

GHK Capital Partners LP Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of GHK Capital Partners LP. If you have any questions about the contents of this brochure, please contact us at 203-409-0900 or info@ghk.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about GHK Capital Partners LP is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This Brochure is dated March 2024 and is the updating amendment to the prior Brochure dated March 2023. The following are material changes related to GHK's business since the prior Brochure was filed:

- GHK Pure Co-Investment Vehicle was liquidated during 2023, and GHK JB Co-Investment Vehicle LP and GHK WSB Co-Investment Vehicle LP were established. GHK Fund II LP and GHK Fund II (Parallel) LP were also established. In connection with these changes, updates were made throughout the Brochure to reflect fees and expenses and other terms and conditions related to these investment vehicles.

Although GHK does not deem the following change material, this Brochure has been amended to reflect regulatory assets under management as of December 31, 2023, and the removal of a disclosure in Item 8 related to the risks associated with Russia's invasion of Ukraine. Clients, investors and prospective clients and investors should review this Brochure carefully and in its entirety.

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Item 4 Advisory Business

GHK Capital Partners LP (“GHK” or the “Investment Adviser”) provides investment advisory services to closed-end private equity investment vehicles, including, without limitation, (a) GHK North Star Holdings LLC (“GHK North Star”), GHK JB Co-Investment Vehicle LP (“GHK JB”), GHK WSB Co-Investment Vehicle LP (“GHK WSB”), GHK Smokey Co-Investment Vehicle LP (“GHK Smokey”), and GHK AVC Co-Investment Vehicle LP (“GHK AVC”)(together with GHK North Star, GHK JB, GHK WSB and GHK Smokey, the “GHK Direct Funds”) and (b) GHK Fund I LP (“GHK I”) and GHK Fund I (Parallel) LP (“GHK I Parallel” and, together with GHK I, “GHK Fund I”), GHK Fund II LP (“GHK II”) and GHK Fund II (Parallel) LP (“GHK II Parallel” and together with GHK II, “GHK Fund II”) (in the case of GHK Fund I and GHK Fund II, the “GHK Funds”) (in the case of the foregoing clauses (a) and (b), together with any of their related parallel partnerships, feeder funds and/or alternative investment vehicles, as the context may require, each a “Private Fund” and, together, the “Private Funds”). In addition, GHK provides investment advisory services to a separate investment account (“SIA”). Investment advisory services provided by GHK are provided directly to the SIA and each Private Fund and not individually to the investors of a Private Fund. For purposes of this brochure, the applicable general partner (or equivalent governing person) of a Private Fund shall be referred to as the “General Partner.”

GHK Funds

Certain disclosures provided herein (including, without limitation, the description of certain organizational and partnership expenses in Item 5 and the description of certain investment risks and conflicts of interest described in Item 8 relating to the Private Funds are based upon the offering documents of the GHK Funds.

GHK Direct Funds

As discussed above under Item 4—GHK Funds, certain disclosures provided herein are based upon disclosures provided in the offering documents of the GHK Funds. Because each of the GHK Direct Funds, unlike the GHK Funds, invests in a single portfolio company only, disclosures based on the GHK Funds’ offering documents will in some cases not be applicable to the GHK Direct Funds. Investors in a GHK Direct Fund are encouraged to evaluate any such disclosures in light of the specific purpose of each such GHK Direct Fund (that is, each GHK Direct Fund has invested in only one portfolio company and does not expect to make future investments, other than potential follow-on investments, in its applicable portfolio company).

The Private Funds

GHK (or one of its affiliates) serves as the Investment Adviser with discretionary authority to implement investment decisions for each of the Private Funds. GHK’s investment decisions and advice with respect to the Private Funds are in accordance with the investment objectives and investment restrictions set forth in the respective constituent documents of each Private Fund and any side letters that a Private Fund executes with its investors. The purpose of each of the Private Funds is to make private equity investments primarily within the industrials sector.

GHK provides investment advisory services in accordance with the constituent documents of each of the Private Funds. In providing services to the Private Funds, GHK formulates each Private Fund's investment objective, directs and manages the relevant investment and, when applicable, reinvestment of each Private Fund's assets, and provides periodic reports to the investors in each Private Fund. Investment advice is provided directly to the Private Funds and not individually to the investors of the Private Funds. GHK manages the assets of the Private Funds in accordance with the terms and conditions of their respective constituent documents, each of which contains certain restrictions on the types of assets in which the applicable Private Funds may invest. Investors and prospective investors in a Private Fund should refer to the applicable constituent documents for complete information on the specific terms, including investment objectives and investment restrictions, applicable to such Private Fund. There can be no assurance that any of the Private Funds' objectives will be achieved.

Separate Investment Account

GHK currently serves as the Investment Adviser to one SIA with full discretionary authority to hold, monitor, review, and sell the assets in the SIA. The purpose of the SIA is to make private equity investments primarily within the industrials sector.

GHK was formed in 2018 and is wholly owned by Gilbert H. Klemann. As of December 31, 2023, GHK had regulatory assets under management of \$1,548,895,223 managed on a discretionary basis. GHK does not manage any client assets on a non-discretionary basis.

Item 5 Fees and Compensation

GHK Fund Management Fees

The GHK Funds will pay management fees to GHK in accordance with the terms of their limited partnership agreements. Such management fees will generally be payable quarterly in advance, although such fees will be payable on a pro rata basis for any period less than a full three-month period. The management fee paid by the GHK Funds will be 2.0% per annum of aggregate capital commitments of its fee-bearing investors during its commitment period (which, unless terminated earlier, will be five years from the date of its first investment). Thereafter, the management fee paid by the GHK Funds will be 2.0% per annum of the actively invested capital attributable to its fee-bearing investors.

GHK will be permitted, at any time and in its sole and absolute discretion, to waive, reduce or calculate differently all or any portion of the management fee with respect to any investor (including by way of side letter).

In addition, the GHK Fund management fees will be subject to certain offsets which are detailed in each fund's offering documents.

Investors should not consider an investment in the GHK Funds without fully understanding the management fee structure.

GHK Fund Portfolio Company Fees

GHK will receive Transaction Fees in connection with the GHK Funds' portfolio investments.

Monitoring fees, advisory fees or similar fees are typically paid in consideration of providing monitoring or similar services to portfolio companies intended to improve the business and management of such companies. The payment of any such fees will cease from and after the termination of any such services, which would typically occur upon the complete (as opposed to upon a partial) disposition of the GHK Funds' investment in the applicable portfolio company. Such fees will not be "accelerated" in connection with an early disposal of any such investment. The payment of such fees by a portfolio company will reduce the value of such portfolio company and accordingly the value of the GHK Funds' investment in such portfolio company.

GHK Direct Fund Fees

The GHK Direct Funds produce the following fees for GHK and its affiliates:

- GHK North Star: The applicable portfolio company (or one of its subsidiaries) pays the following annual monitoring fee (styled as "management fees") quarterly in advance to the Investment Adviser: (i) for first three years after closing, 1.5% per annum of total capital contributions at closing; (ii) for the fourth year after closing, 1.25% per annum of the total capital contributions at closing; and (iii) after the fourth year after closing (and until the sale or dissolution of the company), 1% per annum of the total capital contributions at closing. The applicable portfolio company also paid the Investment Adviser at closing, as a non-recourse advance on future distributions, an amount of \$2,000,000. GHK North Star also bears certain of its organizational and operating fees, costs and expenses.
- GHK Smokey: In consideration of the services rendered and to be rendered by the Investment Adviser, the portfolio company will pay to GHK a monitoring fee, payable quarterly in advance on the first business day of each calendar quarter (January 1, April 1, July 1 and October 1), equal to one and one quarter percent (1.25%) of the Consolidated Adjusted EBITDA of the portfolio company for the trailing twelve month period as of the beginning of the quarter preceding the calendar quarter in which such payment is made. The monitoring fee is capped at \$3.75 million for any calendar year.
- GHK AVC: In consideration for the general executive and management services performed, the Investment Adviser receives a quarterly monitoring fee paid in advance on the first business day of each calendar quarter, in an amount equal to the greater of (x) \$375,000 and (y) 1.25% of the consolidated adjusted EBITDA of the portfolio company for the trailing twelve-month period as of the beginning of the quarter preceding the calendar quarter in which such payment is made.

- GHK JB: In consideration for the services performed, the portfolio company pays GHK a quarterly monitoring fee paid in advance, in an amount equal to the greater of (x) \$375,000 and (y) 1.25% of the consolidated adjusted EBITDA of the portfolio company for the trailing twelve-month period as of the beginning of the quarter preceding the calendar quarter in which such payment is made.
- GHK WSB: In consideration for the services performed, GHK receives a quarterly monitoring fee paid in advance, in an amount equal to 1.25% of the consolidated adjusted EBITDA of the portfolio company for the trailing twelve-month period as of the beginning of the quarter preceding the calendar quarter in which such payment is made. The monitoring fee is capped at \$2.5 million in any calendar year.

GHK Fund Expenses

GHK will pay some or all of the types of expenses listed below depending on the fund. Investors should not consider an investment in the GHK Funds without fully understanding the expense structure for each fund, as outlined in the offering documents.

Organizational Expenses. A Private Fund will typically bear (a) placement fees and indemnification payments paid to any placement agent; (b) all fees, costs and expenses (including compensation paid or provided to any service provider, which compensation could be performance or success-based or not performance or success-based and which, for any period, could be fixed (regardless of the amount of work performed by the service provider during such period), variable (depending on the amount of work performance by the service provider during such period) and which forms of compensation can include salary, bonus, securities or other instruments (including direct or indirect interests in carried interest, management fees, transaction fees or other fees), one-time or periodic fees (including retainer fees, success-based fees, board or finder's fees), expense reimbursements, co-investment rights with respect to one or more portfolio investments and employee benefits or other similar forms of compensation, whether paid in cash or in kind (collectively, "Service Provider Compensation")) incurred in connection with forming such Private Fund, the General Partner, the Investment Adviser and certain related party vehicles of the General Partner (each, a "GP Related Party Vehicle"); and (c) all fees, costs and expenses (including (x) Service Provider Compensation and (y) any fees, costs and expenses incurred in connection with (1) travel by way of private or non-commercial aircraft, (2) travel by way of first or business class travel, (3) use of livery or other automotive (i.e., car) services, including reimbursement of mileage, (4) lodging and accommodations, (5) personal and business meals, and (6) business entertainment (in each case, irrespective of whether such fees, costs and expenses are incurred in connection with portfolio investment-related matters or the operation, administration or carrying on of the activities and operations of the Private Fund) (the expenses described in clause (y), "Travel and Related Expenses") incurred by the Private Fund, the General Partner, the Investment Adviser and any of their respective affiliates or personnel in connection with (i) the offer, sale, marketing and private placement of the interests in the Private Fund and any GP Related

Party Vehicle, including the fees, costs and expenses incurred in connection with the preparation (and, if applicable, the negotiation of) engagement letters with service providers, marketing presentations, investor presentations, due diligence questionnaires, the Private Fund's private placement memorandum, the Private Fund's limited partnership agreement and the operative agreement of any GP Related Party Vehicle and any Fund Agreement (as defined in "*Partnership Expenses*" below), (ii) the preparation of performance and marketing-related disclosures that conform to the requirements of Rule 206(4)-1 under the Advisers Act and that are used in marketing materials for the Fund, whether or not such fees, costs and expenses were incurred before or after the formation of the Fund or in anticipation of the formation of the Fund, and including any such fees, costs and expenses that were originally incurred in connection with the operations or activities of any Other Client, (iii) the preparation and digitization of electronic subscription agreements and any associated platform or software and related services, (iv) capital raising and other organizational activities (including printing, mailing, courier, registration, filing and other similar activities) of the Private Fund, the General Partner, the Investment Adviser, such GP Related Party Vehicles and any of their respective affiliates and personnel, (v) the registration, qualification or exemption of the Private Fund and such GP Related Party Vehicles (or the interests of or in any of the foregoing) under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations (including E.U. Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD") and/or the laws, rules or regulations implemented or promulgated in any applicable jurisdiction in relation thereto or similar marketing-related regulations in other jurisdictions), and (vi) compliance with any other applicable laws (including anti-money laundering or know-your-customer laws, rules or regulations) by the Private Fund, the General Partner, the Investment Adviser, such GP Related Party Vehicles and any of their respective affiliates or personnel required or deemed advisable in connection with the activities set forth in the foregoing clauses (i) through (v) (collectively, the "Organizational Expenses").

Partnership Expenses. In addition, each Private Fund, subject to its constituent documents, will typically be responsible for all other fees, costs and expenses incurred in connection with the operation, administration or carrying on of the activities or operations of the Private Fund ("Partnership Expenses"), including the following:

(a) fees, costs and expenses incurred in connection with sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring or otherwise disposing of any portfolio investment or any potential portfolio investment and all other similar transaction-based fees, costs and expenses incurred in connection with any of the foregoing (each of which can be reimbursed, all or in part, by the applicable portfolio company or can also be used for the benefit of the General Partner, the Investment Adviser or any of their respective affiliates or personnel or another Private Fund without reimbursement to the Private Fund), including: (i) fees, costs and expenses incurred in connection with deal initiation, investment banking, brokerage, underwriter (whether in the form of commissions or discounts), syndication, hedging, valuation, appraisal, due diligence, custodial, trustee, record keeping, lending, legal, attorney, accounting, auditing, administrator, tax, advisory, compliance and consulting (including any compensation paid to an Operating Executive (as

defined below), the nature of which could include any form of Service Provider Compensation (“Operating Executive Compensation”)) services, including Service Provider Compensation; (ii) fees, costs and expenses incurred in connection with business development (including attending industry conferences) and obtaining research, data, analytics, business intelligence (including any “expert networks”), modeling, structuring, pricing and execution services, in each case, that are incurred in connection with the operation, administration or carrying on of the investment activities or other operations of the Fund, including the fees, costs and expenses of any subscriptions and any computer terminals for the delivery of such services and the Service Provider Compensation of related service providers; (iii) fees, costs and expenses of any hedging transactions intended to hedge currency exposure or manage the duration of interest rate exposure; (iv) fees, costs and expenses (other than blocker vehicle expenses) incurred in connection with forming, managing, maintaining and disposing of any subsidiary vehicle (including entity-level taxes, U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), obligations and the fees, costs and expenses of an ERISA bond); (v) indemnification, reimbursement or similar obligations incurred in connection with any portfolio investment or any potential portfolio investment; (vi) any obligation to pay the principal amount of, interest on, and any other fees, costs and expenses incurred in connection with any credit facility (“Borrowing Costs”); and (vii) Travel and Related Expenses;

(b) any and all fees, costs or expenses of the type described in the definition of Partnership Expenses incurred in connection with any potential portfolio investment that is not ultimately made, including any fees (including commitment, termination and break fees, as well as “reverse” termination and break fees), or any deposits or working capital payments, that are payable or forfeited by the Private Fund in connection with any potential portfolio investment that is not ultimately made (collectively, “Broken Deal Expenses”);

® management fees;

(d) other fees, costs and expenses incurred in connection with the operation, administration or carrying on of the activities or operations of the Private Fund, including: (i) fees, costs and expenses of legal, attorney, accounting, auditing, administrative, tax, advisory, compliance and consulting (including Operating Executive Compensation) services, including the Service Provider Compensation of related service providers (including certain local intermediaries); (ii) fees, costs and expenses incurred in connection with maintaining the books and records of the Private Fund (including the fees, costs and expenses of portfolio accounting systems licenses and related services, as well as the Service Provider Compensation of related service providers) and maintaining the Private Fund in good standing with respect to local, state and similar registrations, including any registrations with any non-U.S. governmental body; (iii) fees, costs and expenses incurred in connection with the preparation and distribution of the Private Fund’s financial statements, reports, tax returns and Schedules K-1 (or additional or similar tax-related schedules) and any other tax reports or tax-related compliance activities (including the fees, costs and expenses incurred in connection with the purchase, implementation, maintenance and upgrade of computer software and hardware for use in preparing and distributing the Private Fund’s financial

statements, reports, tax returns and Schedules K-1 (or additional or similar tax-related schedules) and any other tax reports, as well as fees, costs and expenses incurred in connection with providing online or electronic access to information and reporting (including any upgrades or customizations incurred in connection therewith)); (iv) fees, costs and expenses incurred in connection with the registration, qualification, exemption under, and/or legal and regulatory compliance with, any applicable U.S. federal, state, local, non-U.S. law, rule or regulation relating to the Private Fund (including the preparation and submission of filings with the SEC (including Form PF, Form ID, Form D, Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, and Schedule 13G filings), U.S. Commodity Futures Trading Commission, the National Futures Association, the U.S. Treasury, the U.S. Internal Revenue Service and any other federal, state, provincial, local or non-U.S. governmental body; (v) fees, costs and expenses incurred in connection with compliance with the U.S. Hart-Scott-Rodino Antitrust Improvements Act, as amended, and other antitrust laws, rules or regulations; (vi) fees, costs and expenses incurred in connection with compliance with the AIFMD or the laws, rules or regulations implemented or promulgated in any applicable jurisdiction in relation thereto (or similar marketing-related regulations in other jurisdictions), including the fees, costs and expenses of any depositary required in connection therewith; (vii) fees, costs and expenses incurred in connection with compliance with Sections 1471 through 1474 of Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code” and Sections 1471 through 1474, “FATCA”) and the fees, costs and expenses incurred in connection with compliance with any associated or similar law, rule, regulation, legislation or guidance); (viii) fees, costs and expenses incurred in connection with compliance with applicable laws, rules and regulations, including anti-money laundering, know-your-customer, anti-bribery, anti-corruption, privacy (including all data protection laws) and cybersecurity laws, rules and regulations (including the fees, costs and expenses incurred in connection with the implementation and compliance with any policies and procedures intended to provide for compliance with such laws, rules or regulations and Service Provider Compensation incurred in connection with the engagement of service providers to assist with or advise won such compliance); (ix) fees, costs and expenses incurred in connection with any legal inquiries and examinations, including regulatory “sweeps” with respect to the Private Fund; (x) fees, costs and expenses incurred in connection with the implementation, operation and maintenance of information systems, software and related technology (including fees, costs and expenses relating to providing or maintaining access to electronic subscription agreements and any associated platform, software or related services (including any upgrades or customizations incurred in connection therewith)); (xi) fees, costs and expenses incurred in connection with obtaining data feeds, subscriptions, reports and similar research, data, analytic, and business intelligence information; (xii) other operational and administration fees, costs and expenses of the Private Fund not otherwise expressly set forth herein; (xiii) Borrowing Costs; and (xiv) Travel and Related Expenses;

® litigation-related and indemnification fees, costs and expenses incurred in connection with any action, claim, suit, mediation, arbitration, investigation or other proceeding involving the Private Fund or the indemnification obligations of the Private Fund, including the Private Fund’s indemnification obligations and the amounts of any judgments or settlements paid in connection with such proceedings or indemnification; fees, costs and expenses of any insurance policies for

the benefit, directly or indirectly, of any indemnified person, including directors' and officers' (or other similar) liability insurance, errors and omissions insurance, cyber insurance, representation and warranty insurance or other insurance policies, or fidelity bonds (including commissions, premiums, deductibles, escrow fees and seller's representative fees, costs and expenses incurred in connection with any of the foregoing);

(f) fees, costs and expenses (other than blocker vehicle expenses) incurred in connection with forming, managing, maintaining and disposing of any subsidiary vehicle and that are not described above (including entity-level taxes, ERISA obligations, including any fees, costs and expenses of an ERISA bond);

(g) taxes (including interest, penalties and other fees, costs and expenses incurred in connection with tax (including any fees, costs and expenses incurred in connection with any tax proceeding)) and other governmental body charges, in each case, other than any partner taxes;

(h) fees, costs and expenses incurred in connection with the valuation or appraisal of any portfolio investment, portfolio company or any other securities, assets or other property of the Private Fund;

(i) fees, costs and expenses incurred in connection with distributions of cash or, to the extent contemplated hereby, securities, assets or other property to one or more investors, including fees, costs and expenses incurred in connection with the preparation, initiation and processing of wire transfers and checks;

(j) fees, costs and expenses incurred in connection with communications with, one or more investors, including fees, costs and expenses incurred in connection with responding to requests, requirements or inquiries from one or more such investors, including reporting requests, requirements or inquiries from one or more such investors or due diligence questionnaires (including fees, costs and expenses incurred in connection with obtaining industry or market data for purposes of benchmarking the investment performance history of the General Partner, the Investment Adviser, or any of their respective affiliates or personnel or producing Institutional Limited Partners Association reporting templates or complying with similar reporting standards), irrespective of whether such communications or responses to such requests are mandated or contemplated by side letters;

(k) fees, costs and expenses incurred by the Private Fund, the General Partner or Investment Adviser in connection with drafting, negotiating and entering into, and complying with, side letters, including any fees, costs and expenses incurred by the Private Fund, the General Partner or the Investment Adviser in connection with any related "most favored nations" provision election process;

(l) fees, costs and expenses incurred in connection with compliance with environmental, social and governance (i.e., "ESG") standards or policies, if any, applicable to the Private Fund or the General Partner, the Investment Adviser, or any of their respective affiliates or personnel or to

which they subscribe to now or in the future, in each case, to the extent that compliance with such ESG standards or policies has been agreed to with one or more investors, including investigation, training, monitoring, tracking, engagement, reporting and preparation of any documentation with respect thereto;

(m) fees, costs and expenses related to holding meetings with one or more investors, including annual or special meetings of the Private Fund (which fees costs and expenses will include Travel and Related Expenses incurred by (i) representatives of the General Partner, the Investment Adviser, or any of their respective affiliates or personnel or portfolio company or (ii) other attendees of any such meetings, and the fees, costs and expenses incurred in connection with the preparation and presentation of any media prepared in connection with such meetings, including speaker, entertainment, appearance and related fees, costs and expenses);

(n) fees, costs and expenses incurred in connection with any defaults by an investor in respect of its unfunded capital commitment;

(o) fees, costs and expenses incurred in connection with (i) complying or monitoring compliance with the terms and provisions of the Private Fund's limited partnership agreement, any subscription agreement, any side letter, an investment advisory agreement and the equivalents of any of the foregoing with respect to any parallel partnership (each, a "Fund Agreement") and (ii) obtaining or soliciting votes, consents, approvals or waivers under, or effecting amendments, restatements, modifications, changes, or any other revisions to, the terms or provisions of any Fund Agreement;

(p) fees, costs and expenses incurred in connection with transfers of interests in the Private Fund (including, for the avoidance of doubt, the preparation of any form transfer agreements or any proposed transfer that is not ultimately consummated) that are not otherwise borne by the applicable transferor or transferee;

(q) fees, costs and expenses incurred by any limited partner advisory committee member and non-voting observers (or the investor such member represents) ("Advisory Committee Persons") in connection with the performance of their responsibilities as Advisory Committee Persons, including Travel and Related Expenses and the Service Provider Compensation of any independent legal counsel appointed to assist the limited partner advisory committee;

(r) fees, costs and expenses incurred in connection with dissolving, liquidating, winding up and terminating the Private Fund;

(s) fees, costs and expenses incurred in connection with sourcing, investigating, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring or otherwise disposing of temporary investments;

(t) fees, costs and expenses of any hedging transactions (intended to hedge currency exposure or manage the duration of interest rate exposure) that are not incurred in connection with any portfolio investment; and

(u) the Private Fund's share (as determined by the General Partner in good faith) of any fees, costs and expenses of the types described in this definition of Partnership Expenses or in the definition of Organizational Expenses incurred in connection with forming, managing, maintaining and disposing of any Co-Investment Vehicle (as defined in *Item 6—Performance-Based Fees and Side-by-Side Management*), including fees, costs and expenses that the Private Fund would otherwise not have borne but for the participation of the Co-Investors (as defined in *Item 6—Performance-Based Fees and Side-by-Side Management*) (by way of example only and without limitation, the incremental aggregator-level auditing and reporting, tax, accounting and other administrative expenses).

GHK will be responsible for and pay all customary overhead expenses, including office rent, the cost of furniture and fixtures, the cost of utilities, employee salaries, other employee benefits, payroll taxes, and other similar expenses; provided that such expenses are not directly attributable to a portfolio investment, as well as all expenses of operating and administering any General Partner and/or Investment Adviser, including all regulatory and compliance costs associated therewith.

Separate Investment Account Expenses

An SIA client will typically bear all expenses incurred by GHK in establishing and maintaining the SIA, including reasonable out-of-pocket fees, costs and expenses of GHK's legal counsel incurred in connection with GHK's negotiation with each client of the terms and conditions of the IAA and its execution, delivery and performance, all fees, costs and expenses arising from, related to, or incurred in connection with the operations and activities of each SIA and all investment-related expenses. A complete description of the expenses borne by each SIA will be described in detail in each SIA's IAA. SIAs may or may not pay a management fee for GHK's investment advisory services. All fees and expenses related to SIAs are negotiable.

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

GHK Funds Performance-Based Compensation

The General Partner of the GHK Funds, affiliates of GHK, will be entitled to receive a distribution of up to 20% of the profits on distributions derived from the disposition of investments or securities, on an investment-by-investment basis (after taking into account certain expenses of the GHK Funds, including management fees) ("Carried Interest"). Investors in the GHK Funds will be entitled to receive an 8% annualized effective internal rate of return prior to the imposition of the Carried Interest, after which, the Carried Interest "catches up" (at 100% "catch-up" rate) to the Carried Interest rate.

In addition, the General Partner will be permitted, at any time and in its sole and absolute discretion, to waive, reduce or calculate differently all or any portion of the Carried Interest distributions with respect to any investor (including by way of side letter). The General Partner will also be permitted to elect, in respect of any portion of its Carried Interest distributions with respect to an investor, to defer receipt of such distributions in respect of such investor and receive distributions at a later date equal to the amount deferred.

The existence of the General Partners Carried Interest will create an incentive for the General Partner to acquire riskier or more speculative portfolio investments on behalf of the GHK Funds than would be the case in the absence of such performance-based compensation. Compensation in the form of Carried Interest is also expected to incentivize GHK to make different decisions regarding the timing and manner of the realization of the GHK Funds' portfolio investments than would be the case if such Carried Interest were not part of its overall compensation structure. GHK will seek to address these conflicts through careful vetting of investment opportunities by its investment professionals and disclosure of investments to investors through capital call notices and periodic reports. Additionally, certain of GHK's investment professionals expect to invest in the GHK Funds indirectly (e.g., through the General Partners commitment), which is intended to align the interests of the General Partner with those of the GHK Funds. In addition, it is expected that the limited partnership agreements will provide for "claw back" provisions that require the General Partner, and those investment professionals who receive distributions of Carried Interest, to return distributions of Carried Interest if and to the extent that, in the aggregate, they have received such distributions in excess of 20% of the total profits of an investor (or, if greater, any such excess distributions of Carried Interest to the extent the 8% annualized effective internal rate of return described above has not been achieved with respect to such investor).

In addition, as a result of changes to U.S. federal income tax law in 2017, gain that is allocated to the General Partner with respect to Carried Interest will generally be treated as short-term capital gain (and subject to tax at substantially higher rates) unless the relevant investment is held for more than three years (whereas gain from the disposition of an investment held for more than one year will be treated as long-term capital gain for most of its other investors). This special rule will not apply to allocations to the General Partner of qualified dividend income in respect of Carried Interest and "incentive capital contributions" (as described above) and, therefore these allocations will continue to qualify for the preferential tax rate for non-corporate persons. As a consequence, conflicts of interest will arise between the interests of the General Partner and the interests of the GHK Funds' investors in connection with the General Partners' investment-related determinations. Such determinations will include, but are not limited to, decisions with respect to sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring, or otherwise disposing of the GHK Funds' investments. Investors should expect that General Partners' determinations will be influenced, in part, by the tax treatment of capital gain in respect of the Carried Interest and the incentive capital contributions.

Detailed information regarding the Carried Interest to be borne by the investors of the GHK Funds is contained in its offering documents and limited partnership agreements. Investors should not consider an investment in the GHK Funds without fully understanding its Carried Interest structure.

GHK Direct Fund Performance-Based Compensation

For GHK North Star, most (but not all) investors are required to bear a 15% carried interest for the benefit of GHK or one of its affiliates. For GHK Smokey and GHK AVC, some investors are required to bear a 20% carried interest for the benefit of GHK or one of its affiliates. GHK JB and GHK WSB do not have any investors who pay carried interest.

Certain of the risks and conflicts of interests described above as they relate to the Carried Interest for the GHK Funds apply with respect to the performance compensation payable by the investors in the GHK Direct Funds.

Separate Investment Accounts

SIAs will pay a performance fee. A performance fee will typically not be charged until after the client receives a return of its invested capital on the realized investment, and a preferred rate of return (e.g., 8% annualized effective internal rate of return, compounded annually). After the SIA client receives these two preceding amounts, GHK will receive a 20% performance fee calculated based on the terms of the IAA. Performance fees for SIAs are negotiable.

Co-Investments

The General Partner of each of the GHK Funds' will be permitted, in its sole and absolute discretion, to provide any person or entity, including (i) any investor or any of their respective affiliates, (ii) any "successor fund" to any of the GHK Funds, (iii) any portfolio company management team member, consultant or advisor or any of their respective affiliates, or (iv) any other person (including certain "third-party co-investors" as described in the GHK Funds' limited partnership agreements) (each, a "Co-Investor"), the opportunity to co-invest alongside the GHK Funds in one or more portfolio investments, either simultaneously or subsequent to an investment by the GHK Funds. The General Partner will not be under any obligation whatsoever to make co-investment opportunities available to one or more of the foregoing persons or entities, including any investor of the GHK Funds. As a result, the General Partner could offer such opportunities in such proportions in its sole discretion to one or more investors to the exclusion of all other investors or to one or more other third-party co-investors in addition to, or to the exclusion of, any investors in the GHK Funds, especially when the General Partner is economically incentivized to do so. The General Partner will consider any factors it deem relevant in determining such allocations, including, without limitation, the potential Co-Investor's size, sophistication, tenure as an investor with GHK generally, commitment to making co-investment funds available, ability to consummate co-investments within a specific time frame, interest in pursuing co-investment opportunities, or strategic expertise. In some instances, portfolio investments will be made available to and shared with certain Co-Investors, and thus not all amounts available to the GHK

Funds relating to a portfolio investment will be presented to the GHK Funds as a result and the GHK Funds will not acquire the entirety of all portfolio investments presented thereto.

The terms of any such co-investment, including the management fees, carried interest and the fees, costs, expenses, liabilities and other obligations applicable to (or to be borne in connection with) such co-investment, if any, are expected to be negotiated by the General Partner and the potential Co-Investor on a case-by-case basis in their respective sole and absolute discretion. It is further expected that any such co-investments (i) will generally not be subject to management fees, carried interest or reimbursement for fees, costs, expenses, liabilities or other obligations for the benefit of GHK, its affiliates or their respective personnel (or reimbursements for fees, costs, expenses, liabilities or obligations for the benefit of the GHK Funds), although such co-investments could be subject to different or differently calculated management fees, carried interest or reimbursements for fees, costs, expenses, liabilities or other obligations as compared to the arrangements applicable to the GHK Funds investors under its limited partnership agreements and (ii) could be subject to commitment fees, consulting fees, monitoring fees, advisory fees, structuring fees, transaction fees and other similar fees for the benefit of GHK, its affiliates or their respective personnel or such Co-Investor, in each case, in the sole and absolute discretion of the General Partner (any such management fees, carried interest, reimbursements for fees, costs, expenses, liabilities or other obligations, as well as any such commitment fees, consulting fees, monitoring fees, advisory fees, structuring fees, transaction fees and other similar fees, collectively, the “Co-Investment Economics”). Co-Investment Economics will be for the benefit of GHK, its affiliates or their respective personnel (or, to the extent such Co-Investor does not bear any fees, costs, expenses, liabilities or other obligations in connection with such co-investment, or is the recipient of any commitment fees, consulting fees, monitoring fees, advisory fees, structuring fees, transaction fees or other similar fees for the benefit of such Co-Investor) and not for the benefit of the GHK Funds or any of its investors.

In addition to the foregoing, a Co-Investor could be granted rights (including, but not limited to, preemptive rights), or might otherwise be offered the opportunity to acquire, additional equity or debt securities or instruments of a portfolio company in connection with primary issuances, or in connection with secondary purchases, of such securities or instruments that are made available in the context of an existing co-investment. Such rights or opportunities could also come in the form of the right or opportunity to provide financing to a portfolio company. A Co-Investor could also be granted “over-allotment” rights in connection with the exercise of such rights, which may be exercised in instances where other direct or indirect investors in the portfolio company (including the GHK Funds) fail or elect not to exercise their rights. The result of the acquisition of any such equity or debt securities or instruments by a Co-Investor (or by the GHK Funds in circumstances where such Co-Investor is not also acquiring any such equity or debt securities or instruments) could result in such Co-Investor owning securities or instruments in different proportions as compared to the GHK Funds, or result in such Co-Investor owning securities or instruments in different parts of the capital structure of the applicable portfolio company as compared to the GHK Funds. If all or a portion of such securities or instruments, particularly those in a different part of the capital structure as compared to the GHK Funds, are held by such Co-Investor through a Co-

Investment Vehicle (as defined below) (or through aggregators or similar vehicles formed to facilitate co-investment) alongside the GHK Funds, then conflicts of interest similar to those described in “Conflicts due to Investment Activities of Other Clients; Capital Structure Conflicts; Conflicts with Pre-Existing Investments” under Item 11 will arise as a result. Furthermore, a Co-Investor (including a Co-Investor who is also an investor in a GHK Fund) typically has access to information that investors in the GHK Funds typically do not have access to, including by way of portfolio company-level reporting or portfolio company board membership or observer rights. A Co-Investor could also be granted liquidity rights similar to or different from those granted to the GHK Funds, including but not limited to tag-along rights, drag-along rights, registration rights, redemption rights (by way of example, if a sale of a portfolio investment does not take place by an agreed upon date), put or call rights, rights of first refusal and rights of first offer, each of which may be exercised by the Co-Investor in a manner different from that of the GHK Funds.

Although it is generally desired for Co-Investors that acquire a co-investment interest in one or more portfolio companies to bear their pro rata share of the various fees, costs, expenses, liabilities or obligations related to their co-investments, to the extent a particular Co-Investor (including a prospective Co-Investor) does not pay (or does not agree to pay) its pro rata share of any such fees, costs, expenses, liabilities or obligations related to its co-investments (or prospective co-investments), or a particular Co-Investor does not otherwise bear (or does not agree to bear) its pro rata share of any liability, obligation or other economic burden arising after its co-investment was originally consummated (by way of example only, by not participating in a guarantee of portfolio company indebtedness, or by not providing additional capital to a portfolio company experiencing a cash shortage or financial distress), then such fees, costs, expenses, liabilities or obligations will be borne entirely by the GHK Funds. The foregoing could also result if the GHK Funds seek to but are unable to sell or dispose of a portion of the GHK Funds’ interest in a particular portfolio investment to Co-Investors.

As such, Co-Investors are not expected to bear their pro rata shares (based on proposed participation or otherwise) of fees, costs and expenses of the types described in the definition of Partnership Expenses (including any unreimbursed Broken Deal Expenses) and, to the extent not borne by such Co-Investors, such fees, costs and expenses will instead be borne by the GHK Funds and not by the General Partner, GHK, its affiliates or any of their respective personnel. Without limiting the generality of the foregoing, and for the avoidance of doubt, to the extent an existing portfolio investment in connection with which a Co-Investor is participating as a co-investor gives rise to any fees, costs, expenses, liabilities or obligations that are otherwise not borne or reimbursed by the applicable portfolio company, such fees, costs, expenses, liabilities or obligations will instead be borne by the GHK Funds and not by the General Partner, GHK, its affiliates or any of their respective personnel. In addition, in the context of co-investments that are not consummated, the GHK Funds will bear unreimbursed Broken Deal Expenses in their entirety.

Without limiting the foregoing, the GHK Funds will, from time to time, enter into equity commitment or similar arrangements whereby, subject to any applicable documentation, the GHK Funds agree that upon the closing of a transaction with respect to a potential portfolio company,

they will purchase securities, assets or other property in a transaction. Furthermore, in certain instances, the GHK Funds will also enter into limited guarantees or similar arrangements whereby, subject to any applicable documentation, the GHK Funds agree that if a transaction with respect to a potential portfolio company is not consummated, they will pay a “reverse termination fee” or “reverse break-up fee” (often as a percentage of the total value of the transaction) to the seller. It is not anticipated that prospective Co-Investors will be parties or subject to such equity commitment arrangements or limited guarantees (whether directly or on a back-to-back basis with the GHK Funds). Therefore, the GHK Funds will generally be responsible for the entire equity purchase price, reverse termination fee or reverse break-up fee, as applicable.

Any co-investment can be made, if the General Partner or GHK determine, in their respective sole and absolute discretion, directly in a portfolio investment alongside the GHK Funds or through one or more investment vehicles or accounts (each, a “Co-Investment Vehicle”). Each Co-Investment Vehicle could be controlled by the General Partner or any of its affiliates and could be managed by GHK or any of its affiliates. The terms of each Co-Investment Vehicle will differ from the terms applicable to the GHK Funds and could provide that the relevant Co-Investment Vehicle can participate in a single co-investment opportunity or in multiple co-investment opportunities, on either a discretionary or non-discretionary basis. The General Partner, GHK, its affiliates or any of their respective personnel is expected to be permitted to make a nominal investment in any such Co-Investment Vehicle and such nominal investment will not constitute a GP-Related Co-Investment (as defined below).

GHK Smokey, GHK AVC, GHK JB and GHK WSB operate as Co-Investment Vehicles alongside GHK Fund I. Co-Investments alongside GHK Fund I will generally be made at substantially the same time as GHK Fund I acquires or makes the corresponding portfolio investment but could, in the General Partner’s discretion, be effected by (i) a purchase by GHK Fund I of a portfolio investment from the relevant Co-Investor(s) (as occurred with respect to the Project Pure acquisition) or (ii) a disposition of a portion of a portfolio investment by GHK Fund I to the relevant Co-Investor(s) that occurs within 12 months of GHK Fund I’s original investment, in each case, at a price negotiated by the General Partner, on the one hand, and the relevant Co-Investor(s), on the other hand (which price could be equal to GHK Fund I’s acquisition cost attributable to the portion of the portfolio investment disposed of) (a “Co-Investment Sell Down”). In connection with any such Co-Investment Sell Down, the General Partner is permitted, but will not be obligated, to charge the applicable Co-Investor an amount calculated as notional interest on the portion of the portfolio investment acquired thereby.

Without limiting the foregoing, with respect to any fiscal year, the limited partnership agreements of the GHK Funds will permit the General Partner, GHK, its affiliates or their respective personnel to also serve as a Co-Investor (a “GP Related Co-Investment”) to co-invest alongside GHK Fund I in each portfolio investment to be made over the course of such year. GP Related Co-Investments will be subject to certain limits and restrictions, as set forth in the GHK Funds’ limited partnership agreements.

Item 7 Types of Clients

GHK provides investment advisory services to an SIA and the Private Funds that invest in private equity investments. GHK's clients are the SIA and the Private Funds, which are structured as limited partnerships or limited liability companies that are exempt from registration as an investment company under U.S. law by virtue of either Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940.

Investors in the Private Funds managed by GHK include a variety of institutional investors (e.g., trusts, employee benefit plans, endowments, foundations, corporations, and other types of entities, including private funds of funds) and include high-net-worth individuals. All investors are required to be "accredited investors" (as defined in Regulation D promulgated under the Securities Act of 1933) and must satisfy certain other investor qualification requirements in order to satisfy applicable securities laws.

GHK enters into side letter agreements or other similar agreements with certain investors in the Private Funds, which agreements provide such investors with rights and terms (including, without limitation, (i) "most favored nations" treatment with respect to terms granted in other side letters; (ii) the right to appoint a voting or non-voting member to the Private Fund's limited partner advisory committee, if any, or the boards of directors (or similar governing bodies) and certain rights or procedures relating thereto; (iii) terms that relate to the tax, legal or regulatory situation, internal policies, structural attributes, operational or contractual requirements, principal place of business, jurisdiction of formation or domicile or organizational form of the applicable investor; (iv) waivers of the confidentiality obligation under the Private Fund's constituent document; (v) the right to be excused from the obligation to make a capital contribution with respect to a portfolio investment as a result of a legal, regulatory, policy-based or other similar restriction or limitation applicable to the investor; (vi) representations and covenants from the General Partner or the Private Fund addressing the payment of placement fees or similar payments made with respect to the admission (or continued investment) of investors, including provisions intended to address the requirements of anti-"pay-to-play" or similar regulations; (vii) consents to or rights with respect to the sale, exchange, transfer, assignment, conveyance, pledge, mortgage, encumbrance, hypothecation, swap or other disposition of the investor's interest in the Private Fund; (viii) rights with respect to reporting or notice of or access to information not otherwise contemplated by the Private Fund's operating agreement; (ix) terms clarifying or limiting the scope of any power of attorney set forth in the relevant constituent document or any subscription agreement; and (x) waivers, discounts or other reductions to the Private Fund's management fee, carried interest or other similar economic benefits, including limitations on the applicable investor's share of any general or specific category of fees, costs or expenses of the Private Fund) that are different or in addition to the general terms of the constituent documents of the applicable Private Fund. GHK is not obligated to offer such additional and/or different rights or terms to all investors.

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

GHK provides investment advisory services to the SIA and the Private Funds that make investments primarily in the private equity industrials sector. Typically, in private equity transactions, the main source of information regarding prospective portfolio companies is due diligence performed on such companies, which involves, among other activities, inspecting the books and records of the company, interviewing management, and analyses of the company within its relevant industry. In the course of undertaking transactions, GHK generally consults with professional advisors, including lawyers and accountants.

GHK's investment strategy is to attempt to identify opportunities through deal sourcing; perform rigorous due diligence; and develop business improvement through better management, margin enhancement, cost-cutting, and selective add-on acquisitions.

Prospective investors should be aware that investing in an SIA or Private Fund involves a high degree of risk. There can be no assurance that the SIA's or Private Fund's investment objectives will be achieved or that investors will receive a return on their capital. The possibility of partial or total loss of capital will exist and prospective investors must be prepared to bear capital losses that could result from investing. In addition, there will be occasions upon which the General Partner, GHK, GHK personnel, or one or more related parties will encounter potential or actual conflicts of interest in connection with the activities of such SIA or Private Fund. The following considerations and risk factors should be carefully evaluated before making an investment in an SIA or Private Fund. The following list is not a complete list of all considerations and risks involved that will arise in connection with an investment in an SIA or Private Fund. Prospective investors should make their own investigation of any investment in an SIA or Private Fund, including the merits and risks involved and the legality and tax consequences of such an investment. Each prospective investor should make its own inquiries and consult its own advisors as to the SIA, the Private Funds, their offerings and the legal, tax and related matters concerning an investment in an SIA or Private Fund. The descriptions below also include a brief overview of different market risks related to GHK's investment strategy.

Portfolio Concentration

Although generally no more than 25% of the aggregate capital commitments of the GHK Funds will be invested in any single portfolio company (excluding any bridge financings), diversification is not a requirement of the Private Funds. Accordingly, the Private Funds' portfolio investments could (and in the case of the GHK Direct Funds, do) include a small number of large positions. While this portfolio concentration can enhance total returns to the investors, if any large position has a material loss, then returns to the investors will be lower than if they had invested in a well-diversified portfolio.

Risk of Limited Number of Investments

Because the Private Funds could only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single portfolio company could severely affect the total returns to the investors. To the extent a Private Fund concentrates

portfolio investments in a particular issuer, security or geographic region, its portfolio investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate return of such Private Fund could be adversely affected by the unfavorable performance of one or a small number of portfolio investments. There are no assurances that all of a Private Fund's portfolio investments will perform well or even return capital. Accordingly, for the Fund to achieve above-average returns, one or more of its portfolio investments must perform very well. There are no assurances that this will be the case. Additionally, the securities in which a Private Fund invests could be among the most junior in a portfolio company's capital structure and, therefore, could be subject to the greatest risk of loss.

In addition, in circumstances where the General Partner or Investment Adviser intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing will not be completed, which could lead to increased risk as a result of such Private Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Unspecified Investments

An investor acquiring interests in a Private Fund must rely upon the ability of the General Partner and Investment Adviser to identify, structure, and acquire investments consistent with such Private Fund's investment objectives. A Private Fund, however, may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. The success of a Private Fund will depend on the ability of the General Partner and the Investment Adviser to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of such investments. Furthermore, to the extent the investment strategy of a Private Fund relies upon the recovery, stabilization or improvement of market and economic conditions and such events do not occur for an extended period of time, such Private Fund may not be able to invest a significant portion of its capital commitments during the commitment period of such Private Fund.

Failure to Make Capital Contributions

If an investor fails to pay when due installments of its capital commitment to a Private Fund, and the contributions made by non-defaulting investors and borrowings by the Private Fund are inadequate to cover the defaulted capital contribution, it is possible the Private Fund will be unable to pay its obligations when due. As a result, the Private Fund could be subjected to significant penalties that could limit opportunities for investment diversification and materially adversely affect the returns to the investors (including non-defaulting investors). In addition to all legal remedies available to a Private Fund, failure by an investor to make capital contributions when due could result in, among other things, the forfeiture of a substantial portion of the defaulting investor's interest, the forfeiture of distributions to be made to such defaulting investor, the debiting of the capital account of such defaulting investor by up to 75% of its balance, the removal of such defaulting investor's entitlement to vote on, consent to or otherwise approve of certain matters, and/or the requirement that such defaulting investor participate in a forced sale of its interest at a potentially deeply discounted price. Any defaulting investor will generally be expected

to pay all fees, costs and expenses incurred by the applicable Private Fund in the enforcement of any default remedies.

Reliance on the Private Funds' General Partner and the Investment Adviser

Decisions made with respect to the management of a Private Fund or SIA will be made by the General Partner or the Investment Adviser. The General Partner and the Investment Adviser will have exclusive responsibility for the Private Fund's and SIA's activities, respectively, and, other than as set forth in the constituent documents, investors will not be able to make investment or other decisions with respect to the management of the Private Fund or SIA. The success of a Private Fund or SIA will depend on the ability and expertise of the General Partner, the Investment Adviser and GHK personnel to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of the portfolio investments of the Private Fund and SIA at a profit. The loss of the services of one or more of GHK personnel could have an adverse impact on the Private Fund's and SIA's ability to realize its investment objectives. There can be no assurance that any of GHK personnel will continue to be associated with the General Partner and the Investment Adviser throughout the term of the Private Fund or SIA, or that the General Partner or the Investment Adviser will be able to attract and retain replacements or additional persons when needed.

No Right to Control a Private Fund's Operations

Investors will have no opportunity to control the operations of a Private Fund, including, without limitation, such Private Fund's investment and disposition decisions and decisions regarding the selection of service providers and the operation of the portfolio companies. Investors will also have no opportunity to evaluate any economic, financial, and other information that will be utilized by the Investment Adviser in its selection of portfolio investments. In addition, to the extent that an investor is not represented on a Private Fund's limited partner advisory committee ("Advisory Committee"), such investor will have no influence over matters submitted to the Advisory Committee for review or approval.

Cybersecurity

Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of the internet and telecommunications technologies to conduct financial transactions; the increased dependence of portfolio companies on internet-connected technologies that are susceptible to disruption from cybersecurity threats; the degree to which investment managers collect and maintain proprietary data, nonpublic data and data compilations; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state actors. Accordingly, each SIA, Private Fund, each General Partner, each Investment Adviser and each Private Fund's and SIA's portfolio companies will face cybersecurity threats to gain unauthorized access to sensitive information and systems, including, without limitation, information regarding such SIA's and Private Fund's investors and investment activities, or to render data or systems unusable, which could result in significant losses. If such events materialize, they could lead to losses of sensitive information or capabilities essential to an SIA's, Private Fund's, a General Partner's, Investment Adviser's, and

portfolio companies' operations and could have a material adverse effect on their reputations, financial positions, results of operations or cash flows, and could lead to financial losses from remedial actions, loss of business, potential liability, or the disclosure of investors' personal information. Similarly, the public perception that an SIA, Private Fund, the General Partner, the Investment Adviser or portfolio investments have been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat.

Cybersecurity attacks are evolving and include, but are not limited to, computer viruses, malicious or destructive code, phishing attacks, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or vendors or other electronic security breaches that could lead to: disruptions in network access or business operations; unauthorized collection, monitoring, use or release of confidential or otherwise protected information; or loss, destruction or corruption of data. The Investment Adviser's or a portfolio company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in both the Investment Adviser's or a portfolio company's internally developed systems and the systems of third-party service providers, upon which the Investment Adviser or a portfolio company rely. Given the variety and potential severity of cybersecurity threats, the Investment Adviser, the portfolio companies, and the third-party service providers upon which they rely may not have adequate insurance coverage to compensate against all losses.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing, and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty. The Private Funds expect to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. Competition for appropriate investment opportunities will reduce the number of investment opportunities available to the Private Funds and adversely affect the terms upon which investments can be made. Such competition may be particularly acute with respect to participation by the Private Funds in auction proceedings and, specifically, those conducted pursuant to Section 363 of Title 11 of the United States Code, as amended (the "Bankruptcy Code") where the Private Funds compete with other prospective bidders to acquire the assets of a distressed company through a bankruptcy court-supervised auction.

Moreover, over the past several years, an ever-increasing number of private equity funds with objectives similar to those of the Private Funds have been formed. Additional funds with similar investment objectives are likely to be formed in the future by other parties. Some of these competitors could have more relevant experience, greater financial resources, and more personnel than the Private Funds, the applicable General Partner, the Investment Adviser, GHK personnel or any other related parties. It is possible that competition for appropriate investment opportunities will increase, thus reducing the number of opportunities available to the Private Funds and adversely affecting the terms upon which portfolio investments can be made.

Based on the foregoing, there can be no assurance that the Private Funds will be able to identify or consummate investments satisfying the Private Funds' investment objectives. The success of the Private Funds will depend on the applicable General Partner's and the Investment Adviser's ability to identify investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of its investments. Likewise, there can be no assurance that the Private Funds will be able to realize the values of their portfolio investments or that they will be able to invest their capital commitments. To the extent that the Private Funds encounter competition for investments, returns to investors are likely to decrease.

Use of Credit Facilities

Subject to certain restrictions set forth in the constituent documents, each Private Fund is permitted to (a) borrow funds under one or more credit facilities provided by one or more lenders, including on a joint and several or cross-collateralized basis with any Private Fund borrower for the purpose of (i) a borrowing pending receipt of capital contributions; (ii) paying organizational expenses or partnership expenses (including, for the avoidance of doubt, management fees); (iii) providing bridge financing; (iv) financing or refinancing the purchase price of any portfolio investment or an investment therein (including any "back-leverage", asset-based or similar financing of or with respect to one or more portfolio investments); (v) funding distributions or withdrawal payments to any investor; or (vi) for any other purpose reasonably determined by the General Partner or Investment Adviser to be consistent with the purposes of the Private Fund; (b) guarantee, or otherwise become contingently liable with respect to, obligations of any Private Fund borrower under any credit facility or otherwise; or (c) enter into any related documents contemplated by, or related to, any such credit facility or guarantee (including with respect to any security interest with respect thereto). The General Partner or Investment Adviser and the Private Fund are permitted to secure the obligations of any Private Fund borrower under any such credit facility by a security interest on any of the General Partner's rights under the constituent documents and/or on any applicable Private Fund borrower's securities, assets or other property, including (x) any portfolio investment or the securities, assets or other property of one or more portfolio companies and (y) an assignment and/or pledge of the obligations of the investors to make capital contributions and other required payments to the Private Fund, the right to deliver drawdown notices, the Private Fund's right, title and interest in and to the unfunded capital commitments and any other assets, rights or remedies of the Private Fund or the General Partner under the constituent documents or under any subscription agreements. This will limit the investors' ability to use their interests in the Private Fund as collateral for other indebtedness (which in any case would be subject to the consent of the General Partner in its sole discretion). In addition, the inability of the Private Fund to repay such borrowings could enable a lender to take action against any investor to the extent of its then unfunded capital commitment in the Private Fund.

If a Private Fund borrows money or obtains financings, then it is possible that the Private Fund's interim and longer-term capital needs will be satisfied through such borrowings or financings, and drawdowns of capital contributions by the Private Fund, including those used to pay interest on borrowings or financings, could be "batched" together into larger, less frequent capital calls (although actual timing and amounts can vary). Furthermore, because a Private Fund can use such

borrowings or financings to fund portfolio investments, organizational expenses, partnership expenses and the management fee, often in advance of calling capital from investors, (i) the internal rate of return experience by any investor will differ from what it would have been had such borrowings or financings not been used and (ii) to the extent such internal rate of return is calculated based on the actual dates of capital contributions from, and distributions to, the investors, the use of borrowing and financings in lieu of calling capital will cause the date of contribution to be later in time resulting in a higher rate of return. Accordingly, the General Partner or Investment Adviser will have an incentive to fund the acquisition of portfolio investments and the ongoing capital needs of the Private Fund with the proceeds of borrowings or other financings in lieu of drawing down unfunded capital commitments.

Moreover, it is possible that a counterparty, lender or other unaffiliated participant in credit facilities (or otherwise in connection with portfolio investments) requires or desires facing only one Private Fund entity or group of entities, which could result in (i) any Private Fund entity or their respective alternative investment vehicles, and/or a portfolio company, being solely liable with respect to its own share of the applicable obligation, or (ii) any such Private Fund entity, or their respective alternative investment vehicles, and/or a portfolio company being jointly and severally liable for the full amount of such applicable obligation. If any such Private Fund entity is required to repay all or any portion of the borrowings or financings of any other parallel partnership, or an alternative investment vehicle or portfolio company, or if any such parallel partnership, alternative investment vehicle or portfolio company is required to repay all or any portion of the borrowings and/or financings of such Private Fund entity, then the applicable entity whose borrowings, guarantees or other extensions of credit were so repaid shall, to the fullest extent permitted by applicable law, indemnify and reimburse each other entity that repaid such amounts, including any and all fees, costs and expenses incurred in connection therewith, such that, following such indemnification and reimbursement, each such entity will have borne its pro rata share of the applicable borrowing and/or financing (based on the interest of each such entity in the transaction or activity giving rise to such amounts or on such other basis as the General Partner or Investment Adviser determines in good faith to be fair and reasonable). As a result, in such circumstance, each Private Fund entity, and each of their respective alternative investment vehicles, will be subject to each other's credit risk, as well as the credit risk of any such portfolio company. In such situations it is not expected that any such Private Fund entity, or any of their respective alternative investment vehicles, and/or such portfolio company, would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty. Tax-exempt prospective investors should note that the entry into, or the use of, the financing arrangements by a Private Fund could create unrelated business taxable income. In addition, the General Partner or Investment Adviser will be subject to conflicts of interest in allocating such repayment obligations and other related liabilities.

Unsecured Loans and Collateral Impairment

In the event of a default by a borrower, a Private Fund might not receive payments to which it is entitled and thereby could experience a decline in the value of its portfolio investments in the borrower. If a Private Fund invests in debt that is not secured by collateral, in the event of such

default, the Private Fund will have only an unsecured claim against the borrower. In the case of loans that are secured by collateral, while the Investment Adviser generally expects the value of the collateral to be greater than the value of such loans, the value of the collateral could actually be equal to or less than the value of such loans or could decline below the outstanding amount of such loans subsequent to a Private Fund's investment. The ability of a Private Fund to have access to the collateral could be limited by bankruptcy and other insolvency laws. Under certain circumstances, the collateral could be released with the consent of the lenders or pursuant to the terms of the underlying loan agreement with the borrower. There is no assurance that the liquidation of the collateral securing a loan would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal, or that the collateral could be readily liquidated. As a result, a Private Fund might not receive full payment on a secured loan portfolio investment to which it is entitled and thereby could experience a decline in the value of, or a loss on, the portfolio investment.

Investment Expenses / Broken Deal Expenses

A Private Fund's investments will require extensive due diligence, legal, and other costs prior to their consummation and will result in such Private Fund's bearing broken deal expenses if they are not consummated. A Private Fund will pay any fees, costs, and expenses incurred in sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring or otherwise disposing of any investment opportunities it pursues, whether or not such investments are ultimately consummated. Additionally, a Private Fund is permitted to enter into agreements that involve payments (including commitment fees, termination fees, break fees, "reverse" termination fees, "reverse" break fees, deposits and working capital payments) by such Private Fund if it does not consummate the transaction. These expenses can be significant and are likely to be material to the Private Fund. A Private Fund could incur, either directly or pursuant to its obligation to reimburse its Investment Adviser for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses.

ESG Considerations

The Investment Adviser could take into account environmental, social and governance ("ESG") factors in the sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring and disposing of portfolio investments. Although compliance with such factors could result in higher ESG compliance fees, expenses or costs or the foregoing of certain opportunities, the Investment Adviser believes that responsible ESG investing enhances the long-term value of portfolio companies and is an important element of responsible investing. There are no universally accepted ESG standards and not all investors agree on the appropriate ESG standards to apply in a particular situation. The Investment Adviser will apply ESG standards and considerations in its sole discretion. In either case, an adverse impact on the results of the Private Funds' portfolio investments cannot be excluded.

Illiquid and Long-Term Investments

It is anticipated that there will be a significant period of time before any SIA or Private Fund will have completed its portfolio investments. Such portfolio investments are likely to take several years from the date of initial portfolio investment to reach a state of maturity when realization of the investment can be achieved. Although portfolio investments of an SIA or Private Fund could occasionally generate some current income, private investment transaction structures typically will not provide for liquidity of an SIA's or Private Fund's investment prior to that time. The return of capital and the realization of gains, if any, from a portfolio investment will generally occur only upon the partial or complete disposition or refinancing of such portfolio investment. In light of the foregoing, it is likely that no significant return from the disposition of an SIA's or Private Fund's portfolio investments will occur for a substantial period of time from the effective date of the SIA or Private Fund. It is unlikely that there will be a public market for the securities held by the SIA or Private Fund at the time of their acquisition. An SIA or Private Fund generally will not be able to sell securities held by it publicly unless the issuer has consummated a public offering of its securities and such offered securities are registered under applicable securities laws, unless an exemption from such registration requirements is available. In addition, in some cases, an SIA or Private Fund could be prohibited by contract from selling certain securities held by it for a period of time and, as a result, will not be permitted to sell a portfolio investment at a time it might otherwise desire to do so. Further, disposition of such portfolio investments is likely to require a lengthy time period or could result in distributions in kind to investors.

Valuation of Illiquid Assets

The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values are likely to differ from values that would have been determined had a ready market existed for such securities and are likely to differ from the prices at which such securities are ultimately sold. Third-party pricing information could at times not be available regarding certain of the SIA's or Private Funds' investments. Moreover, because the Investment Adviser or General Partner will determine the value of such investments, the Investment Adviser or General Partner will have an obvious conflict of interest in making that determination, given the potential impact of such valuations on the SIA's or Private Funds' performance results.

Investments in Less Established Companies

An SIA or Private Fund could invest a portion of its assets in the securities of less established companies, or early-stage companies. Investments in such early-stage companies involve greater risks than those generally associated with investments in more established companies. For instance, less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies typically do not have significant or any operating revenues. In addition, less mature companies are more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public

market for the securities held by an SIA or Private Fund, securities of less established companies tend to be subject to more abrupt and erratic market price movements than those of larger, more established companies.

Some of the portfolio investments expected to be made by an SIA or Private Fund should be considered highly speculative and could result in the loss of the SIA's or Private Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the SIA's or Private Fund's other investments.

Middle Market Companies

The SIA and Private Funds will pursue control investments in performing middle market industrials companies and will generally target companies headquartered in North America with \$20–50 million of EBITDA. Although investments in middle-market companies can present greater opportunities for growth, such investments also entail larger risks than are customarily associated with investments in larger companies. Middle market companies tend to have relatively limited product lines, markets, and financial and other resources. As a result, such companies tend to be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of securities in smaller, private companies, which tends to make realizations of investments in such companies more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle market companies, could make it difficult for the SIA and Private Funds to react quickly to negative economic or political developments.

Debt Investments

To the extent a Private Fund acquires debt investments, such debt investments could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bearing floating interest rates. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for debt investments. Other factors could materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Debt investments will also entail normal credit risks (i.e., the risk of non-payment of interest and principal). Moreover, a debt investment bearing “paid-in-kind” interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing. In addition, a debt investment could be subject to redemption at the option of the issuer. If a debt investment held by a Private Fund is called for redemption, the Private Fund will be required to permit the issuer to redeem such investment, which could have an adverse effect on such Private Fund's ability to achieve its investment objective.

Leveraged Portfolio Companies

The portfolio companies and/or holding entities in which an SIA or Private Fund will invest are likely to be highly leveraged, thereby increasing the degree of credit risk inherent in each portfolio investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and could impair its ability to finance future operations and capital needs or to pay principal and interest on the SIA's or Private Fund's portfolio investments when due. The leveraged capital structure of portfolio companies will increase the exposure of the SIA's or Private Fund's portfolio investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment, or rising interest rates. Furthermore, and as noted above, a Private Fund's debt investments could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bear floating interest rates. In the event any portfolio company cannot generate adequate cash flow to meet debt service, its Private Fund could suffer a partial or total loss of capital invested in such portfolio company, which could adversely affect the returns of the Private Funds. Furthermore, the companies and securities in which an SIA or Private Fund will invest generally will not be rated by a credit rating agency.

Financial Leverage

The SIA and Private Funds expect that certain of their portfolio companies will maintain financial leverage, and an SIA and Private Fund could lever a portfolio investment in order to achieve this goal. Such leverage could be substantial. Utilization of leverage will result in fees, costs and expenses, including interest expense, to such SIA and Private Fund or its portfolio companies. If a portfolio company is unable to refinance in order to maintain the desired amount of financial leverage, its SIA or Private Fund could realize lower than expected returns from the relevant portfolio investment and hold a larger than expected investment therein. The leveraged capital structure of portfolio companies and portfolio investments could significantly increase their exposure to adverse economic factors, such as rising interest rates, downturns in the economy or deterioration in the condition of such portfolio companies or portfolio investments or their respective industries. If a portfolio company cannot generate adequate cash flow to meet debt obligations, for example, its SIA or Private Fund could suffer a partial or total loss of capital invested in the portfolio company.

An SIA's or Private Fund's assets, including any portfolio investments made by the SIA or Private Fund and any capital held by the SIA or Private Funds, will be available to satisfy all liabilities and other obligations of the SIA or Private Funds. If an SIA or Private Fund or a portfolio company defaults on secured indebtedness, for example, the lender could foreclose and the SIA or Private Fund could lose its entire investment in the security for such loan. If the SIA or Private Fund itself becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to the SIA's or Private Fund's assets generally and they would therefore not be limited to any particular asset, such as the portfolio investment giving rise to the liability. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the life of an SIA or Private Fund or when due for refinancing such that the applicable portfolio

company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized.

Borrowings could be secured by assignment of the obligations of the investors to make capital contributions to an SIA or Private Fund and a security interest in its portfolio investments. This would limit investors' ability to use their interests in such SIA or Private Fund as collateral for other indebtedness. In addition, the inability of a Private Fund to repay borrowings under a credit facility secured by the capital commitments of its investors could enable a lender to take action against any investor to the extent of its then-remaining capital commitment in such Private Fund.

Investments in Restructurings or Underperforming Companies

An SIA or Private Fund could make portfolio investments in portfolio companies that are experiencing or are expected to experience financial difficulties, from which such companies never recover. Such portfolio investments could, in certain circumstances, subject the SIA or Private Fund to additional potential liabilities, which could exceed the value of the SIA's or Private Fund's original investment therein. Such portfolio investments could also be subject to U.S. federal bankruptcy law and U.S. state fraudulent transfer laws, which vary from state to state, if the securities relating to such portfolio investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such portfolio investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of the securities was a fraudulent transfer or conveyance, then the court could void the payment obligations under the securities, further subordinate the securities to other existing and future indebtedness of the issuer or require the applicable SIA or Private Fund to repay any amounts received by it with respect to the securities. In the event of a finding that a fraudulent transfer or conveyance occurred, the SIA or Private Fund would be unlikely to receive any repayment on the securities.

Under the Bankruptcy Code, a lender that has inappropriately exercised control of the management and policies of a company could have its claims against the company subordinated or disallowed or could be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to an SIA or Private Fund and distributions by the SIA or Private Fund to its investors could be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Such debt could also be disallowed or subordinated to the claims of other creditors if the SIA or Private Fund is found to have engaged in other inequitable conduct resulting in harm to other parties. An SIA's or Private Fund's investment could be treated as equity if it is deemed to be a contribution to capital, or if the SIA or Private Fund attempts to control the outcome of the business affairs of a company prior to its filing under the Bankruptcy Code. While the SIA and Private Funds will attempt to avoid taking the types of action that would lead to such liability, there can be no assurance that such claims will not be asserted or that an SIA or Private Fund will be able successfully to defend against them.

Non-Control Investments and/or Investments with Third Parties in Joint Ventures and Other Entities

If an SIA or Private Fund holds non-controlling interests in certain portfolio companies, it will primarily be the responsibility of the management teams and boards of directors of such companies, which could include representation by other investors whose interests could conflict with the interests of the SIA or Private Fund, to operate the portfolio companies on a day-to-day basis. Under such circumstances, there is the possibility that the entity in which the SIA's or Private Fund's investments are made could have economic or business interests or goals that are inconsistent with those of the SIA or Private Fund, and the SIA or Private Fund may not be in a position to limit or otherwise protect the value of its investment in the entity. Although the SIA or Private Fund will generally seek board representation in connection with its investments, there is no assurance that such representation, if sought, will be obtained. Accordingly, the SIA or Private Fund will have a limited ability to protect its portfolio investments in such portfolio companies. Further, the SIA or Private Fund may have no right to appoint a director and a limited ability to protect its interests in such companies and to influence such companies' management.

In addition, an SIA or Private Fund could co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain portfolio investments. In such cases, the SIA or Private Fund will be significantly reliant on such third parties, the existing management and the board of directors of such companies, which would include representation of other financial investors with whom the SIA or Private Fund is not affiliated and whose interests could conflict with the interests of the SIA or Private Fund.

Moreover, in the case where the SIA or Private Fund co-invests, such investments will involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer could have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the SIA or Private Fund, or could be in a position to take action contrary to (or block action favorable to) the SIA's or Private Fund's interests or goals. In addition, the SIA or Private Fund could in certain circumstances be liable for the actions of its third-party partners or co-venturers. Portfolio investments made with third parties in joint ventures or other entities also could involve carried interests, incentive allocation and/or other fees or compensation payable to such third-party partners or co-venturers. Although the SIA or Private Fund may not have control over these investments and, therefore, could have a limited ability to protect its position therein, the SIA or Private Funds generally expect that appropriate minority investor rights will be obtained to protect their interests to the extent possible. There can be no assurance, however, that such minority investor rights will be available or that such rights will provide sufficient protection of the SIA's or Private Fund's interests or that such rights will be controlled by the SIA or Private Fund.

Control Position Risk

Although non-control investments could also be made, the SIA and Private Funds intend to make investments that allow them to acquire control or exercise influence over management and the strategic direction of a portfolio investment. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure

to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over a portfolio investment could expose the assets of an SIA or Private Fund to claims by the portfolio company underlying such investment, its security holders and its creditors. While the General Partner or Investment Adviser intend to manage the relevant Private Fund or SIA to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Valuation and Changing Accounting Standards

The valuation of the assets of the SIA and Private Funds will affect the SIA's and Private Funds' reported performance. The SIA's and Private Funds' portfolio investments generally will have no, or a limited, liquid market, and the fair value of such portfolio investments may not be readily determinable. There is no assurance that the value assigned to a portfolio investment at a certain time will accurately reflect the value that will be realized by the SIA or applicable Private Fund upon the eventual disposition of the portfolio investment and the performance of the SIA and Private Fund could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the portfolio investment.

Specifically, for purposes of financial reporting that is compliant with U.S. generally accepted accounting principles ("GAAP"), the SIA and Private Funds are required to follow the requirements for valuation set forth in Accounting Standards Codification 820 ("ASC 820"), "Fair Value Measurements and Disclosures" (formerly, Financial Accounting Standards No. 157, "Fair Value Measurements"), which defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Additional Financial Accounting Standards Board ("FASB") Statements and guidance and additional provisions of GAAP that could be adopted in the future could also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting. Except as described below, the General Partner and Investment Adviser will apply ASC 820 and other relevant FASB statements and guidance to the valuation of the SIA's and Private Funds' assets and liabilities.

ASC 820 and other accounting rules applicable to investment funds and various assets in which the SIA and Private Funds invest are also subject to change. Such changes could adversely affect the SIA and Private Funds. For example, changes in the rules governing the determination of the fair value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of fair value. This could in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party determination of fair value.

Notwithstanding the foregoing, the Private Funds' General Partner and the SIA's and Private Funds' Investment Adviser will determine in certain instances to assign to a particular asset or liability a different value under the terms of the constituent documents than the value assigned to such asset or liability for financial reporting purposes (in particular, the value assigned to such asset or liability as required by GAAP). In particular, the Private Funds' General Partner and the

SIA's and Private Funds' Investment Adviser will not apply GAAP when determining whether a security has become "worthless" or whether an asset has otherwise been disposed of (e.g., whether it has declined in value for the purposes of determining distributions (including, without limitation, distributions of carried interest) and management fees payable by the SIA or Private Funds).

Accordingly, investors should only expect such assets and liabilities to be valued in accordance with GAAP for purposes of preparing the Private Funds' GAAP-compliant audited financial statements. Otherwise, except as expressly required by the terms of the constituent documents, for all other purposes (including, without limitation, for purposes of determining distributions of carried interest, management fees and allocating gains and losses), investors should expect such assets and liabilities to be valued without regard to any GAAP requirements relating to the determination of fair value.

The Private Funds' General Partner and the SIA's and Private Funds' Investment Adviser will change its valuation procedures and methods from time to time to reflect market practice, regulatory requirements, or other factors it deems appropriate.

Non-United States Investments; Inflation

Although the SIA and Private Funds primarily intend to make private equity investments in middle market companies based in North America, an SIA or Private Fund can invest in companies domiciled outside of the United States. Portfolio investments in non-U.S. securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which such SIA's or Private Fund's non-U.S. portfolio investments are denominated, and costs associated with the conversion of investment principal and income from one currency into another; (ii) differences between U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation in some countries; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of confiscatory taxation or expropriation; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; and (vi) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors. To the extent an SIA or Private Fund invests in companies domiciled outside of the United States, the General Partner and Investment Adviser will analyze risks in applicable countries before making such portfolio investments, but no assurance can be given that a political or economic climate, or that particular legal or regulatory risks, might not adversely affect a portfolio investment by such SIA or Private Fund.

In addition, if an SIA or Private Fund were to invest in companies domiciled outside of the United States, the scope and nature of the SIA's or Private Fund's due diligence activities in connection with portfolio investments in certain countries would be more limited than due diligence reviews conducted in more developed economies because reliable information is often unavailable or

prohibitively costly to obtain. The lower standards of due diligence and financial controls in investments in certain countries increase the likelihood of material losses on such investments. Furthermore, the SIA or Private Fund might not be in a position to take legal or management control of its portfolio investments in certain countries. It may not have legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the country in question where it could be difficult to obtain and enforce a judgment.

Furthermore, certain non-U.S. countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which investment opportunities exist. If an SIA or Private Fund were to invest in companies domiciled outside of the United States, there could be no assurance that high rates of inflation outside of the United States would not have a material adverse effect on the portfolio investments of such SIA or Private Fund.

Uncertain Economic, Social and Political Environment; Pandemics

Pandemics and other widespread public health emergencies have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could result in significant losses to the SIA or Private Funds.

Consumer, corporate and financial confidence could be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, infectious disease outbreaks, epidemics and pandemics, or other sources of political, social, or economic unrest. Such erosion of confidence could lead to or extend a localized or global economic downturn. A climate of uncertainty could reduce the availability of potential investment opportunities and increase 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 could have an adverse effect on the economy generally and on the ability of the SIA or Private Funds and their investments to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This could slow the rate of future investments by an SIA or the Private Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn could have an adverse effect upon the SIA's or Private Funds' investments.

Financial Institution Risk; Distress Events

An investment in a Private Fund is subject to the risk that one of the Private Fund's banks, brokers, hedging counterparties, lenders, or other custodians of some or all of the Private Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution

experiences a Distress Event, GHK, the Private Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of GHK to manage the Private Funds and their investments, and on the ability of GHK, any Private Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Private Fund to pay fees and expenses in the event the Private Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Private Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although GHK expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

Item 9 Disciplinary Information

GHK and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client’s or investor’s evaluation of GHK or its personnel.

Item 10 Other Financial Industry Activities and Affiliations

GHK’s related entities/persons will serve as either the General Partner, Manager, or Chairman of the Board of Managers of the Private Funds. Related persons of GHK will serve as directors and

officers of and provide advice to private companies controlled by the Private Funds. For a further description of such arrangements, see *Item 5—Fees and Compensation* above.

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

GHK has adopted a formal compliance code of ethics that includes a securities trading code of conduct, insider trading policies and procedures, and procedures to address rules dealing with political contributions (also known as “pay-to-play” rules). Among other things, the code of ethics requires that GHK’s employees act with integrity, place the interests of clients above their own, discuss and clear actual and potential conflicts of interest with GHK’s Chief Compliance Officer and comply with applicable Federal securities laws. The policies also require GHK’s employees and members of their immediate households to pre-clear certain personal securities transactions (initial public offerings and private offerings), report personal securities transactions on at least a quarterly basis and provide GHK with a detailed summary of certain holdings when they first become associated with GHK and annually thereafter. GHK regularly reviews its compliance policies and procedures with outside counsel and experienced compliance consultants.

The investment professionals of GHK may in the future invest in the Private Funds both (i) as limited partners and/or members of certain Private Funds and (ii) as partners (or equivalent) of the General Partners. While investments by related persons and investment professionals of GHK are intended to align interests of GHK and its related persons with those of the Private Funds, such investments may conflict (for example, in a diverse group of investors, including the investment professionals, with conflicting tax or other interests, decisions may be made that are more beneficial to one type of investor over another). To address such conflicts, the investment arrangements are described and agreed upon in the constituent documents of each Private Fund. To avoid any potential conflicts of interest involving personal trades, investment professionals are subject to the code of ethics, which includes a pre-clearance requirement for certain personal trades and reporting of certain holdings. Should potential conflicts of interest arise, GHK’s investment professionals have an ongoing responsibility to report such conflicts to the Chief Compliance Officer, who will address conflicts on a case-by-case basis.

A copy of GHK’s code of ethics will be provided to any investor or prospective investor upon request to GHK’s Chief Compliance Officer.

Other Investment Activities and Relationships

Relative to any SIA or Private Fund, the Investment Adviser, General Partner and its affiliates may be investors in, and will devote time in the future to the management of, investments made prior to the formation of such SIA or Private Fund, including all pre-existing Private Funds (which, inclusive of any other investment fund, account or other advisory client of GHK, is referred to herein as an “Other Private Fund”) and their investments, and certain other investments not made by such SIA or Private Fund. Except to the extent any such Other Private Fund constitutes a Co-Investment Vehicle alongside the Private Fund, the Private Fund will have no interest in such investments.

In addition to the foregoing, the activities of the SIA and Private Funds will not be the sole focus of GHK personnel and one or more of such persons have (and are expected to continue to have) required time commitments to Other Private Funds, including future Other Private Funds. Moreover, certain GHK personnel serve as members of the boards of directors (or similar governing bodies) of various companies and participate in other activities outside of the SIA and Private Fund, the General Partner, the Investment Adviser, and GHK. Conflicts will arise as a result of such activities and in the allocation of management resources. The possibility exists that the companies with which any such person or entity is involved could engage in transactions which would be suitable for the SIA or Private Fund, but in which the SIA or Private Fund might be unable to invest.

Advisory Committee

The General Partner or the Investment Adviser will present to and seek approval from the Advisory Committee with respect to any material conflict of interest (as determined by the General Partner in good faith) in any transaction between the Fund, on the one hand, and the General Partner or any other GP Related Party, on the other hand, other than transactions expressly set forth in or contemplated by the limited partnership agreement or the Advisory Agreement.

The General Partner is also permitted to have any matter determined by the vote, consent or approval of a majority-in-interest of the Limited Partners rather than by submission of such matter to the consent or approval of the Advisory Committee, in which case, such vote, consent or approval, if obtained, will have the same effect as though it were the consent or approval of the Advisory Committee; provided that if the General Partner seeks the consent or approval of a majority-in-interest of the Limited Partners for any matter that has previously been submitted to the Advisory Committee and for which the Advisory Committee has affirmatively denied such consent or approval, the General Partner will disclose such affirmative denial of consent or approval by the Advisory Committee when seeking such consent or approval from a majority-in-interest of the Limited Partners.

Transactions between and amongst Other Private Funds and Portfolio Companies

From time to time, one or more Other Private Funds will acquire, sell, or otherwise transact with investments or portfolio companies held by Other Private Funds. Such transactions create conflicts of interest because, by not exposing such acquisition, sale or other transactions to market forces, there is no assurance that either Other Private Fund will receive the best price otherwise possible, or that the applicable General Partner, Investment Adviser or any of their respective affiliates will not have an incentive to improve the performance of one Other Private Fund by selling underperforming assets to an Other Private Fund in order to, for example, avoid losses in the selling Other Private Fund or to increase the fees payable by the acquiring Other Private Fund. Additionally, in connection with such transactions, the General Partner, the Investment Adviser, other related parties and each of their respective officers, directors, managers, partners, members, shareholders, employees, agents, advisors, and personnel will, from time to time, have significant investments, or intentions to invest, in the Other Private Fund that is selling and/or acquiring such

investments or otherwise have a direct or indirect interest in any such investment (such as through certain other participations in the investment). The General Partner, the Investment Adviser or one or more other related parties could receive management fees or other fees in connection with their management of the relevant Other Private Funds involved in such transaction and could also be entitled to share in the investment profits of (i.e., carried interest from) the relevant Other Private Funds.

Accordingly, as they relate to any Private Fund, such transactions can result in conflicts of interest for the General Partner, the Investment Adviser, and other related parties by giving rise to conflicting economic or other incentives or interests on different sides of a transaction. However, such transactions generally will be permitted where the General Partner determines in good faith that their terms are arm's-length and in the best interest of all the Other Private Funds involved. Such determination could be reached in a number of ways, including, but not limited to, (i) pricing such transactions based on the Investment Adviser's valuation policies and procedures, (ii) review and consultation with (but not necessarily in all cases, approval by) their respective limited partner advisory committees, (iii) the presence of or participation by unaffiliated third parties to help validate the terms thereof, (iv) employing separate investment teams, separated by "fire walls", each with separate legal counsel or financial advisors to represent the applicable Other Private Fund and to advise their respective general partners, (v) obtaining a fairness or similar opinion from a third-party valuation firm or investment banker with respect to the terms and conditions of such transaction, including the price or (vi) running an auction process.

For example, in connection with (or subsequent to) a transaction involving the sale of an investment by one or more Other Private Funds to one or more third parties, one or more of the Other Private Funds could acquire a portion of the investment being sold through a cross-trade. Such portion could also represent a material portion of the investment being sold. Any acquisition by a Private Fund in such transaction would be based on terms, including price, that the applicable General Partner determines in good faith to be no less favorable than the arm's-length terms negotiated between the Other Private Fund selling the interest and the acquiring third party or third parties (assuming that the cross-trade does not otherwise occur on such terms). Similarly, any sale by the Private Fund in such transaction would be based on terms, including price, that the General Partner determines in good faith to be no less favorable than the arm's-length terms negotiated between the Private Fund and the acquiring third party or third parties (again, assuming that the cross-trade does not otherwise occur on such terms).

In addition, all of the Other Private Funds participating in such transaction, including, for the avoidance of doubt, the Other Private Fund selling the investment, could be required to disclose the terms of such transaction to (or in the case of certain Other Private Funds other than the applicable Private Fund, obtain the consent from) their respective limited partner advisory committees. In addition, the applicable Private Fund will be permitted to sell investments to an Other Private Fund or acquire investments from an Other Private Fund in transactions that do not involve a third-party buyer so long as the General Partner determines in good faith that the terms

are arm's-length and in the best interest of all the Other Private Funds (including the applicable Private Fund) involved.

Without limiting the generality of the foregoing, if a Private Fund invests in the portfolio company of any Other Private Fund in a transaction that results in a disposition of all or any portion of such Other Private Fund's interests in such portfolio company (by way of example only, through redemption), or conversely, if all or any portion of the Private Fund's interests in a portfolio company is disposed of as a result of an investment by an Other Private Fund in such portfolio company, then similar conflicts of interests as those described above in the context of a sale or acquisition between or amongst Other Private Funds (including the applicable Private Fund) will also apply and will be resolved in an analogous matter (although the conflicts of interests present in the context of any such transaction that is effected on terms and conditions that were generally pre-determined in advance of the subsequent investments will be deemed to have been sufficiently mitigated).

Finally, and similar to the foregoing, it is possible that one or more portfolio companies could sell or acquire assets, securities, or other property to or from Other Private Funds or their portfolio companies (or that a Private Fund could sell or acquire assets, securities, or other property to or from the portfolio companies of Other Private Funds). The General Partner expects that any such sales or acquisitions will occur in the ordinary course operations (or otherwise in connection with the good faith and reasonable operations) of such portfolio companies and the portfolio companies of such Other Private Funds (including, as the case may be, in connection with the strategic or organic growth initiatives of such portfolio companies and the portfolio companies of such Other Private Funds).

Conflicts due to Investment Activities of Other Private Funds; Capital Structure Conflicts; Conflicts with Pre-Existing Investments

The General Partner, the Investment Adviser, GHK personnel and one or more other related parties (including, for this purpose, investment professionals and other personnel) will have ongoing interests, including economic interests, in Other Private Funds also invested in one or more of an SIA's or Private Fund's portfolio companies or in competitors of such portfolio companies. The performance and operation of such vehicles and competing businesses could conflict with and adversely affect the performance and operation of such SIA or Private Fund or its portfolio companies and could adversely affect the prices and availability of business opportunities or transactions available to such SIA or Private Fund or such portfolio companies. Accordingly, such entities and persons will experience a variety of conflicts of interest to the extent that the interests of such Other Private Funds or competing businesses would be adversely affected by investment decisions that would otherwise be in the best interest of the SIA or Private Fund or any of its portfolio companies. Similarly, if such entities or persons are faced with investment decisions for such Other Private Funds or businesses that would be in the best interest of such vehicles or businesses but would otherwise adversely impact such SIA or Private Fund or any of its portfolio companies, then they will nevertheless be incentivized to make such decisions for the benefit of such vehicles or businesses to the detriment of the SIA or Private Fund or any such portfolio

company if they are economically or otherwise incentivized to do so (e.g., due to the prospect of earning more carried interest, management fee or other fees).

Such conflicts will be exacerbated when the SIA, Private Fund and an Other Private Fund, invest in different parts of the capital structure of a particular portfolio company. In those circumstances, questions will arise as to whether payment obligations and covenants of the portfolio company should be enforced, modified or waived, or whether debt should be refinanced or restructured. Decisions about what actions should be taken in circumstances of financial distress, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest (see more on financial distress below). Given that the SIA and Private Funds are expected to have a controlling or significantly influential position in most, if not all, of their portfolio companies, they will have the ability to elect some or all of the members of the board of directors (or similar governing body) of such portfolio companies, thereby controlling their policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, the SIA and Private Funds are likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of the company. Such management and operational decisions could, at times, be in direct conflict with the interests of Other Private Funds that have invested in the same portfolio company that do not have the same level of control or influence.

In addition, the involvement of the SIA and Other Private Funds (including the applicable Private Fund) at multiple levels of equity and debt could inhibit strategic information exchanges among fellow creditors. In certain circumstances, the SIA and such Other Private Funds could be prohibited from exercising voting or other rights and could be subject to claims by other creditors with respect to the subordination of their interest. Because of the different legal rights associated with debt and equity of the same portfolio company, the General Partner, the Investment Adviser, certain GHK personnel and other related parties, including GHK, will face a conflict of interest in respect of the advice they give to, and the actions they take on behalf of, the SIA, one Other Private Fund (including the applicable Private Fund) versus an Other Private Fund (including the applicable Private Fund) (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations, and the resolution of workouts or bankruptcies). Such persons or entities could express inconsistent views on commonly held investments or of market conditions more generally.

Furthermore, investments by the SIA and more than one Other Private Fund (including the applicable Private Fund) also raise the risk of using assets of the SIA or one Private Fund, such as the applicable Private Fund, to support positions taken by Other Private Funds, or that the SIA or an Other Private Fund remains passive in a situation in which it is entitled to vote. For example, if additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, in a portfolio company, then the SIA or Other Private Funds invested in the applicable portfolio company may or may not provide such additional capital in circumstances

where the applicable Private Fund is compelled, if not obligated, to make a follow-on investment. Such follow-on investments could give rise to, among other things, conflicts of interest in connection with valuing the securities or interests being issued or acquired in connection with such investment (to the extent that certain valuations are more likely than not to benefit the SIA or Other Private Fund over the applicable Private Fund or vice versa). There can also be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. These variations in timing could be detrimental to the SIA or applicable Private Fund. In any event, the application of the applicable constituent documents and the Investment Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by an SIA, Private Fund and any Other Private Fund in different parts of a portfolio company's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there is likely to be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

In the event a portfolio company experiences financial distress, it may be in the best interest of an Other Private Fund to aggressively pursue the portfolio company's assets to fully satisfy the portfolio company's obligations or indebtedness to such Other Private Fund. More specifically, any Other Private Fund holding more senior securities than those held by the SIA or applicable Private Fund, or in circumstances where such Other Private Fund otherwise serves as a creditor to such company, are likely to have a greater incentive to see those obligations or indebtedness satisfied. Because of the potential harm to the SIA's or applicable Private Fund's holdings, however, the General Partner, the Investment Adviser, GHK Personnel or one or more other related parties will be disinclined to pursue the portfolio company's assets (or to pursue them as aggressively as might otherwise be the case) as a result of their conflicting interests with the SIA and applicable Private Fund. Conversely, the foregoing entities or persons will be incentivized to make riskier or more speculative investment decisions on behalf of the SIA and applicable Private Fund with the hopes of extracting value from junior securities that are otherwise significantly impaired to the detriment of the holdings of such Other Private Funds.

Similarly, with respect to any Other Private Fund relative to which the SIA or applicable Private Fund holds junior securities of the same portfolio company, it will be the SIA or applicable Private Fund that might not have access to sufficient assets of the portfolio company to completely satisfy its bankruptcy claims against the portfolio company and could suffer a loss. Because of the potential harm to such Other Private Fund's holdings, however, the General Partner, the Investment Adviser, GHK Personnel or one or more of the other related parties will be disinclined to make riskier or more speculative investment decisions on behalf of the SIA or applicable Private Fund that might otherwise extract value from the SIA's or Private Fund's more junior securities. Moreover, in a bankruptcy proceeding, the SIA's or applicable Private Fund's interest could be subordinated or otherwise adversely affected by virtue of such Other Private Fund's involvement and actions relating to its debt investment. This could result in a loss or substantial dilution of the SIA or applicable Private Fund's investment, while the Other Private Fund recovers all or a portion of its debt investment.

In addition to the foregoing, any investment by the SIA or applicable Private Fund in an entity in which an Other Private Fund has a pre-existing investment (or *vice versa*) could be viewed, particularly in hindsight, to have been made on the basis of a non-arm's-length valuation. Similarly, an Other Private Fund could later invest in entities in which the SIA or applicable Private Fund has invested, which could have an effect (either positive or negative) on the market price of the SIA's or Private Fund's investments. In addition, the SIA or applicable Private Fund could participate in re-leveraging or recapitalization transactions involving portfolio companies in which Other Private Funds hold a pre-existing investment (or *vice versa*) or in which they are contemplating an investment. Recapitalization transactions themselves present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. In circumstances in which an SIA or Private Fund makes an investment in an entity in which an Other Private Fund holds a pre-existing investment, it should be expected that such Other Private Fund will make business decisions relating to such investment (such as, for example, financing or hedging interest rate, currency or credit risk) independently of the analogous decisions made with respect to such investment by the SIA or applicable Private Fund. This could result in situations where the SIA or applicable Private Fund chooses not to hedge certain risks that the Other Private Fund elects to hedge (or *vice versa*), or the possibility that the SIA or Private Fund is exposed to risks of financing on an investment when the Other Private Fund is not (or *vice versa*).

Accordingly, prospective investors should expect that conflicts of interests will arise when one or more Other Private Funds invest in a portfolio company in which an SIA or Private Fund holds an interest or when such SIA or Private Fund invests in a portfolio company in which one or more Other Private Funds hold an interest. To the extent the circumstances go beyond what is expressly contemplated by the applicable constituent document, the General Partner and the Investment Adviser will endeavor to resolve such conflicts of interest in a manner they determine to be fair and reasonable under the circumstances, or in the collective best interests of all of the relevant Other Private Funds (including the applicable Private Fund) and the SIA under the circumstances, and over time. Nevertheless, there can be no assurance that any such conflicts of interest will be resolved in a manner that is fair and equitable to the SIA or applicable Private Fund or any of its portfolio companies.

Prospective investors should also be aware that it is possible a member of the limited partner advisory committee of a Private Fund could also be a member of the limited partner advisory committee for one or more of the Other Private Funds involved in the applicable transaction or relationship giving rise to an actual or potential conflict of interest. Accordingly, such member's interests are likely to be different from the interests of another investor with a member on the first limited partner advisory committee only and such interests could influence such person's decisions as a member of the respective limited partner advisory committees.

For the avoidance of doubt, none of the circumstances or related transactions described above will be prohibited under the terms of the limited partnership agreement nor will any such circumstances or transactions require the vote, consent or approval of the Advisory Committee or any Limited Partner. There can be no assurance, however, that any conflicts of interest arising as a result of any such circumstances or transactions will be resolved in a manner that is fair and equitable to the Fund.

Allocation of Investment Opportunities with Other Private Funds; Conflicting Fiduciary Duties to Other Private Funds; Co-Investment Policy

GHK will, from time to time, be presented with investment opportunities that fall within the investment objectives of a Private Fund and Other Private Funds.

Except as may be set forth in the constituent document of an applicable Private Fund, if an Other Private Fund has an investment objective in common with those of such Private Fund in any respect, then investment opportunities which are within such common objective will generally be allocated between the Private Fund and such Other Private Fund on a basis that the General Partner believes in good faith to be fair and reasonable. Such allocation will typically take into account the sourcing of the transaction, the nature of the investment focus of the applicable Private Fund and such Other Private Fund, the relative amounts of aggregate commitments of the Private Fund and such Other Private Fund or the capital available from each of the Private Fund and such Other Private Fund for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals, any requirements contained in the constituent documents of the Private Fund and such Other Private Fund and other considerations deemed relevant by the General Partner and GHK in good faith.

Please also refer to the discussion regarding “Co-Investments” set forth in *Item 6—Performance-Based Fees and Side-by-Side Management*.

Allocation of Expenses; Expense Reimbursements

The General Partner, the Investment Adviser, GHK personnel and one or more other related parties will from time to time incur fees, costs and expenses on behalf of a Private Fund or Other Private Funds (including Co-Investment Vehicles) and one or more existing or subsequent entities established by the General Partner, the Investment Adviser, GHK Personnel and one or more other related parties. Although attempts will be made to allocate such fees, costs and expenses on an equitable basis, such allocations will be determined by the General Partner and/or GHK and such matters will not necessarily be brought to the applicable limited partner advisory committee or the applicable investors for discussion or consultation.

To address the allocation of fees, costs and expenses, the Investment Adviser intends to adopt certain processes and procedures intended to allocate expenses in the manner prescribed by the constituent documents of the Private Funds and GHK’s internal policies, including procedures to identify and correct misallocations due to error or revised allocation methodologies. However, there is no guaranty that such processes and procedures will identify all or even any misallocations. To the extent misallocations are identified and a Private Fund has already paid or borne such fees, costs or expenses, any reimbursements of incorrectly applied fees, costs or expenses will

necessarily be applied at a later date and therefore the Private Fund could bear incorrect allocations for an unspecified period of time. Reimbursement to the applicable Private Fund of any misallocated expenses will generally not include any interest on the principal amount of any misallocations. Although attempts will be made to allocate fees, costs and expenses on an equitable basis, such allocations will ultimately be based on the determinations of the General Partner and/or the Investment Adviser. In some instances, such determinations will be subjective and reasonable minds will disagree.

Without limiting the foregoing, there could be circumstances when the General Partner, the Investment Adviser, GHK personnel and/or one or more other related parties consider a potential portfolio investment on behalf of a Private Fund and initially determines not to make such an investment, but eventually makes an investment in such potential portfolio investment through an Other Private Fund. In these circumstances, the Other Private Funds could benefit from the due diligence conducted by the original investment team considering the investment and/or from fees, costs or expenses incurred or borne by the applicable Private Fund in pursuing the potential portfolio investment. Such Other Private Fund, however, will not be required to reimburse the applicable Private Fund for any such fees, costs or expenses. Conversely, if the investment team of an Other Private Fund conducts due diligence with respect to a potential portfolio investment of such Other Private Fund (and such Other Private Fund incurs or bears fees, costs or expenses in connection with its pursuit of such investment), but its general partner or its affiliates determine not to pursue that investment and the General Partner determines to pursue such investment through the applicable Private Fund instead, then the General Partner will be authorized to cause the Private Fund to reimburse such Other Private Fund in respect of all or a portion of such fees, costs or expenses.

In addition to the foregoing, prospective investors should be aware that Travel and Related Expenses will not necessarily be incurred solely in connection with portfolio investment-related travel but could include such expenses incurred by GHK personnel in connection with the discharge of their duties and responsibilities to the General Partner and the Investment Adviser while remaining in GHK's principal offices, including on an "after business hours" basis. Moreover, transportation fees, costs and expenses could include the payment or reimbursement of public transportation (such as bus or subway) fare, taxi fare, "black car" fares (including services provided by Uber, Lyft and other similar vendors) and railway tickets and such meal expenses could include food ordered through delivery services, such as SeamlessWeb, GrubHub or Uber Eats. Although GHK intends to employ policies and procedures governing the usage of private or non-commercial aircraft for travel, including to the extent the fees, costs and expenses thereof are reimbursed by the Private Funds or any portfolio company (see more below), such policies and procedures are subject to change at any time and for any reason, in the sole and absolute discretion of GHK. A variety of commercial, economic, environmental, political, social or other factors will influence the Investment Adviser's decision to permit the frequency of the use of such air travel to change or even increase (including, but not limited, the occurrence or threat of pending catastrophic and other force majeure events, such as the outbreak of infections or contagious diseases).

Additionally, a portfolio company will typically reimburse the General Partner, the Investment Adviser, GHK personnel and one or more other related parties, or service providers retained by one or more of the foregoing, for fees, costs and expenses (including, without limitation, fees, costs and expenses of the type described in the definition of Travel and Related Expenses) incurred by any of them in connection with the performance of their services or duties in respect of such portfolio company. The portfolio company will determine the amount of these reimbursements for such services in its own discretion, subject to any of its own internal reimbursement policies and practices. There can be no assurance, however, that the internal reimbursement policies and practices of such portfolio company will be substantially similar to those employed by GHK or as set forth in the constituent documents of the applicable Private Fund. Accordingly, such portfolio company will reimburse the General Partner, the Investment Adviser, GHK personnel or one or more other related parties, or service providers retained by one or more of the foregoing, for fees, costs and expenses that are not reimbursable under such constituent documents or under the Investment Adviser's own reimbursement policies. In addition, the fees, costs and expenses incurred in connection with any portfolio investment by parties other than the Private Funds (including, but not limited to, Co-Investors) are also often borne or reimbursed by the applicable portfolio company, typically (but not necessarily) at the closing of the acquisition of such portfolio company or at the closing of such co-investment. Such fees, costs and expenses will include the legal, due diligence and other related fees, costs and expenses of Co-Investors that were incurred by them in connection with their investigation of the applicable co-investment opportunity, as well as their negotiation of their relevant co-investment arrangements, such as the terms and conditions applicable to any Co-Investment Vehicle through which they participate (or any aggregator or similar vehicles formed to facilitate their co-investment) alongside the Private Funds. In any event, there is no limit or restriction on the amount of reimbursements that could be sought by such persons or entities, or by any of them on behalf of a Co-Investor or by a Co-Investor itself, from any portfolio company and such amounts will generally not be reported to the applicable limited partner advisory committee or the applicable investors. The amount of such reimbursements could be substantial.

Finally, as noted in *Section VII—Summary of Principal Terms—Organizational Expenses*, the Private Fund will bear all Organizational Expenses, other than Excess Organizational Expenses. Such expenses will include the fees, costs and expenses incurred in connection with the offer, sale, marketing, and private placement of the interests in any Related party Vehicle formed by the General Partner or any other Related party to facilitate the direct or indirect investment by one or more Related parties, including GHK Personnel, in the Private Fund through the General Partner or another related Limited Partner. Such expenses will also include certain success-based fees (to be calculated based on aggregate Capital Commitments) payable to Triad Securities Corp. in connection with the provision of advice and assistance with respect to, among other things, the determination of Private Fund's structure and terms.

Joint Venture Partners

The General Partner or the Investment Adviser could cause a Private Fund to enter into “joint venture” vehicles, platforms, or similar arrangements whereby the Private Fund’s investment activities are operated in cooperation or conjunction with one or more operating partners (including one or more Operating Executives or management teams, in each case, with respect to the management of specified portfolio investments or categories of portfolio investments. In connection therewith, such partners or team members could receive management fees and/or performance-based compensation such as a carried interest in vehicles through which such joint ventures invest. The applicable Private Fund could also hold certain portfolio investments through investment vehicles managed in whole or in part by such partners or team members where the General Partner or the Investment Adviser has determined this is necessary or appropriate.

Any compensation to such partners or team members, which will reduce the Private Fund’s returns from the relevant portfolio investments, will not offset carried interest distributions or management fees paid to the General Partner or the Investment Adviser and will increase the cost of the investors’ investment in the applicable Private Fund. In addition, to the extent a dispute arises between the General Partner or the Investment Adviser and any such partners or team members, the applicable Private Fund’s portfolio investments relating thereto would be adversely affected.

Operating Executives

Each Private Fund and each portfolio company is permitted, in its sole discretion, to retain the services of one or more business executives who, in the good faith determination of the General Partner, the Investment Adviser or such portfolio company, possess relevant experience or expertise to serve as consultants to the Private Fund or such portfolio company (each such person, an “Operating Executive”). Operating Executives could be former, existing or prospective executives of portfolio companies or portfolio companies of Other Private Funds, industry executives or advisors, research consultants, sourcing consultants, members of expert networks, operating executives, subject matter, industry or regulatory experts or other individuals acting in a similar capacity, and the scope of the services to be provided by any Operating Executive could include advice with respect to existing portfolio investments and/or potential portfolio investments. Notwithstanding the foregoing, without the approval of the Advisory Committee, no employee of the General Partner or the Investment Adviser can be engaged, retained or employed by the Fund or a portfolio company as an Operating Executive if such person is an employee as of the date of such engagement, retention or employment. Furthermore, each Private Fund and each portfolio company is permitted to engage, retain or employ Operating Executives in any manner it deems reasonable or desirable under the circumstances, including either as independent contractors or employees for U.S. federal income tax, labor or other purposes, and such engagements, retainers or employment can be with GHK, its affiliates or any of its personnel or with any portfolio company provided that the Operating Executive Compensation of an Operating Executive employed by the Fund as an employee for U.S. federal income tax and labor purposes may not be borne by the Fund without the approval of the Advisory Committee. An Operating Executive Employer of an Operating Executive is permitted to terminate the engagement, retainer or employment of such Operating Executive at any time and for any reason, in its sole and absolute discretion. The Operating Executive Employer is also permitted to determine the nature, form and amount of compensation of any such Operating Executive. Unless otherwise determined by the

applicable Operating Executive employer in its sole discretion, all Operating Executive Compensation will be borne by the applicable Private Fund or by the portfolio companies to which the Operating Executives provide services, as applicable, and not by the General Partner, the Investment Adviser or any other related party. If an Operating Executive has been engaged, retained or employed to provide services to a particular portfolio company only, then such portfolio company will be the applicable Operating Executive Employer and the applicable Operating Executive Compensation will be borne by such portfolio company only.

Because Operating Executive Compensation is not borne by the General Partner, the Investment Adviser or any other related party, they each have an incentive to engage a prospective GHK personnel member as an Operating Executive, rather than as an employee of GHK or any of its affiliates. This incentive is heightened by the flexibility afforded to the General Partner and the Investment Adviser in connection with how to structure any such engagement, retainer or employment, which will include permitting such executive to exhibit indicia similar or comparable to that of a GHK employee (by way of example only, but without limitation, by virtue of possession of business cards containing the name or logo of any GHK related party; possession or use of computer hardware, a mobile device, a dedicated telephone number (or extension), or an electronic mail address similar to one used by other such employees of GHK; access to (and use of) any of GHK's or any of its affiliates' office space or office files (including electronic files); attendance at periodic employee meetings of GHK (such as weekly transaction "pipeline" meetings); and attendance before or at the Investment Adviser's investment committee meetings). Such indicia will have no bearing on such Operating Executive's treatment as such for purposes of the constituent documents of any Private Fund.

Although the General Partner and the Investment Adviser intend to make all Operating Executive engagement, retainer, or employment decisions in good faith and only to the extent that any such Operating Executive possesses substantial, significant, or otherwise relevant experience or expertise to serve in the capacities for which she, he or it is engaged, it will not always be readily apparent that such decisions were necessarily made in such fashion and reasonable minds will disagree.

Enhanced Relationships with Certain Investors

In some cases, the SIA or Private Fund investors will directly or indirectly (through an affiliate) provide financing, insurance, advisory or other services to GHK, the applicable Private Fund, Other Private Funds or one or more of their respective portfolio companies. To the extent GHK, the applicable Private Fund, any such Other Private Fund or any such portfolio company is seeking a provider of such services, they will be incentivized to procure such services from an investor (or one of its affiliates) on a basis other than best execution, best price or other similar basis. Such investors will also be aligned with GHK, the SIA, the applicable Private Fund, such Other Private Fund or one or more of their portfolio companies in a manner that could give rise to conflicts of interest to the extent such investors are represented on the applicable Private Fund's limited partner advisory committee. Prospective investors should expect that certain investors will have such enhanced relationships with GHK, the SIA, the applicable Private Fund or one or more of its

portfolio companies and that such relationships will give rise to both known and unknown conflicts of interest for both GHK and such investors. It may not be possible to mitigate such conflicts of interest and the applicable Private Fund or one or more of its portfolio companies could be harmed as a result.

Service Providers

Service providers or affiliates of service providers will include: accountants; auditors; administrators (including Private Fund administrators or similar service providers who provide “back-office”, anti-money laundering and “know-your-customer” related services, including anti-money laundering reporting officers); legal counsel and any other attorneys, lawyers and legal professionals (including paralegals, legal assistants and legal interns); financial advisors, brokers, dealers, investment bankers, underwriters, valuation experts, appraisers and other similar professionals; lenders; tax professionals; consultants (including Operating Executives, information technology consultants, strategic consultants, management consultants, environmental consultants, “ESG” consultants, public relations consultants and other subject-matter consultants); due diligence experts; research, data, analytic, business intelligence (including “expert network”), modeling, structuring, pricing and execution service providers; software and related service providers; portfolio accounting and related service providers; placement agents, recruitment agents and finders; local intermediaries; depositories; trustees; agents; custodians and safe-keeping service providers; and other service providers.

Service Providers of any SIA or Private Fund will be in a position to provide certain services to the General Partner, the Investment Adviser, GHK personnel, other related parties, the SIA, the Private Fund and Other Private Funds with respect to non-Private Fund matters, which creates potential conflicts of interest for such service providers insofar as they also perform work for the SIA, the Private Fund or one or more of its portfolio companies. For example, a law firm could at the same time act as legal counsel to the SIA or the Private Fund, on the one hand, and the General Partner, the Investment Adviser, GHK personnel, other related parties or Other Private Funds, on the other hand. To the extent such service provider relies or depends on the referrals or direction of the General Partner, the Investment Adviser, GHK personnel, other related parties or Other Private Funds for work performed for the SIA or the Private Fund, such service provider will be inclined to provide better or more resources to the work of the General Partner, the Investment Adviser, such GHK personnel, such Other Private Funds than to the work of the SIA or the Private Fund. GHK will also permit one or more of its service providers, or affiliates or personnel of its service providers, to invest in the Private Fund, which would provide further incentive for those service providers to provide better or more resources to the work of the General Partner, the Investment Adviser, GHK personnel, Other Private Funds than to the work of the SIA or the Private Fund.

GHK, the General Partner and the Investment Adviser will address these conflicts of interest by using reasonable diligence to ascertain whether each service provider (including law firms) provides its service on a “best execution” basis, taking into account factors such as expertise, operational and regulatory controls, availability and quality of service and the competitiveness of

compensation rates in comparison with other service providers satisfying GHK's service provider selection criteria. GHK could recommend to the SIA, the Private Fund or a portfolio company that it contract for services with such service providers. The receipt of services with respect to non-Private Fund matters will influence or have the appearance of influencing GHK's decisions whether to select such service provider for the SIA or the Private Fund or whether to recommend such service provider to a portfolio company. Furthermore, to the extent such service provider relies or depends on GHK for such recommendations or selection, such service provider will be conflicted in the course of work that otherwise requires independence or impartiality. In certain circumstances, service providers charge rates or establish other terms in respect of advice and services provided to the General Partner, the Investment Adviser, GHK personnel, other related parties, and Other Private Funds that are different and more favorable than those established in respect of advice and services provided to the SIA or the applicable Private Fund and its portfolio companies.

In addition, GHK will from time to time enter into arrangements with service providers that provide fee discounts for certain services rendered to GHK or to a specific Other Private Fund, but not with respect to services rendered to the SIA, the applicable Private Fund or any of its portfolio companies. For example, certain law firms retained by GHK discount or "cap" their legal fees for non-investment transaction-related legal services provided to GHK or GHK personnel, such as legal advice in connection with GHK's operational, regulatory compliance and related matters (including matters pertaining to GHK personnel and their employment and compensation arrangements). Furthermore, fees for legal services incurred in connection with Organizational Expenses of a Private Fund could be subject to a "cap" that is less than the dollar limit set forth in its constituent documents (it being understood that if such "cap" were greater than such dollar limit, the beneficiary of such "cap" would be the Investment Adviser and not the Private Fund). Generally, GHK will permit the General Partner, the Investment Adviser, GHK personnel and other related parties to receive discounts or be the beneficiary of "caps" with respect to services that are similar or related to those also provided to the SIA or any Private Fund, Other Private Funds or their respective portfolio companies (it being understood that a portfolio company will generally not enjoy such discounts or "caps" in any event because it engages such law firm on its own behalf and on independent terms). Legal fees for investment-related transactions that are not consummated are typically charged to the SIA, a Private Fund and Other Private Funds or their portfolio companies at a discount, although such law firms will typically charge on a "full-freight" or even on a premium basis for consummated investment-related transactions.

Item 12 Brokerage Practices

GHK primarily focuses on making investments in private equity on behalf of the SIA and the Private Funds, and as a result it does not ordinarily deal with any financial intermediary such as a broker-dealer, and the SIA and the Private Funds do not ordinarily incur commissions in connection with such investments. To the extent GHK transacts in public securities on behalf of the SIA and the Private Funds, generally as part of a private equity transaction or as a result of an SIA's or Private Fund's ownership in such securities as a result of a portfolio company "going public," it intends to select brokers based upon the broker's ability to provide best execution for

the SIA and the respective Private Fund. GHK has the authority to select the executing broker or dealer for any transaction and negotiate the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for the SIA and the Private Funds, when applicable, GHK will consider a variety of factors including, but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which the broker-dealer effects transactions (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) availability and liquidity of a security; and (iv) anonymity. Although GHK generally seeks competitive commission rates and commission equivalents, including mark-ups, it will not necessarily pay the lowest commission or equivalent. Transactions could involve specialized services on the part of a broker-dealer, which would justify higher commissions and equivalents than would apply for more routine services. In the event an SIA or Private Fund does transact in a publicly traded security, GHK generally will not aggregate transactions.

GHK does not utilize soft dollar arrangements. GHK does not direct trading activity in lieu of payments for research or other services. In every instance, the receipt of such research will be in accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as applicable.

GHK recognizes its duty to act in the best interests of the SIA and the Private Funds. In instances when GHK could allocate investment opportunities to the SIA and one or more Private Funds at a time, GHK will generally allocate such investment opportunities between the SIA and the relevant Private Funds on a basis that it believes in good faith to be fair and reasonable. Such allocation will typically take into account the sourcing of the investment opportunity, the nature of the investment focus of the SIA and the relevant Private Funds, the relative amounts of the SIA's available investment capital, and the aggregate commitments of the relevant Private Funds or the capital available from each of the relevant Private Funds, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals of the SIA and the relevant Private Funds, any requirements contained in the constituent documents of the SIA and the relevant Private Funds, and other considerations deemed relevant by GHK in good faith.

Item 13 Review of Accounts

GHK focuses on investments primarily in private equity. Prior to being made, all investments are carefully reviewed and approved by GHK's investment staff. The progress of all portfolio companies is monitored on a regular basis and is subject to supervision and review by GHK's investment staff. GHK's valuation committee reviews the valuation of GHK's investments quarterly in accordance with GHK's valuation policy.

GHK generally provides annual reports (including annual audited financial statements) to investors in the Private Funds in accordance with the terms of the applicable constituent documents of the Private Funds.

Item 14 Client Referrals and Other Compensation

In certain circumstances, GHK will, pursuant to a written agreement, pay cash consideration for solicitation activities to third parties. In connection with the activity of raising funds for the Private Funds, certain placement agents have received or are eligible to receive placement fees pursuant to negotiated written agreements. Investors referred by such placement agents should receive disclosure associated with the use of the placement agents, and investors solicited by such third parties will not be subject to any type of an increased fee in connection with such solicitation. All placement agent arrangements will be conducted in compliance with Rule 206(4)-1(b) relating to compensated endorsements.

Item 15 Custody

GHK will be deemed to have access to the Private Funds since its affiliates serve as either the General Partner, Manager, or Chairman of the Board of Managers of the Private Funds. Investors in the Private Funds will not receive statements from a custodian. Instead, each of the Private Funds is subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to the investors in each Private Fund. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of a Private Fund's fiscal year end. GHK is not deemed to have custody of the funds and securities in the SIA.

Item 16 Investment Discretion

GHK serves as the Investment Adviser with discretionary authority to implement investment decisions for the SIA and each of the Private Funds. GHK's investment decisions and advice with respect to the SIA and the Private Funds are subject to the SIA's and each Private Fund's constituent documents.

Item 17 Voting Client Securities

The SIA and the Private Funds are primarily invested in private companies which typically do not issue proxies. In the event the SIA and the Private Funds are invested in private companies which "go public," such companies may issue proxies. In that rare event, GHK will vote on the equity proxies of the SIA and the Private Funds in their best overall interests.

As is typical in private equity investing, GHK generally approves one or more of its employees to act as representatives on the board of directors (or similar governing body) of portfolio companies on behalf of the SIA or the Private Funds. As noted herein, a number of GHK's investment professionals serve as board members of the SIA's or its Private Funds' private portfolio companies in such representative capacity. In situations where GHK votes the proxy for a company in which one or more employees of GHK serve on the board of directors (or similar governing body), GHK has determined that this does not inherently present a conflict of interest, as (a) the

employee is on the board of directors (or similar governing body) as a representative of the SIA or the Private Funds and (b) the sole purpose of this representation is to maximize the return on the SIA's or Private Funds' investment in such company and to ensure that the SIA's or Private Funds' interests are protected. Given these facts, the SIA and the Private Funds and the representative's role are aligned with respect to proxy voting and otherwise. However, in the event there is a conflict of interest with a particular proxy vote, GHK will consult with outside counsel, engage a third-party proxy voting service, or present the proxy vote to the SIA or the Private Fund's limited partner advisory committee to determine how to vote the proxy in the best interests of the SIA or the Private Fund.

The SIA or the investors in the Private Funds may contact GHK's Chief Compliance Officer for a copy of its proxy voting policy, as well as a record of how GHK voted on the SIA's or Private Funds' proxies.

Item 18 Financial Information

GHK has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to provide investment advisory services to the SIA or the Private Funds.