered by persons or entities who can afford a loss of their entire investment.

Investment in Junior Securities.

Securities in which the Fund will invest may be among the most junior in a Portfolio Company's capital structure and, thus, subject to the greatest risk of loss. In general, there will be no collateral to protect an investment once made. The Fund's investments involve a high degree of business and financial risk that can result in substantial losses. Moreover, the Fund's methods of minimizing business and investment risks along with broader market risks may not accurately or adequately address future risk exposures. The General Partner's risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage such risks may not be accurate, complete or current, and such information may be misinterpreted. In certain situations, the General Partner may not be able to, or may choose not to, implement risk management strategies for the Fund because of the costs involved or other relevant circumstances, and even if risk management strategies are utilized, such strategies may not fully insulate the Fund from the risks inherent in its investment activities. While the General Partner intends for the Fund 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.

Leveraged Investments; Borrowing.

The Fund may make use of leverage by incurring or having a Portfolio Company incur debt to finance a portion of its investment in a given Portfolio Company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. 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 also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of Portfolio Companies will increase the exposure of the Fund's 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 Fund's investments in the leveraged Portfolio Companies in a down market. In the event any Portfolio Company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the Portfolio Company, which could adversely affect the returns of the Fund. Additionally, lenders would typically have a claim that has priority over any claim by the Fund to the assets of such Portfolio Company in an insolvency event or proceeding. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a Portfolio Company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. 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. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency.

The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a Portfolio Company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and

in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. Co-investors, if any, may receive the benefit of such guaranty, 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. Any use of leverage by the Fund (including the use of any subscription line of credit) will result in interest expense and other costs to the Fund that may exceed, or otherwise not be covered by, distributions made to the Fund or appreciation of its investments. The Fund has the ability to incur indebtedness to close a transaction and later sell a portion of such investment to co-investors.

The use of leverage by the Fund to make investments and/or to pay expenses will result in interest expense and other costs to the Fund 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 of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed to the Limited Partners.

Concentration of Investments.

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

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, the Fund will be required to bear Management Fees during the Investment Period based on the entire amount of the Limited Partners' Commitments (calculated as of the Final Closing Date) and other expenses as set forth in the Fund Agreement.

In addition, pursuant to an agreement previously entered into by an affiliate of the Management Company, the Fund will be precluded from investing in companies that primarily perform services related to the following industries: (a) non-medical day care for children; (b) apartment turnover and apartment valet trash services; (c) commercial landscaping; and (d) commercial pool services. As a result, the Fund will be unable to invest in certain opportunities which the General Partner may otherwise consider appropriate for the Fund.

Illiquidity; Lack of Current Distributions.

An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. 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 Fund (including the Management Fee payable to the Management Company) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

Unspecified Investments.

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

Dynamic Investment Strategy.

While the General Partner generally intends to seek attractive returns for the Fund primarily through making private equity investments as described herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Key Persons have previously made investments or have internal operational experience.

Growth Buyout Transactions.

The Fund's strategy includes targeting growth-buyout investments. While growth-buyout investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-buyout Portfolio Companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-buyout Portfolio Companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Control Person Liability.

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

Distressed Investments.

The Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a

substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a Portfolio Company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the 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 the Fund invested.

Risks in Effecting Operating Improvements.

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

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions.

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

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.

The ability of the Fund and the Portfolio Companies to effectively execute their respective strategies will be dependent on the health of the U.S. and global credit markets. The recent deterioration of the global credit markets has made it more difficult for investment funds such as the Fund to obtain favorable financing for its investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A persistent credit market deterioration may result in limited availability of credit to consumers, homeowners and/or businesses, which may lead to an overall

weakening of the U.S. economy and/or global economies. In such a situation, Portfolio Company performance may decline and/or the value of Portfolio Companies may be diminished. As a result, the Fund's ability to realize its investments at favorable times and/or for favorable prices may be negatively impacted, one effect of which may be longer-than anticipated holding periods for investments. Accordingly, a deterioration in credit markets may negatively affect the Fund's ability to achieve its investment objectives and/or generate attractive returns for Limited Partners.

Subscription Lines.

As indicated above, the Fund may enter into credit facilities commonly known as "subscription lines." Amounts borrowed under the credit facility are generally secured by pledges of the General Partner's right to call capital from, and the right of the Fund to receive amounts funded by, Limited Partners. Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to 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 Limited Partner 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 incremental Fund expenses that will be borne by Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Conflicts of interest may arise in that the use of such subscription lines may, and likely would, delay the need for Partners to make certain contributions to the Fund, which may enhance the Fund's performance figures and thereby benefit the General Partner and its affiliates. Because a subscription line's interest rate is based in part on the creditworthiness of the Limited Partners and the terms of the Fund Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of the Fund and the Limited Partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the General Partner's ability to consent to the transfer of a Limited Partner's interest in the Fund. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Limited Partners.

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

assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The Fund may also utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Limited Transferability of Fund Interests; Indefinite Fund Term.

There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Fund Agreement and applicable securities laws. While the Fund Agreement contains a mechanism by which Limited Partners may request that the Fund redeem their interest in the Fund, there is no guarantee that the Fund will have sufficient liquidity to honor such redemptions. Limited Partners may not be able to liquidate their investments prior to the end of the Fund's term (which term may continue indefinitely so long as the Fund holds one or more investments) and must be prepared to bear the risks of an investment in the Fund for an extended period of time.

Restricted Nature of Investment Positions.

Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Partners and 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 Partners. After a distribution of securities is made to the Partners, many Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Partners may be lower than the value of such securities determined pursuant to the Fund Agreement. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

Reliance on the General Partner and Portfolio Company Management.

Control over the operation of the Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the Key Persons. The loss or reduction of service of one or more of the Key Persons could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the Key Persons currently manage other investments and may in the future, manage other investment funds besides the Fund and the Key Persons may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Key Persons. Limited Partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend on the actions of the General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its Portfolio Companies including potential acceleration of debt facilities.

Although the General Partner 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 Fund generally intends 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 Fund's objectives.

Projections.

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

Conflicting Investor Interests.

Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

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.

For example, on February 9, 2022, the SEC proposed rules for certain private fund advisers under the Investment Advisers Act, including new (i) prohibitions on certain conflicted activities (including the charging of certain fees and expenses), (ii) prohibitions on preferential treatment relating to investment information and increased transparency on certain types of preferential treatment, (iii) requirements to issue quarterly statements to investors on performance, fees and expenses, and adviser and related person compensation, (iv) enhanced annual audit requirements, and (v) requirements relating to adviser-led secondary transactions. If adopted, these rules would prohibit private fund adviser activities that had previously been addressed through disclosure and significantly expand the information disclosed to Investors and the SEC. The effect of any future regulatory changes on the Management Company, the

General Partner, the Fund, and/or any Limited Partner, could be substantial and result in material amendments to the terms of the Offering Materials.

European Union Alternative Investment Fund Managers Directive.

The European Union Alternative Investment Fund Managers Directive (the “AIFMD”) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (the “EEA”). To the extent that the Fund is actively marketed to investors domiciled or having their registered office in the EEA:

(i) the Fund, the Management Company and/or the General Partner will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund, the Management Company and/or the General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) the General Partner and/or the Management Company will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; (iv) the AIFMD will restrict certain activities of the Fund in Relation to EEA Portfolio Companies (including, in some circumstances, the Fund’s ability to recapitalize, refinance or potentially restructure an EEA Portfolio Company within the first two years of ownership), which may in turn affect operations of the Fund generally; and (v) the Fund may be restricted or prohibited from investing in securitization positions where none of the originator sponsor or original lender retains a minimum material net economic interest in the securitization as prescribed under the European Union Securitization Regulation, which may prevent the Fund from investing in certain securitization positions which would otherwise be available to it.

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

On January 31, 2020, the UK withdrew from the European Union (commonly referred to as “Brexit”). The ensuing transition period, during which the UK continued to be treated for most purposes as though it were still a member of the EU, expired on December 31, 2020. On December 24, 2020, the UK and the EU entered into a Trade and Cooperation Agreement which put in place comprehensive free trade arrangements for goods and not financial services. While UK law continues to reflect significant elements of EU law, the UK is now entitled to enact domestic legislation which may differ from corresponding EU legislation in many areas where the UK perceives it to be in the national interest of the UK to do so. The extent to which the UK and the EU will agree mutual equivalency provisions in respect of financial services is not clear.

To the extent that such provisions are agreed and come into force, they may subsequently be varied or withdrawn. The level of regulatory alignment in the medium to long term between the EU and UK in respect of financial services and financial market regulations therefore remains uncertain. The full effect of Brexit on the Fund is impossible to predict.

Need for Follow-On Investments.

Following its initial investment in a given Portfolio Company, the Fund may decide to provide additional funds to such Portfolio Company or may have the opportunity to increase its investment in a successful Portfolio Company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow on investments or that the Fund will have sufficient funds to make all or any of such investments.

Any decision by the 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 the Fund to increase its participation in a successful Portfolio Company or the dilution of the Fund's ownership in a Portfolio Company if a third party invests in such Portfolio Company.

Non-U.S. Investments.

The Fund may 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 the 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 the Fund and/or the Partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners.

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.

Economic Sanctions Laws.

The Fund is subject to laws that restrict if from dealing with entities, individuals, organizations and/or investments which are subject to applicable sanctions regimes. Enforcement of economic sanctions laws in the U.S., EU, and other countries is increasing, and failure by the General Partner, the Fund or Portfolio Companies to comply with U.S., EU, or other relevant economic sanctions could have serious legal and reputational consequences.

Accordingly, the Fund will require each Limited Partner to make representations and warranties with respect to compliance with anti-money laundering and sanctions regulations, including those of the U.S. Treasury Department's Office of Foreign Assets Control.

Where an investor or a related person is or becomes the target of sanctions or otherwise violates or would cause the Fund to violate applicable law, the Fund may be required immediately and without notice to such investor to cease any further dealings with the investor and/or the investor's interest in the Fund and/or freeze such investor's assets in the Fund's possession until the investor ceases to be subject to such sanctions or violations (a "**Sanctioned Persons Event**"). The Fund and the General Partner shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by an investor as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Fund subsequently become subject to applicable sanctions, the Fund may immediately and without notice to subscribers cease any further dealings with

that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings.

Currency Impact on Returns.

The Fund's returns are based on U.S. dollars, but the Fund's Portfolio Companies may earn revenues and profits in other currencies. The Fund will accept capital contributions only in U.S. dollars, and the Fund's books will be kept in U.S. dollars.

However, the Fund's assets may be invested in securities and other financial instruments denominated in other currencies. Consequently, Limited Partners will bear the risk that the U.S. dollar will appreciate in relation to the currency in which the Fund's investments are denominated during the period between the time when the Fund makes the investment and the time the Fund receives income from, or the proceeds of the sale of, the portfolio investment. The market rate of exchange between currencies is influenced by the forces of supply and demand in the foreign exchange markets, as well as by government intervention. Certain governments in jurisdictions where the Fund might invest have exerted significant influence on capital flows through exchange controls and similar measures. Regulatory actions could adversely affect the Fund's ability to acquire assets denominated in U.S. dollars, to otherwise obtain U.S. dollars or to transfer U.S. dollars outside of such countries or other jurisdictions. The Fund may also incur costs related to conversions between currencies.

Significant Adverse Consequences for Default.

The Fund Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting Limited Partner may be forced to forfeit up to 100% of its interest in the Fund for no consideration.

Dilution.

Limited Partners admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner 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 the Fund's existing investments at the time of such contributions.

Transfer by General Partner.

To the extent the General Partner, its partners, the Key Persons and/or their respective affiliates commit to make a direct or indirect investment in or alongside the Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Fund Agreement.

Director Liability.

The Fund may seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a Portfolio Company exposes the 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 the Fund's investment activities.

Liability of Limited Partners.

The Fund has been organized as a Delaware limited partnership. Generally, a Limited Partner should not be personally liable for the debts of the Fund except that, in the event the Fund is otherwise unable to meet its obligations, the Limited Partners may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them, subject to certain limitations set forth in the Fund Agreement. In addition, any Limited Partner's Commitment is susceptible to risk of loss as a result of any liability of the Fund irrespective of whether such liability is attributable to an investment to which such Partner did not contribute any capital.

Limitation of Recourse and Indemnification.

The Fund Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Fund Agreement will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund and may receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that may be subject to a right of indemnification. The fees, costs and expenses (whether or not advanced) and other liabilities resulting from the Fund's indemnification obligations will generally be paid by or otherwise satisfied out of the assets of the Fund, including the unpaid capital obligations of the Limited Partners. In addition, if the assets of the Fund are insufficient to satisfy the Fund's indemnification obligations, the General Partner may recall distributions previously made to the Limited Partners, subject to certain limitations set forth in the Fund Agreement. The General Partner may cause the Fund to purchase insurance for the Fund, the General Partner, the Management Company and their employees, agents and representatives, including to cover actions that would not be indemnifiable under the Fund Agreement, although there can be no assurance that any such insurance will be sufficient, available to satisfy the specific claims that may arise or generally available on commercially reasonable terms. Such indemnification obligations could materially impact the returns to Limited Partners.

Litigation.

In the ordinary course of its business, the Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Key Persons' 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.

LPAC.

The General Partner may appoint one or more Limited Partner representatives to the LPAC. The Fund Agreement will provide that to the fullest extent permitted by applicable law, none of the LPAC members shall owe any fiduciary duties to the Fund or any other Partner.

In addition, representatives of the LPAC may have various business and other relationships with the Management Company and its partners, employees and affiliates. These relationships may influence their decisions as members of the LPAC.

Impacts of Excuse or Exclusion.

A Limited Partner's participation in the Fund's investments may be limited by virtue of the General Partner's right to exclude a Limited Partner from, or a Limited Partner's right to be excused from, participating in certain of the Fund's investments as set forth in the Fund Agreement, thereby increasing the participation of other Limited Partners. As a consequence of one or more Limited Partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one investment by the Fund.

Possibility of Fraud or Other Misconduct of Employees and Service Providers.

Misconduct by (i) employees of the Management Company, (ii) Portfolio Company directors, officers or employees, and (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of the Fund and/or the General Partner and cause significant losses to the Fund. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Fund, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to the Fund. The Management Company has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

Unfunded Pension Liabilities of Portfolio Companies.

A 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, as amended ("**ERISA**"). 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. Although the Fund does not expect to own 80% or more of any Portfolio Company, if it were to hold such a stake in a Portfolio Company, this additional risk may apply.

Use of Placement Agents.

The Management Company may engage one or more placement agents in respect of the offering of the Fund's limited partner interests. A placement agent acts for the Fund and not as an investment advisor to prospective investors in connection with the offering of interests. Prospective investors must independently evaluate the offering and make their own investment decisions. In making those decisions, prospective investors should be aware that a placement agent will be paid a placement fee based upon the amount of capital committed to the Fund. Any placement agent fees and expenses may be paid by the Fund subject to a corresponding reduction in the management fee payable by the Fund to the

Management Company. Prospective investors should also note that at various times any such placement agent may act as placement agent for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with the General Partner or the Management Company, and including fund sponsors and funds that may offer interests that are similar to the interests in the Fund. Such unaffiliated fund sponsors may pay placement fees on terms different from the fees such placement agent may receive in respect of the Fund, and such differences in fees may influence the placement agent's decision to introduce prospective investors to the Fund. Furthermore, a placement agent may seek to do business with and earn fees or commissions from affiliates or investments of the Fund (e.g., in connection with financing or investment banking services, securitization activity, lending or arranging credit, or other transactions). Accordingly, prospective investors should recognize that a placement agent's participation as a placement agent for interests in the Fund may be influenced by its interest in such current or future fees and commissions. Prospective investors should also be aware that affiliates or employees of a placement agent could invest in the Fund on their own behalf and/or on behalf of their clients. Each prospective investor should consider these issues in making its investment decision.

Adequacy and Availability of Insurance.

While the Fund seeks to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this is not always be practicable or feasible.

Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, pandemics, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the Fund's profitability. The Fund may seek to obtain representation and warranty insurance in connection with certain transactions in an effort to insure against losses from breaches of representations or warranties in the agreements related to such transaction. In particular, the General Partner may use such insurance in lieu of conducting more comprehensive due diligence when the Fund participates in a competitive bid process. Representation and warranty insurance could result in the Fund bearing, directly or indirectly, additional costs and expenses and may not be a complete substitute for direct recovery against the counterparty to such transaction. Additionally, the market for representation and warranty insurance continues to evolve and insurers may not be able to adequately cover losses, particularly following an event that broadly affects the industry.

Impact of Government Regulation, Reimbursement and Reform.

Certain industry segments in which the Fund intends to invest, or to which the Fund may become exposed through its investments, are (or may become) (1) highly regulated at both the federal and state levels in the U.S. and internationally and (2) subject to frequent regulatory change. While the Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests.

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 or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the 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 the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's Portfolio Companies.

Health Emergencies and Market Disruption.

The occurrence of widespread health emergencies could have a material adverse effect on the Fund. For example, the outbreak of COVID-19, which was identified as a "pandemic" in March 2020, has resulted in decreased economic activity and on-going health concerns, which continue to adversely affect the broader global economy. Federal, provincial and local governments have taken a variety of actions designed to reduce the adverse impact on the United States economy, and others may be forthcoming.

At this time, the extent to which COVID-19 and resulting consequences may impact the Fund and its Portfolio Companies, and the duration of such impact, is uncertain. However, health emergencies such as COVID-19 or related significant public health and safety events, such as quarantine measures, travel restrictions, business closures and stay-at-home orders could have a material adverse effect on the Fund's Portfolio Companies, expenses and operations, liquidity, acquisitions, financing and dispositions of assets, cash distributions, and property and portfolio values and prospects. At this time, we cannot determine whether any Portfolio Companies or geographic regions will be more adversely affected by COVID-19 than others, in the near term or over an extended period of time.

Market Conditions.

The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the 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 the Fund's investments and could have a negative impact on the performance and/or valuation of the Portfolio Companies.

The 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 the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its Portfolio Company

investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the 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 the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective.

Material Non-Public Information.

As a result of the operations of the Management Company and its affiliates, the Management Company may come into possession of confidential or material, non-public information. Therefore, the Management Company and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the 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 the Management Company's internal policies. Due to these restrictions, the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Conflicts of Interest.

The Fund will be subject to various potential conflicts of interest. The Fund Agreement will contain certain protections for Limited Partners against conflicts of interest faced by the General Partner, the Management Company and their affiliates, but will not purport to address all types of conflicts that may arise. Moreover, as a practical matter, it may be difficult for Limited Partners to subject the behavior of the General Partner, the Management Company and their affiliates to close scrutiny.

The General Partner believes that the significant investment of the Key Persons in the Fund, as well as the Key Persons' direct and/or indirect ownership of Class B Interests or Class B Units, as applicable, operate to align, to some extent, the interest of the Key Persons with the interest of the Partners, although the Key Persons have or may have economic interests in such other investment funds and investments as well and receive management fees and incentive income relating to these interests. Such other investment funds and investments that the Key Persons may control or manage may compete with the Fund or companies acquired by the Fund. At such time as the General Partner is permitted to raise a successor investment fund to the Fund, the Key Persons will continue to manage the Fund's investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Fund's investments. Certain investments may be allocated between the Fund and any successor or predecessor fund in a manner as set forth in the Fund Agreement.

Until such time as the General Partner is permitted under the Fund Agreement to raise a successor investment fund to the Fund, the Key Persons generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the Fund principally for the benefit of the Fund, subject to certain exceptions set forth in the Fund Agreement.

However, the Key Persons may in the future manage several other investment funds besides the Fund and investments similar to those in which the Fund will be investing and may direct certain relevant investment opportunities to those investment funds and investments. Over time, certain investment opportunities suitable for the Fund are likely also to be suitable for other investment funds sponsored by the General Partner or its affiliates. In determining which investment funds should participate in such investment opportunities, subject to the Fund Agreement, the General Partner, the Key Persons and their affiliates are subject to potential conflicts of interest among the investors in the Fund and investors in the

other investment funds sponsored by the General Partner and the Key Persons. To determine whether the Fund or other investment funds sponsored by the General Partner or its affiliates will participate in the relevant investment opportunity, the General Partner generally assesses whether an investment opportunity is appropriate for each relevant fund based on the terms of such fund's limited partnership agreement, as well as factors including but not limited to: each fund's investment restrictions and objectives (including those set forth in the relevant fund's partnership agreements, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. The Fund may invest together with other funds advised by an affiliated adviser of the General Partner in the manner set forth in the relevant partnership agreements and any allocation policy that the General Partner or the Management Company may have in effect.

The General Partner will determine the allocation of investment opportunities among funds in a manner that it believes is fair and equitable consistent with the General Partner's obligations and may take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which the Fund will invest exceeds an amount appropriate for the Fund, such excess may also be offered to one or more potential investors.

The General Partner's allocation of investment opportunities among the Fund and any of the other investment funds sponsored by the General Partner may not always, and often will not, be proportional. Therefore, such allocations may be more advantageous to the Fund relative to one or all of the other investment funds, or vice versa. While the General Partner will allocate investment opportunities in a way that it believes in good faith is fair and equitable to the Fund, there can be no assurance that the Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the General Partner may be subject did not exist.

Additionally, conflicts of interest can arise if the Fund makes an investment in a Portfolio Company in conjunction with an investment made by another investment fund sponsored by the General Partner or an affiliate. For instance, the Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This may result in differences in price, investment terms, leverage and associated costs between the Fund and any other investing fund sponsored by the General Partner or an affiliate. There can be no assurance that the Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund. The General Partner may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Fund, including with respect to inhouse personnel who may provide services to the Fund as well as other affiliates of the General Partner, the Management Company and/or the Key Persons. The General Partner, in its sole discretion, will allocate fees and expenses in accordance with the Fund Agreement and in a manner that it believes in good faith is fair and equitable to the Fund under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

The Fund intends to make controlling investments in Portfolio Companies. As a result of these controlling interests, the General Partner expects the Fund to typically have the right to appoint Portfolio Company

board members (including current or former General Partner personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, Portfolio Company board members may approve compensation and other amounts payable to the General Partner in connection with services provided by the General Partner and its affiliates to such Portfolio Company that are in addition to the Management Fee discussed herein. The General Partner's authority to appoint or influence the appointment of Portfolio Company board members who may be involved in approving compensation payable to the General Partner subjects the General Partner and any such Portfolio Company board appointees to potential conflicts of interest.

Further, personnel of the General Partner, Operating Partners (as defined below) and their affiliates also may from time to time serve as directors or interim executives of, or otherwise be associated with, companies that are competitors of Portfolio Companies of the Fund. In such cases, such personnel may be subject to fiduciary and other obligations to make decisions that they believe to be in the best interests of the relevant companies. Although, in most cases involving the Fund's Portfolio Companies, the interests of the Fund and its Portfolio Companies would be expected to be aligned, this may not always be the case, particularly if Portfolio Companies are likely to be in financial difficulty. It would also be expected that the interests of a competitor company would not be aligned with those of the Fund or the Fund's Portfolio Companies. This may result in a conflict between the relevant individual's obligations to a Portfolio Company or competing company and the interests of the Fund. In some circumstances, having such individuals serve as directors or interim executives of a Portfolio Company of the Fund or another company (including, for these purposes, a Portfolio Company of any other fund sponsored by an affiliate of the General Partner) may restrict the ability of the Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

Additionally, a Portfolio Company may reimburse the General Partner or service providers retained at the General Partner's discretion for expenses (including, without limitation, travel expenses) incurred by the General Partner or such service providers in connection with the performance of services for such Portfolio Company. This subjects the General Partner to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time may be substantial. Subject to the Fund Agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion.

The General Partner may also, from time to time, employ personnel with pre-existing ownership interests in or who were employed by Portfolio Companies owned by the Fund or other funds or investment vehicles advised by the General Partner; conversely, former personnel or executives of the General Partner may serve in significant management roles at Portfolio Companies or service providers recommended by the General Partner. Similarly, the General Partner and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the General Partner, and/or the Fund, other funds or other investment vehicles the General Partner advises. The General Partner may have a conflict of interest with the Fund in recommending the retention or continuation of a third-party service provider to the 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 the General Partner advises, will provide the General Partner information about markets and industries in which the General Partner operates (or is contemplating operations) or will provide other services that are beneficial to the General Partner. The

General Partner may have a conflict of interest in making such recommendations, in that the General Partner has an incentive to maintain goodwill between itself and the existing and prospective Portfolio Companies for the Fund and other funds and investment vehicles that the General Partner advises, while the products or services recommended may not necessarily be the best available to the Portfolio Companies held by the Fund.

Over the life of the Fund, the General Partner generally expects to exercise its discretion to recommend to the Fund or to a Portfolio Company thereof that it contract for services with various service providers, potentially including, among others: (i) the General Partner (or an affiliate, which may include other Portfolio Companies of the Fund or other investment funds sponsored by the General Partner or an affiliate) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates. This subjects the General Partner to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance Portfolio Company performance, the General Partner may have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the General Partner, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner, the Fund or other investment funds sponsored by the General Partner or its affiliates), may favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not the General Partner has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The fact that the General Partner will be initially own at least 20% of the Class B Interests may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Fund has a fixed investment period after which capital from Limited Partners generally may only be drawn down in limited circumstances for three additional years, and because the Management Fee is, at certain times during the life of the Fund, calculated based upon the net asset value the Fund, the Management Fee structure may create an incentive for the General Partner to deploy capital and/or dispose of investments when it might not otherwise have done so. In addition, if distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the Fund Agreement. An independent appraisal generally will not be required and is not expected to be obtained, subject to the procedures set forth in the Fund Agreement. The Key Persons may spend a substantial portion of their business time and attention pursuing investment opportunities for, managing the business of and/or performing consulting services on behalf of certain other companies and investment vehicles. The General Partner, the Management Company, the Key Persons and their respective affiliates may also become involved in the operation and management of other funds, co-investment vehicles as well as other businesses and, while it is expected that they will devote an amount of time as is necessary and appropriate to manage the affairs of the Fund, conflicts of interest may arise with respect to allocating their professional time between the Fund and their various other business pursuits.

The Key Persons have business interests separate and apart from their direct or indirect interest in the General Partner and the Management Company. The Key Persons' outside business interests may include, voting and non-voting interests in several operating companies, and controlling, voting and non-voting

interests in various privately held real estate and other investments unrelated to the General Partner and the Management Company. In the future, the Key Persons intend to pursue additional investment opportunities. These various business interests may limit the time the Key Persons can devote to any one activity, including the Fund.

In addition, conflicts of interest may arise. When the Key Persons become aware of a material conflict of interest involving their role with respect to the Fund and another of their business interests, the Key Persons will advise the General Partner which will consider appropriate methods to mitigate the conflict, including potentially submitting such item to the LPAC for consideration. The fact that the General Partner, the Management Company, the Key Persons or any related persons are directly or indirectly interested in or connected with any company or person with which or with whom the Fund may have dealings will not by itself preclude such dealings, and neither the Fund nor any of the Limited Partners will have any rights in or to such dealings or any profits derived therefrom. It is expected that one or more Limited Partners will have an economic interest in the General Partner and also serve on the LPAC, which could create conflicts of interest when any such Limited Partner votes on matters presented to the LPAC.

Diverse Limited Partners.

The investors in the Fund are expected to include diverse investors that may have conflicting investment, tax and other interests with respect to their investments in the Fund. In addition, the General Partner and its Affiliates and employees, including any such Limited Partner with an interest in the General Partner or appointed as an LPAC member, may invest directly in the Fund which may raise potential conflicts of interests and provide such Limited Partner certain rights, benefits or privileges, including information rights, that may not be made available to other Limited Partners. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring or the acquisition of investments, and the timing of disposition of investments. In selecting and structuring investments appropriate for the Fund, and otherwise while acting in its capacity as general partner of the Fund, the General Partner will consider the investment and tax objectives of the Fund as a whole, and not the investment, tax or other objectives of any Limited Partner individually.

Side Letters.

In accordance with common industry practice, the General Partner may, on behalf of the Fund, enter into one or more “side letters” or similar agreements with certain Limited Partners, including Limited Partner(s) with an interest in the General Partner, pursuant to which the General Partner grants to such Limited Partner(s), on behalf of the Fund, specific rights, benefits or privileges that may not be made available to other Limited Partners. As a result, Limited Partners may not be in the same position as other Limited Partners to protect their investment in the Fund and may face a disproportionate risk of loss in comparison to investors granted such rights, benefits, or privileges.

Certain Consultants.

The General Partner may retain, on behalf of the Fund and/or the Portfolio Companies, as applicable, operating advisors and other consultants (“**Operating Partners**”), which may be affiliates of the General Partner, employees of such affiliates, portfolio companies of other funds managed by the General Partner or its affiliates, third party consultants, “strategic partners,” “executive partners” or “senior advisors.” The Operating Partners may regularly provide services to, or in connection with, the Fund in relation to its activities, or to one or more Portfolio Companies in relation to the identification, acquisition, holding, improvement and disposition of such Portfolio Companies, including operational aspects of such companies (“**Services**”).

Pursuant to the Fund Agreement, fees and expenses associated with the Services (collectively “**Consulting Fees and Expenses**”), may be paid and/or reimbursed by applicable Portfolio Companies and/or the Fund, and Consulting Fees and Expenses do not offset the Management Fee. Consulting Fees and Expenses may include cash fees, profits or equity interests in a Portfolio Company, a share of proceeds upon sale of a Portfolio Company and/or other incentive-based compensation to the Operating Partner, 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 Operating Partner, 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 may provide opportunities for Operating Partners to invest in such Portfolio Company and reimburse costs and expenses incurred by Operating Partners.

Operating Partners 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. Such investment opportunities, reimbursements and other compensation paid to an Operating Partner will not offset the Management Fee. Operating Partners may have a limited partnership or profit interest in the Fund, the General Partner, one or more other investment funds sponsored by the General Partner or in an affiliate of the General Partner.

Although the General Partner may retain Operating Partners with a view to reducing costs to Portfolio Companies (and, ultimately, the Fund) and/or improving Portfolio Company performance, a number of factors may result in limited or no cost savings from such retention. In addition, the General Partner may retain only such Operating Partners which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Valuation of Assets.

There is not expected to be an actively traded market for most of the securities or other property owned by the Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments.

However, the process of valuing securities or other property 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 or property and may differ from the prices at which such securities or property ultimately may be sold. The General Partner believes that the valuation provisions set forth in the Fund Agreement, which require a third-party valuation and permit a Limited Partner to petition valuations, will mitigate valuation risk for Limited Partners.

Co-Investments.

The General Partner may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of the Fund or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, the General Partner may consider some or all of a wide range of

factors, which may include factors which benefit the General Partner such as the likelihood that an investor may invest in a future fund sponsored by the General Partner or its affiliates.

The Fund may 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 the Fund, or may be in a position to take action contrary to the investment objectives of the Fund.

In addition, the Fund may in certain circumstances be liable for actions of its third-party coventurer or partner. There can be no assurance that the Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

In addition, from time to time, the General Partner in order to consummate a transaction or facilitate the acquisition of Portfolio Company securities and ensure the Fund is afforded an investment opportunity or otherwise, may cause the Fund to fund (or commit to fund) on behalf of certain co-investors with a view to selling down a portion of such investment to such co-investors or other persons at a later time or prior to or within a period after the closing of the acquisition. The Fund may or may not receive compensation for such activities. If the Fund does not find co-investors and/or in the event that the co-investors breach their covenant to purchase the investment from the Fund, the Fund will have an allocation to an investment that is larger than originally anticipated. In addition, the Fund will bear the risk that any or all of the excess portion of such investment could only be sold on unattractive terms. The Fund may also bear the entire portion of any breakup fees, costs or expenses or, if the excess portion of such investment has not been sold, the Fund may bear the entire portion of any other fees, costs and expenses related to such investment, hold a larger than expected investment in such Portfolio Company and could realize lower than expected returns from such investment.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the General Partner or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Limited Partners. When and to the extent that employees and related persons of the General Partner make capital investments in or alongside the Fund, the General Partner is subject to conflicting interests in connection with these investments. The General Partner's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

Contingent Liabilities Upon Disposition.

In connection with the disposition of an investment, the Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable Portfolio Company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. 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 the Fund and, ultimately, its investors.

Cybersecurity Breaches and Identity Theft.

The General Partner, the Fund and the Fund's investments generally rely on information technology systems for current and planned operations. Information and technology systems of the General Partner and the Fund's Portfolio Companies and projects may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, the Fund, a Portfolio Company or project may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the Fund's investment results and its ability to make distributions to its Partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partner's, the Fund's, a Portfolio Company's and/or a project's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the General Partner's, the Fund's, a Portfolio Company's and/or a project's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Privacy Law Compliance Risk.

Compliance with current and future privacy data protection and information security laws and regulations ("**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 the Management Company, the General Partner, the Fund and its Portfolio Companies, and as such could increase costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Fund and/or its Portfolio Companies are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018 (the "**CCPA**"). The CCPA generally applies to businesses that collect personal information about California consumers, and either meet certain thresholds with respect to revenue or buying and/or selling consumers' personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. The CCPA is enforceable by the California Attorney General.

Additionally, if unauthorized access, theft or disclosure of a consumer's personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range from \$100 to \$750 per consumer per incident, or actual damages, whichever is greater. The Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation.

The European Union has enacted a similar law in the form of the General Data Protection Regulation (EU 2016/679) (the “**GDPR**”). The GDPR seeks to harmonize national data protection laws across the European Union, while at the same time, modernizing the law to address new technological developments. The GDPR notably has a greater extra-territorial reach than pre-existing legislation and has a significant impact on data controllers and data processors, (i) with an establishment in the European Union, (ii) which offer goods or services to European Union data subjects, or (iii) which monitor European Union data subjects’ behavior within the European Union. The GDPR imposes more stringent operational requirements on both data controllers and data processors, and introduces significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive will be repealed by the EU Commission’s Regulation on Privacy and Electronic Communications (the “**ePrivacy Regulation**”), which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs and operational and legal burdens on regulated entities. Further, compliance with current and future 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 some of our current and planned business activities. Any such Privacy Law could materially and adversely affect results of operations and overall business, as well as have a negative impact on Fund performance.

Broken Deal Expenses. It is possible that the Fund will incur legal, tax structuring or other out-of-pocket expenses (including reverse termination fees and any costs, expenses and fees relating to forming and maintaining subsidiary investment vehicles or other investment vehicles that are not ultimately used) in connection with an investment that does not close.

Unless the Fund is entitled to reimbursement of these expenses under an agreement with a third party (including co-investment vehicles and persons who may co-invest with the Fund), these expenses would be entirely Fund expenses, borne by the Fund and any Parallel Funds on a pro rata basis, and not by prospective co-investors (including co-investment vehicles and other clients of the General Partner, the Management Company or any of their affiliates), irrespective of whether a potential co-investor had been identified prior to the time that the General Partner and/or the Management Company determined that such proposed investment will not be consummated, and irrespective of whether the General Partner, the Management Company and their affiliates had made a final determination regarding allocation of such proposed investment among co-investment vehicles and any other clients or persons expected to participate in such investment. To the extent the Fund incurs these expenses, the net returns to Limited Partners will be adversely impacted.

Confidentiality Constraints.

In the course of its investment process, the Fund will be required to enter into confidentiality agreements with third-party firms or Portfolio Companies that may prohibit the Fund and the Limited Partners from publicly disclosing sensitive information relating to the third-party firm, their investments and these Portfolio Companies. These arrangements could either restrict the information that the Fund is permitted to share with the Limited Partners or could possibly result in liabilities for the Fund where a Limited Partner that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act or other similar state or local laws, publicly discloses

such information in response to an information request or otherwise. Furthermore, the Fund may choose, but is not required, to decline such investment opportunities in order to avoid the risk of exposing the Fund to these categories of liability, and as a result, the Fund's investment flexibility may be constrained, which may adversely impact the aggregate returns realized by the Limited Partners.

Item 9: Disciplinary Information

Not Applicable. Northrim and its supervised persons have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. Neither Northrim, nor any of its management persons, is applying to register as a broker-dealer, nor intends to in the future.

Item 10.B.

Not Applicable. Neither Northrim, nor any of its management persons, is applying to register with the Commodity Futures Trading Commission or applying for membership with the National Futures Association.

Item 10.C.

The General Partners are affiliates of Northrim, and in this capacity the relationship could create an incentive for Northrim to make investment allocations that are riskier or more speculative than would be the case if affiliates of Northrim did not receive incentive compensation from the Funds for serving as the General Partners to the respective Funds. Northrim will act in the best interest of its Funds and in accordance with the respective Fund's investment objectives and has a robust compliance program in place to generally deal with conflicts of interest that come up from time to time on an objective basis.

Item 10.D.

Not Applicable. Northrim and its supervised persons do not recommend or receive compensation for selection of other investment advisers for its clients.

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

Item 11.A.

Northrim has adopted a Code of Ethics (the "**Code of Ethics**"), as required under Rule 204A-1 under the Advisers Act, to which all supervised persons of Northrim (as the Chief Compliance Officer deems appropriate) are subject. Supervised persons of Northrim may only purchase and sell securities in accordance with the Code of Ethics. This personal trading policy is monitored by the Chief Compliance Officer.

Supervised persons are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics covers the following activities:

- A statement of the standard of business conduct.
- Limits on gifts and entertainment.
- Limits on political contributions.
- Prohibition of supervised persons from purchasing or selling, directly or indirectly, any existing or contemplated securities for the Fund's investment portfolio, or any security for which the supervised person may have received material nonpublic information.
- Pre-Approval requirement for Access Persons to pre-clear certain purchases or sales of securities through the Chief Compliance Officer for personal accounts.
- Reporting requirements regarding personal securities holdings.
- Requirement of prior approval of the Chief Compliance Officer for any exceptions to the policies in the Firm's Code of Ethics.

A copy of Northrim's Code of Ethics is available to investors and prospective investors upon request.

Item 11.B through Item 11.D.

Northrim does not engage in principal transactions. Northrim, as a fiduciary, endeavors to always make decisions in the best interests of its clients if conflicts of interest arise. Employees of Northrim are prohibited from using their knowledge of Fund transactions to cause any non-Fund account to profit from the market effect of such transactions or give such information to a third party who may so profit. Northrim may restrict personal trading by employees or related persons in any circumstances where the Adviser considers it to be in the best interests of Northrim and/or its clients. Northrim may also reverse, cancel, or freeze any transaction or position in an account of an employee or related person that in its discretion it believes is inconsistent with the Code of Ethics.

Item 12: Brokerage Practices

Item 12.A.1.

Northrim retains full discretion to determine the broker or dealer to be used for each securities transaction for Fund accounts and seeks to obtain best execution for its clients by placing orders for the purchase and sale of securities with brokers and dealers based on Northrim's evaluation of the ability of the broker or dealer to execute orders in a prompt and effective manner as well as consider such factors as, including but not limited to, the financial stability and reputation of brokerage firms, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, custodial and other services provided for the enhancement of portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades, and the research, brokerage or other services provided by such brokers.

There may be instances when, in the judgment of Northrim, more than one broker or dealer is able to offer comparable brokerage services to the Funds. In selecting among such brokers or dealers, consideration may be given to those brokers or dealers that provide research services to the Fund, Northrim, and any of Northrim's affiliates.

Northrim does not anticipate the use of soft dollars.

Item 12.A.2.

Northrim does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Not Applicable. Northrim does not recommend, request or require that a client direct Northrim to execute transactions through a specified broker-dealer.

Item 12.B.

Northrim has the authority to allocate investments to advisory clients on a cost basis or on another basis it deems fair and equitable. Similarly, Northrim may allocate investments among different advisory clients on a basis it considers fair and equitable over time. One or more of the foregoing considerations may (and are often expected to) result in allocations among advisory clients on other than a *pari passu* basis.

Item 13: Review of Accounts**Item 13.A. and 13.B.**

Northrim principals are responsible for reviewing the overall strategic, direction and broad allocations of investments by the Fund on an ongoing basis to confirm that each portfolio is in line with, as applicable: investment criteria specified in private placement memoranda; objectives, limitations or restrictions specified in agreement with the Fund; risk parameters and other Northrim specified limits; and other guidelines or restrictions.

Item 13.C.

Investors in the Funds will typically receive, among other things, (i) a copy of audited financial statements of the Funds annually; (ii) annual tax information necessary for the preparation of each partner's U.S. tax returns; and (iii) descriptive investment information for each portfolio company periodically.

Northrim may provide investors with information on a more frequent and detailed basis as provided in the Offering Documents of the relevant Fund and any side letters.

Item 14: Client Referrals and Other Compensation**Item 14.A.**

Northrim does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to the Fund or related to the selection or recommendation of broker-dealers.

Item 14.B.

Currently, Northrim does not have a compensated arrangement with Placement Agents to refer investors to the Funds.

Item 15: Custody

As an affiliate to the General Partners to the respective Funds, Northrim is deemed to have custody of certain client assets under Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"). As required by the safekeeping requirement in the Custody Rule, all assets of the Fund are held by qualified custodians. On an annual basis, Northrim will deliver to the Fund's investors audited financial statements within 120 days of fiscal year-end.

Item 16: Investment Discretion

Northrim has discretionary authority to manage securities accounts on behalf of clients and therefore, determines which securities and the amounts of securities it buys and sells for clients. This authority has been granted to Northrim by means of an executed investment management agreement that sets forth the scope of the discretion with respect to the Funds. Northrim generally is not required to provide notice to, consult with, or seek the consent of the relevant Fund prior to engaging in transactions that fall within the Fund's approved investment guidelines.

Item 17: Voting Client Securities

Due to the nature of its investments in equities of private companies, Northrim does not anticipate voting proxies.

However, should an instance arise where a corporate event requires a vote, Northrim has voting authority since it has discretionary authority over the securities held by its clients. Accordingly, Northrim understands its fiduciary responsibility to monitor corporate events, to vote proxies and cast votes in the best economic interests of its clients, and to not put client interests second to its own economic interests.

Northrim has adopted the proxy voting policies and procedures set forth in its Compliance Manual to identify and address material conflicts of interest related to voting proxies. Under our proxy voting policy, Northrim will generally vote proxies in accordance with the recommendation of the issuing company's management on routine and administrative matters unless Northrim has a particular reason to vote to the contrary. Non-routine matters will be voted on a case-by-case basis in a manner that serves the clients' best interest. Under certain circumstances, we may abstain from voting specific proxies if we believe that doing so is in the best interests of our clients. Furthermore, under our proxy voting policy, we may not vote proxies issued by companies if our clients no longer have any economic exposure to the issuer.

Clients and investors are not permitted to direct Northrim's vote in a particular proxy solicitation.

Clients and investors may obtain information regarding how Northrim voted its securities by requesting records of the Chief Compliance Officer, who is responsible for retaining all records related to proxy voting. Additionally, clients may obtain a copy of Northrim's proxy voting policies and procedures upon request to the Chief Compliance Officer.

Item 18: Financial Information

Not Applicable. Northrim does not require or solicit prepayment of more than \$1,200 in fees, six months or more in advance. Northrim is not aware of any financial condition that is reasonably likely to impair Northrim's ability to meet contractual commitment to Clients. In addition, Northrim has not been the subject of a bankruptcy petition at any time during the past ten (10) years.