

**PART 2A OF FORM ADV: FIRM BROCHURE**

**INCEPTIV MANAGEMENT, LP  
3975 LANDMARK STREET #1400  
CULVER CITY, CALIFORNIA 90232  
PHONE: 424.363.0200  
[www.inceptiv.com](http://www.inceptiv.com)**

**March 27, 2024**

This “Brochure” provides information about the qualifications and business practices of Inceptiv Management, LP (the “Adviser” or “Inceptiv”). If you have any questions about the contents of this Brochure, please contact David Poulten by e-mail at [dp@inceptiv.com](mailto:dp@inceptiv.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.

The Adviser has applied as an “Investment Adviser” with the SEC. References in this Brochure to the Adviser as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about the Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – MATERIAL CHANGES**

There have been no material changes since our last Brochure filed on June 27, 2023, other than to update Regulatory Assets Under Management in Item 4.

### ITEM 3 - TABLE OF CONTENTS

ITEM 2 – MATERIAL CHANGES .....	1
ITEM 3 - TABLE OF CONTENTS .....	2
ITEM 4 – ADVISORY BUSINESS .....	3
ITEM 5 – FEES AND COMPENSATION .....	4
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	6
ITEM 7 – TYPES OF CLIENTS.....	7
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS .....	8
ITEM 9 – DISCIPLINARY INFORMATION .....	41
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	42
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	43
ITEM 12 – BROKERAGE PRACTICES.....	47
ITEM 13 – REVIEW OF ACCOUNTS .....	48
ITEM 14 – CLIENT REFERRALS AND COMPENSATION.....	49
ITEM 16 – INVESTMENT DISCRETION .....	51
ITEM 17 – VOTING CLIENT SECURITIES .....	52
ITEM 18 – FINANCIAL INFORMATION .....	53

## ITEM 4 – ADVISORY BUSINESS

Inceptiv Management, LP (the “Adviser” or “Inceptiv”) is a limited partnership formed in Delaware in 2019.

The Adviser is controlled by Hezy Shalev, Ulin Vijaya, Paul Vogel, Wayne Lou and David Poulten and has an office in Culver City, CA.

Inceptiv Management LP began operating and reporting to the SEC as an Exempt Reporting Adviser (“ERA”) in October 1, 2020. As of July 27, 2023, the Adviser was registered with the SEC as an Investment Adviser. The Adviser continues to manage Inceptiv Platform I, LP, a Delaware limited partnership (“Platform I”), and RED 2, LP, a Delaware limited partnership (“RED 2”), both pooled investment vehicles referred to as the “Clients,” “Platforms,” or the “Funds.”

Inceptiv Carry Co, LLC serves as the general partner to Platform I and Inceptiv Carry Co 2, LLC serves as the general partner to RED 2 (collectively, the “General Partners”).

The Adviser provides discretionary investment advice to its Clients.

The investment objective of Funds is generally to seek to achieve superior long-term returns through (a) the acquisitions of minority revenue share, profits, equity or equity-like interests in third-party investment managers pursuing private equity or real estate-related strategies (each, a “Sponsor” and such interests, “Sponsor Equity”), (b) the issuance of debt and debt-like instruments to the Sponsors and their affiliates (“Sponsor Debt”) and (c) investments in underlying portfolio companies, real estate assets or other assets sourced by Sponsors, which investments may be acquired directly or indirectly through acquisitions of interests in the investment funds and other investment vehicles sponsored or otherwise managed by the Sponsors or their affiliates.

The Adviser’s investment decisions and advice with respect to the Clients are subject to each Client’s investment objectives and guidelines, as set for in its respective “Offering Documents” which include each Client’s Confidential Private Placement Memorandum, Limited Partnership Agreements (“LPA”), and other legal documents set in place when an investor decides to invest in the Adviser’s Funds.

The Adviser does not participate in wrap fee programs.

As of December 31, 2023, the Adviser had approximately \$142.1M of regulatory assets under management, all of which is managed on a discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

**Management Fee.** Inceptiv is compensated for its advisory services by each of the Funds through the payment of a management fee pursuant to each Fund's governing documents. Management Fees are typically in the range of 1-2 percent per annum of capital commitments, capital contributed by the Funds to portfolio investments that have not yet been disposed of, and the aggregate amount of the capital commitments that have been committed to portfolio investments, but have not yet been call by, or in respect of, the applicable sponsors or portfolio assets of the applicable Fund. Management Fees are payable quarterly in advance.

The Adviser may vary the Management Fee as to particular limited partners by separate agreement.

**Offering and Organization Expenses.** The Funds and their affiliated funds will generally bear, directly or through reimbursement, all costs and expenses of the General Partners, the Manager, the Funds and the Feeder Funds (other than Placement Fees) that are incurred in connection with any of the planning, formation, and organization of any of the General Partners or the Funds (including parallel or feeder-funds), or the sale and marketing of interests in the Funds including related out-of-pocket legal, accounting, printing, consultation, travel (including transportation, accommodation, and meal expenses), administrative, and filing fees and expenses ("Organizational Expenses") In addition, the Funds may be subject to an expense cap as set forth in the respective Fund's governing documents.

**"Fund Expenses"** shall mean the costs, fees, expenses and liabilities that are incurred by or arise out of the operation of the Fund, including: (a) the Management Fee; (b) Organizational Expenses (as defined above); (c) costs, fees and expenses (including to third parties) relating to Temporary Investments, Portfolio Investments and potential investments that are not consummated, including for investigation (including background checks on the Sponsors and their principals and other key personnel), development, negotiation, structuring, acquisition, closing, trading, settling, valuing, monitoring, holding, and disposition thereof, travel (including entertainment, transportation, meal and accommodation expenses; provided with respect to air travel, at a cost not to exceed the cost of first-class commercial airfare), legal, tax and accounting expenses in connection therewith; (d) broken deal expenses; (e) brokerage fees and commissions and prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs; (f) Subscription Line fees and interest; (g) Fund administrative expenses that are incurred in the ordinary course, including the cost of preparing annual audit, financial reports, tax returns, and tax reports for any Partners or the Fund (including an allocation of expenses associated with any software or online data portal used in connection therewith), cash management expenses, depository expenses, legal and accounting expenses, regulatory and compliance expenses relating to the Fund's filings with the Securities and Exchange Commission (including, but not limited to, fees for legal or regulatory advice or submission costs, such as Forms PF, 13F, 13H, 13G/D, 3, 4 or 5) or other regulatory bodies (including in foreign or local jurisdictions)), and regulatory expenses of the General Partner and the Manager related to regulatory filings, expenses related to filings required under the Securities Exchange Act of 1934, as amended, preparation and filing of reports with the Commodities Futures Trading Commission, compliance or filings related to the European Alternative Investment Fund Managers Directive and similar regulations (in each case, to the extent applicable), the engagement of locally licensed intermediaries or similar persons that the Fund or an affiliate is required to engage as a result of one or more Limited Partners being domiciled in, or otherwise related to, a particular jurisdiction, expenses related to complying with FATCA and similar laws, regulations and administrative requirements in

other jurisdictions, and expenses related to compliance with and filings under other applicable laws, rules and regulations; (h) insurance (including insurance premiums incurred in connection with the Fund's activities (including key person insurance, directors and officers insurance, and/or errors and omissions insurance obtained by the Fund or any affiliate with respect to any Sponsor and/or any principal and/or other key personnel thereof, and mortgage bond insurance and insurance covering the General Partner, the General Partner's affiliates and related entities, the Manager and any other person acting on behalf of the Fund or entities related to the Fund with respect to the activities of the Fund)); (i) payments made to legal counsel, tax advisers, auditors, accountants, fund administrators, custodians, appraisers, consultants and other outside advisers (including payments associated with the preparation of the Fund's financial statements, tax returns and Schedule K-1s); (j) expenses related to organizing entities through or in which Portfolio Investments will be made (including legal and other expenses relating to the preparation and negotiation of the operating agreements of any such entities); (k) expenses relating to the LP Advisory Committee (including the reasonable out-of-pocket expenses incurred by members thereof in connection with any meeting of such members), and all fees, costs and expenses relating to an approval or consent of one or more Limited Partners; (l) expenses relating to the holding of meetings of the Fund or the Limited Partners, including reasonable travel expenses of the General Partner's or the Manager's partners, members and employees to attend such meetings; (m) market data costs; (n) research and deal origination-related expenses, including news and quotation equipment, software, subscriptions (including an Axial subscription) and services (including information and expert advisory services (e.g., services similar to those provided by the Gerson Lehrman Group)); (o) other expenses related to the purchase, monitoring, sale, settlement, custody or transmittal of Fund assets (including background checks on the Sponsors and their principals and other key personnel); (p) costs and expenses that are classified as extraordinary expenses, including fees and expenses associated with any tax or other audit, investigation, settlement or review of the Fund (including any costs and expenses incurred by the "partnership representative"); (q) taxes, fees or other governmental charges payable by the Fund; (r) Damages, litigation expenses, and threatened litigation expenses relating to the business or activities of the Fund or General Partner; (s) the indemnity obligations; (t) interest and other expenses for borrowed money; (u) costs of reporting to the Partners; (v) costs of winding up and liquidating the Fund; (w) business development expenses and business development entertainment expenses, including business development expenses and business development entertainment expenses relating to the sale and marketing of interests in the Fund and the closings of Portfolio Investments; (x) investor relations expenses related to the Fund; (y) other expenses incurred pursuant to a Fund governing documents; (z) all registrations, fees and duties payable by the Fund, including expenses incurred in connection with the registration, qualification or exemption of the Fund under any applicable laws, and all expenses incurred in connection with any investigation or review of the Fund or any settlement entered into by the Fund; (aa) all fees, costs and expenses incurred in connection with any restructuring or amendment to the constituent documents of the Fund; (bb) the costs of acquiring and maintaining insurance policies, including the costs of premiums with respect to cyber-security insurance, directors and officers insurance, or similar insurance for the employees of the Manager; (cc) fees, costs, and expenses incurred by, on behalf of or in connection with the Fund related to compliance with or filings related to the Committee on Foreign Investment in the United States and related regulations, if applicable, including the fees and expenses of any third-party service provider retained in connection therewith; (dd) all expenses relating to the operations of any Alternative Vehicle and any Feeder Fund but excluding, for the avoidance of doubt, any organizational expenses incurred in connection with the formation of any Alternative Vehicle; and (ee) and all other expenses properly chargeable to the Fund; provided that Fund Expenses shall exclude (i) Manager Expenses and (ii) Placement Fees (except to the extent such Placement Fees are used to offset Management Fees), in which case Fund Expenses shall include such Placement Fees to the extent of such offset).

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Adviser is entitled to receive performance-based compensation in the form of carried interest. It should be noted that the possibility of the Adviser's or the General Partner's receipt of performance-based compensation can create a potential conflict of interest in that it could be viewed as an incentive to make riskier or more speculative investments than in the absence of such performance-based fee. However, this incentive is mitigated by the fact that losses will reduce a fund's performance, and thus the Adviser's or the General Partner's compensation. Investors are provided with clear disclosure in the LPAs as to how the performance-based compensation is charged. The Adviser is of the view that the compensation structure is in line with industry standards.

## **ITEM 7 – TYPES OF CLIENTS**

The Adviser provides investment advice to the Clients, as described in Item 4, above. The Funds are only available to investors meeting certain suitability requirements. In addition, the Funds require minimum capital commitment, subject to modification by the General Partners.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

As a general matter, the Adviser utilizes the methods of analysis and investment strategies described in the Funds' Governing Documents. The information contained herein is a summary only and investors should refer to and carefully review the governing documents for a complete overview of the Adviser's methods of analysis and investment strategies.

**Investment Strategy.** Inceptiv has identified what it believes to be multiple underserved pockets of opportunity in which to invest with third-party investment managers pursuing private equity or real estate-related strategies ("Sponsors") and has developed an investment approach that seeks to create strong alignment with its target Sponsors, employing flexible, solution-oriented structures to its investment, capturing opportunities beyond the traditional scope.

The Funds' investment objective is primarily to seek to achieve superior long-term returns through (a) the acquisitions of minority revenue share, profits, equity or equity-like interests in Sponsors, (b) the issuance of debt and debt-like instruments to the Sponsors and their affiliates, and (c) investments in underlying portfolio companies, real estate assets or other assets sourced by Sponsors, which investment may be acquired directly or indirectly through acquisitions of interest in the investment funds and other investment vehicles sponsored or otherwise managed by the Sponsors of their affiliates.

**General Risks.** *All investments risk the loss of capital. No guarantee or representation is made that the Funds will achieve its investment objective or that Limited Partners will not suffer loss. An investment in the Funds is highly speculative and involves certain risks, potential conflicts of interest, and tax considerations that prospective investors should consider before subscribing and, therefore, should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks that it represents. Prospective investors should carefully consider the following factors in connection with the acquisition of Interests. The following list is not a complete list of all risks involved in connection with an investment in the Funds. There can be no assurance that the Funds will be able to implement its investment strategy or achieve its investment objective or that Limited Partners will receive a return on their capital. A potential investor should not invest in the Funds unless such investor is able to withstand a total loss of its investment. Additional risks and uncertainties not currently known or that the General Partner currently deems to be immaterial also may materially adversely affect an investment in the Funds and the Funds' business, financial condition, or operating results. Prospective investors should ensure they understand the nature of the Funds and the potential extent of their exposure to risk, that they have sufficient knowledge, experience, and access to professional advisors to make their own fully independent legal, tax, accounting, and financial evaluation of the merits and risks of an investment in the Funds and that they consider the suitability of such investment in the context of their own circumstances and financial condition. The following discusses certain risks that may arise in connection with investing in the Funds and in the management and operation of the Funds.*

### Risks Relating to Private Investment Funds Generally

**General Economic and Market Conditions.** The success of the Funds' activities will be affected by general economic and market conditions, such as economic uncertainty, inflation, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange

controls, and national and international political circumstances (including wars, terrorist acts, or security operations).

*Inflation and Interest Rate Risk.* Inflation has risen to historic highs, in part due to the recent health and geopolitical crises described below, which could directly, materially and adversely affect the Funds. In order to stabilize markets, the Federal Reserve Board and global central banks, in addition to other governmental actions, previously acted to hold interest rates to historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the Portfolio Investments. Typically, as inflation rises, an asset will earn more revenue, but will incur higher expenses; if inflation declines, an asset may not be able to reduce expenses in line with any resulting reduction in revenue. The Funds' ability to service or pay down debt may also be materially and adversely affected in times of higher inflation. Many real estate businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate (e.g., rent increases). While these provisions may protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing or borrowing costs for real estate businesses and a reduction in the amount of cash available for distribution to investors. In addition, the market value of Portfolio Investments may decline in times of higher inflation rates given that the most commonly used methodologies for valuing such assets (e.g., discounted cash flow analysis) are sensitive to rising inflation and real interest rates. Finally, wage and price controls have been imposed at times in certain countries in an attempt to control inflation, which could significantly affect the operation of a Portfolio Investment. Accordingly, changes in the rate of inflation may affect the forecasted or actual profitability of the Funds.

*Legal and Regulatory Environment for Private Funds Generally.* The legal, tax, and regulatory environment worldwide for private investment funds (such as the Funds) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their investing activities may have a material adverse effect on the value of the Funds' investments and on its ability to pursue its investment program. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue its investment program or employ counterparties could have a material adverse effect on the Funds and the Limited Partners' investments therein. In addition, the General Partner may cause, in its sole discretion, the Funds to be subject to certain laws and regulations if it believes that an investment or business activity is in the Funds' interest, even if such laws and regulations may have a detrimental effect on one or more Limited Partners.

*The Dodd-Frank Act.* The passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage, and the financial industry as a whole. Pursuant to the Dodd-Frank Act, the SEC has adopted rules that require additional reporting by certain investment advisers to private funds, which may add costs to the legal, operations, and compliance obligations of Inceptiv and increase the amount of time that Inceptiv spends on non-investment-related activities if the Securities and Exchange Commission (the "SEC") determines that Inceptiv is subject to such obligations. The Dodd-Frank Act affects a broad range of market participants with whom the Funds interacts or may interact. Regulatory changes that will affect these market participants are likely to change the way in which the Funds conducts business with them.

Section 619 of the Dodd-Frank Act (such statutory provision together with the implementing

regulations as amended, the “Volcker Rule”) prohibits, subject to certain exemptions and exclusions, “banking entities” (as defined therein) from: (a) engaging in proprietary trading; (b) acquiring or retaining an “ownership interest” in or sponsoring certain private funds (together, referred to as “covered funds” and broadly defined to include: any issuer that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act; certain commodity pools; and certain similar non-US funds); and (c) entering into certain relationships with such funds. Because the Funds is not registered under the Investment Company Act pursuant to an exemption provided in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, absent another exemption or exclusion, the Funds would be considered a covered fund under the Volcker Rule.

Many banking entities have divested and, to the extent applicable, continue to divest themselves of ownership interests in covered funds. These divestitures by banking entities could disrupt the market in such assets, reducing liquidity and/or the value of such assets. Banking entities are restricted in their ability to purchase or own ownership interests in covered funds, such as the Interests in the Funds. Certain customer trading and market-making activities by banking entities may be permitted, but may be subject to certain limitations under the Volcker Rule, as well as extensive compliance requirements. As a result of these restrictions, limitations, and compliance requirements, the availability of banking entities willing or able to engage in these activities with respect to the Interests may be diminished or may become more costly and thus have an adverse effect on the marketability, liquidity and/or value of any Interest in the Funds.

No representation is made by any transaction party as to what effect, if any, the Volcker Rule will have on the ability of any investor to invest in or retain any Interest in the Funds. Each prospective investor in the Funds should consult its own legal advisors in determining whether the Volcker Rule would prohibit or restrict them from acquiring or owning any Interest in the Funds or would require them to subsequently divest such Interest, as well as any other effects of the Volcker Rule and any rule-making proposals regarding the Volcker Rule.

*Market Volatility Risks and Government Action.* The U.S. government and securities regulators of many other jurisdictions continue to consider and implement measures to stabilize U.S. and global financial markets. However, despite these efforts and improvements in the global economy, U.S. and global financial markets remain extremely volatile. Currently, the public markets are experiencing significant volatility and many observers believe a global economic downturn or recession is possible. The extent and duration of such volatility, to the private fund industry and global markets as a whole, is currently unknown. It is uncertain whether regulatory actions will be able to prevent further losses and volatility in securities markets, or stimulate the credit markets. The Funds may be adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant new regulations that could limit the Funds’ activities and investment opportunities or change the functioning of the capital markets, and there is the possibility of a long-term, severe worldwide economic downturn, which could have a material adverse impact on the performance of the Funds. Consequently, the Funds may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks.

*Pay-to-Play Laws, Regulations, and Policies.* In light of the controversies and highly publicized incidents involving asset managers, a number of U.S. states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations, or policies which prohibit, restrict, or require disclosure of payments to (or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including, without limitation, investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory

services for compensation with respect to a U.S. government client for two years after the adviser or certain of its executives or employees makes a contribution to certain elected officials or candidates. If Inceptiv or any of its affiliates or any service provider acting on their behalf fails to comply with such pay-to-play laws, regulations or policies, even in a minor respect, such non-compliance could have an adverse effect on the Funds by, for example, providing the basis for the withdrawal of the affected U.S. government client.

*Privacy and Data Protection Laws.* The information that a prospective investor provides in relation to a subscription for an Interest in the Funds or subsequently by whatever means which relates to the prospective investor or a third party individual (to include, in each case, sensitive personal data) will be held and processed by the Funds and its service providers.

The Funds and Inceptiv are, or may in the future become, subject, directly or indirectly, to privacy and data protection laws and regulations (collectively, “Data Protection Laws”), including, without limitation, GDPR (as defined below) and the CCPA (as defined below). Data Protection Laws could, among other things, require enhanced levels of cybersecurity and impose obligations on the handling of certain data and information, including data relating to natural persons.

For example, in the U.S., Regulation S-P, adopted by the SEC pursuant to the Gramm-Leach-Bliley Act of 1999, imposes certain obligations with respect to privacy of natural person clients. In the State of California, the California Consumer Privacy Act (the “CCPA”), which came into effect on January 1, 2020, provides California consumers with a greater level of transparency and broader rights and choices with respect to their personal information than those contained in existing state and federal laws in the U.S. Entities that breach the CCPA can be fined by the California Attorney General by up to \$7,500 per violation. The CCPA will further allow California consumers in certain instances to file lawsuits against entities that breach the CCPA, with potential damages up to the higher of \$750 per California consumer per incident and actual damages. In Europe, the General Data Protection Regulation (Regulation (EU) 2016/679) (the “GDPR”), which came into effect in the European Union in May 2018, has direct effect in all member states of the European Union and extraterritorial effect in some cases. Entities that breach the GDPR can be fined up to the higher of €20 million or 4% of total worldwide annual turnover.

Seeking compliance with applicable Data Protection Laws may divert Inceptiv’s time and effort and entail substantial expense. Any failure by the Funds or Inceptiv to comply with applicable Data Protection Laws could result in negative publicity and may subject the Funds or Inceptiv to significant costs associated with remediation actions, litigation, settlements, regulatory action, fines, judgments, liabilities, and other penalties, for which the Funds or Inceptiv may not have insurance coverage. In addition, changes to or expansion of applicable Data Protection Laws could adversely affect the business operations of the Funds and Inceptiv. Inceptiv cannot predict whether new Data Protection Laws will be enacted by legislative bodies or governmental agencies, nor can the General Partner predict what effect such Data Protection Laws might have. There can be no assurance that new Data Protection Laws, including changes to existing Data Protection Laws, will not have a material negative impact on the Funds’ investment performance.

*Assumption of Business, Terrorism, and Catastrophe Risks.* The Funds may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism, infectious diseases, pandemics, and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Funds and the Limited Partners’ investments therein.

Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks, infectious diseases and pandemics, or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments.

*Epidemic and Pandemic Considerations.* Any public health emergency or pandemics, such as COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola or other existing or new epidemic diseases, or the threat thereof, and resulting financial and economic market uncertainty could have a significant adverse impact on the Fund and its investments. The extent of the impact of any public health emergency on the operational and financial performance of the Fund will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Fund's investments as well as the ability of the Fund to divest investments and achieve its investment objectives, all of which could result in significant losses to the Fund.

*Cybersecurity Risk.* The General Partner, the Manager, the Funds and the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. For example, the Funds may provide Limited Partners all statements, reports, notices, updates, requests and any other communications required under the Partnership Agreement or under any Side Letter in electronic form, such as e-mail or posting on the Manager's web-based reporting site or other internet service, in lieu of or in addition to sending such communications as hard copies via fax or mail. These systems are subject to a number of different threats or risks that could adversely affect the Funds and the Limited Partners, despite the efforts of the General Partner, the Manager and their service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, e-mail and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and the Limited Partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of or prevent access to the systems of the General Partner, the Manager or any of their service providers or counterparties or data within those systems without the knowledge of system users. Third parties may also attempt to fraudulently induce the employees, customers, third-party service providers or other users of the General Partner's, the Manager's or any of their service providers' systems to disclose sensitive information in order to gain access to their data or that of the Funds' investors. A successful penetration or circumvention of the security of the General Partner's, the Manager's or any of their service providers' systems could result in the loss or theft of a Limited Partner's data or funds, the inability to access electronic systems, disruption of its business, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the General Partner, the Manager or any of their service providers to incur regulatory penalties, reputational damage, additional compliance costs, liability to clients or third parties, regulatory intervention or financial loss. The Funds, the General Partner and the Manager make no assurances, representations or warranties in relation to these matters, and have not obtained representations or warranties in relation to these matters from

all of their service providers. In addition, the General Partner, the Manager and each of their respective affiliates reserve the right to intercept, monitor and retain e-mail messages to and from its systems as permitted by applicable law.

*Banking Risk.* The Funds uses banks to custody investor funds and, in some cases, securities. Portfolio Companies of the Funds use banks for cash management, financing, and other services. The Funds and portfolio companies may be significantly exposed to individual banks if, for example, the Funds has custody relationships with a single bank or if a particular bank holds accounts for a number of portfolio companies. Recent events involving regional banks have demonstrated the risk of banks being undercapitalized, adversely affected by changes in interest rates and subject to runs on deposits. The failure of an individual bank may cause the Funds or a portfolio company to be unable to withdraw deposits or draw on lines of credit or other borrowings, which could negatively impact the Funds' operations and/or potentially result in losses to the Funds and its investors.

Banks are subject to regulation that may affect the scope of their activities, the prices they can charge, the amount of capital they must maintain, and, potentially, their size. Recent legislation in the U.S. has relaxed capital requirements and other regulatory burdens on certain U.S. banks, which may result in increased overall risk in the financial sector. Banks can also experience significant and rapid adverse effects via increases in interest rates and loan losses, decreases in the availability of money or written-down asset valuations, credit rating downgrades, and adverse conditions across related markets. Banks are exposed to the credit risk of their counterparties. Banks may have significant exposure to the same borrowers or counterparties, or may be perceived by the market as being subject to the same risks that a distressed bank may be experiencing. An adverse public perception of a bank's exposure, real or potential losses or liquidity may have a "contagion" effect and create risks for other banks and financial entities. Any "contagion" effects to other entities in the financial sector could negatively impact the Funds and/or cause losses to the Funds and its investors.

*Potential Impact of Brexit.* The UK left the European Union (the "EU") on January 31, 2020 ("Brexit") subject to a transitional period that ended on December 31, 2020. The UK and the EU have agreed the terms of their future trading relationship that took effect from January 1, 2021. The impact of the implementation of the new trade agreement may give rise to significant uncertainties and instability in the financial markets. The Funds will face risks associated with the potential uncertainty and consequences that may follow Brexit, including with respect to volatility in exchange rates and interest rates which may adversely affect the ability of the Funds to execute its strategy, to receive attractive returns or to execute prudent currency hedging policies. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Brexit could also lead to legal uncertainty and politically divergent national laws and regulations as the new relationship between the UK and EU is developed and the UK determines which EU laws to replace or replicate on an ongoing basis. Any of these effects of Brexit, and others the Manager cannot anticipate, could adversely affect the instruments in which the Funds invests and their valuations. The political, economic and legal consequences of Brexit continue. In the short term, it is likely there will be volatility in the financial markets, particularly those in the UK and Europe but possibly also in the U.S. and Asia. In the longer term, there is

likely to be a period of significant political, regulatory and commercial uncertainty as the UK seeks to negotiate the terms of its future trading relationships with other countries.

*Russian Invasion of Ukraine.* There is currently an ongoing military conflict between Russia and Ukraine, which has caused disruption to global financial, trade and transportation systems. In response, the United States and multiple other countries have put in place sanctions and other severe

restrictions or prohibitions on the activities of individuals and businesses connected to Russia. The extent and duration of the military action, resulting sanctions and resulting future market disruptions in the region and to the global economy are impossible to predict, but could be significant. Any disruptions caused by Russian military action or other actions (including cyberattacks and espionage) or resulting actual and threatened responses to such activity, including sanctions, purchasing and financing restrictions, boycotts or changes in consumer or purchaser preferences, tariffs or cyberattacks could have a severe adverse effect on the European region, as well as significant negative impacts on the global economy and the markets for real estate and other assets, including securities and commodities, such as oil and natural gas, and will likely have collateral impacts on those sectors globally as well as other sectors. How long such military action and related events will last cannot be predicted. As a result, the conflict between Russia and Ukraine could present material uncertainty and risk with respect to the Funds and the performance of the Portfolio Investments. In the event that the Russian invasion of Ukraine leads to a broader war, it could have serious adverse impacts on the real estate markets in which the Portfolio Investments are located.

*Third Party Litigation.* Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. The Funds may be engaged in litigation both as a plaintiff and as a defendant. Portfolio Assets and Sponsors may be subject to a variety of litigation risks. Such litigation can arise as a result of acquisition or disposition transactions (whether consummated or not), portfolio company defaults, portfolio company bankruptcies and/or other reasons. In certain cases, such portfolio companies or their constituents or other third parties may bring claims and/or counterclaims against Portfolio Assets, Sponsors and/or their respective principals and affiliates alleging violations of securities laws and corporate, contractual and other typical claims and counterclaims seeking significant damages. To the extent that (a) any Portfolio Asset has not been able to protect itself through insurance, indemnification or other rights against the portfolio companies, (b) any Portfolio Asset is not entitled to such protections, or (c) the portfolio company is not solvent, the expense of defending against claims made against the Portfolio Asset by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Portfolio Asset and reduce net assets. Such costs and indemnification could adversely affect the Funds' rate of return.

*Future SEC Investigations.* There can be no assurance that the Funds, the General Partner, the Manager or any of their affiliates will avoid regulatory examination and possible enforcement actions in the future. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including the undisclosed (or insufficient disclosure of) allocation of the fees, costs and expenses related to unconsummated co-investment transactions (*i.e.*, the allocation of broken deal expenses) and undisclosed (or insufficient disclosure of) legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser. Although the Manager believes the foregoing practices to have been common historically amongst private fund advisers within the U.S. private funds industry, the SEC or any other governmental authority, regulatory agency or similar body may take issue with, or continue to take issue with, past or future practices of the Manager or any of its affiliates as they pertain to any of the foregoing. In such instances, the Manager and/or such affiliates may be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction, the Funds, the General Partner, the Manager or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of any such sanction. The adverse publicity relating to the investigation, proceeding or imposition of any such sanction could harm the Funds, the General Partner, the Manager or their respective affiliates' reputations which may adversely affect the Funds' investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment.

## Risks Relating to Management

*Lack of Operating History.* The Funds and the General Partner are newly formed entities and therefore have limited or no operating histories upon which prospective Limited Partners can evaluate their anticipated performance. The Manager and certain of its investment professionals (including the Key Persons) have been using strategies similar to the strategies described herein for several years, including with respect to Platform 1. However, there can be no assurance that the Funds will achieve results comparable to those that such investment professionals have achieved in the past.

*Reliance on the General Partner and the Manager.* The success of the Funds is dependent upon the ability of the General Partner and the Manager to manage the Funds and effectively implement the Funds' investment program. The Funds' governing documents do not permit the Limited Partners to participate in the management and affairs of the Funds. The loss of the services of the General Partner or the Manager could have a material adverse effect on the Funds and the Limited Partners' investments therein.

The success of the Funds will be highly dependent on the expertise and performance of Inceptiv's investment professionals (including the Key Persons). There can be no assurance that any such investment professional will continue to be associated with Inceptiv throughout the life of the Funds. The loss of the services of certain investment professionals (such as the Key Persons) could have a material adverse effect on the performance of the Funds. Furthermore, although Inceptiv expects its investment professionals to devote substantially all of their business time and efforts to the Funds and certain other permitted funds, the Partnership Agreement does not impose a time commitment on any person other than the Key Persons.

*Lack of Limited Partner Participation in Management.* Limited Partners will not have an opportunity to evaluate or approve specific Portfolio Investments, or any particular type or category of Portfolio Investment, prior to the Funds' investing. Decisions with respect to the Funds' management will be made exclusively by Inceptiv, who will have wide latitude within the broad investment guidelines in determining the types of assets it may decide are proper investments for the Funds. Inceptiv has the exclusive right to manage the Funds' investment program. The Limited Partners have no right or power to take part in the Funds' management, other than by voting on certain matters as provided in the Partnership Agreement. Accordingly, no person should subscribe for Interests unless such person is willing to entrust all aspects of the Funds' management to Inceptiv.

*Supervisory Risk and Misconduct of Third-Party Service Providers.* Although Inceptiv will use reasonable efforts to supervise its service providers, it is possible that personnel of any such service provider may take an action that is outside the scope of their services or fail to perform an action that is required by the scope of their services. Any such action or failure to act may have a material adverse effect on the Funds. No guarantee or representation is made that Inceptiv will be able to avoid occurrences of such events.

Losses could also result from actions by service providers, including, without limitation, failing to record transactions or improperly performing their responsibilities. The Funds is dependent upon its third-party service providers, including its administrator, accountants, auditors, legal counsel, and other service providers as described elsewhere herein. Errors are inherent in the business and the operations of any business, and although Inceptiv will endeavor to prevent and detect errors by, and misconduct of, service providers, and will only transact with service providers that it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Funds and the Limited Partners' investments therein.

*Investment and Due Diligence.* Before making investments, Inceptiv will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Inceptiv will be required to exercise its professional judgment in evaluating important and complex business, financial, tax, accounting, and legal issues. When conducting due diligence and making an assessment regarding an investment, Inceptiv will rely on the resources reasonably available to it, which in some circumstances whether or not known to Inceptiv at the time, may not be sufficient, accurate, complete, or reliable. Due diligence may not reveal or highlight matters that could have a material effect on the value of an investment. Moreover, even if due diligence reveals certain factors that, over time, prove to have a material effect on the value of an investment, there is no guarantee that in conducting due diligence, Inceptiv will accurately predict at such time which factors ultimately prove to have such a material effect.

*Expedited Transactions.* Investment analyses and decisions by Inceptiv may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Inceptiv at the time an investment decision is made may be limited, and such parties may not have access to detailed information regarding the investment opportunity. Therefore, no assurance can be given that Inceptiv will have knowledge of all circumstances that may adversely affect an investment.

#### Risks Relating to the Structure and Terms of the Funds

*Limited Regulation.* The Funds intends to govern itself so that it will not be required to be registered as an investment company under the Investment Company Act. As a result, certain protections of the Investment Company Act will not be afforded to the Funds or the Limited Partners. These include matters such as requiring at least 40% of an investment company's directors to be disinterested, regulating the relationship between the investment company and its adviser, requiring investor approval before fundamental investment policies can be changed, limiting concentration in a company's assets and the degree to which a fund can engage in short-term trading or purchase securities on margin, and limiting a fund's investments in certain types of securities and investments.

*Changes in Environment.* The Funds' investment program is intended to extend over a period of years, during which the business, economic, political, and regulatory environment within which the Funds operates may undergo substantial changes, some of which may be adverse to the Funds. Inceptiv will have the exclusive right and authority (within limitations set forth in the Partnership Agreement) to determine the manner in which the Funds will respond to such changes, and Limited Partners generally will have no right to withdraw from the Funds or to demand specific modifications to the Funds' operations.

*Restrictions on Transfers and Withdrawals.* The Interests have not been and will not be registered under the Securities Act or applicable state securities laws and may not be resold unless an exemption from such registration is available. The Funds is not under any obligation to cause such an exemption (whether pursuant to Rule 144 under the Securities Act or otherwise) to be available. Accordingly, there is no secondary market for the Interests and such market is not expected to develop. Transfer of the Interests is also subject to numerous restrictions set forth in the Partnership Agreement and in the Subscription Agreement. Limited Partners will not have any right to transfer their Interests without the consent of the General Partner and except as set forth in the Partnership Agreement, and may not withdraw from the Funds or require the Funds to withdraw or repurchase their Interests. An investment in the Funds is suitable only for certain sophisticated investors who have no need for liquidity in their investment in the Funds.

*Delays in Distributions.* There may be little or no near term cash flow available to the Partners. Distributions to the Partners may be delayed as a result of payment of the Funds' obligations (including payment of Platform Expenses). A portion of the Funds' net income will be required to be paid to the General Partner, and the Funds' income and gain, if any, will be further burdened by appropriate reserves and by administrative and other costs. As a result, Partners may be credited with profits, and income tax liability may be incurred, even though Limited Partners of the Funds do not receive any distributions from the Funds.

*Dilutions from Subsequent Closings.* Limited Partners subscribing for Interests at Subsequent Closings will participate in existing investments of the Funds, diluting the interest of existing Limited Partners therein. Although later-admitted Limited Partners will contribute their *pro rata* share of previously-made capital contributions (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Funds' existing investments at the time such additional Limited Partners subscribe for Interests.

*Failure to Make Capital Contributions.* If a Limited Partner defaults on its obligation to make required capital contributions and the contributions made by non-defaulting Limited Partners and borrowings by the Funds are inadequate to cover the defaulted capital contribution, the Funds may be unable to pay its obligations when due. As a result, the Funds may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). Notwithstanding the contractual remedies available to the General Partner and the Funds against a defaulting Limited Partner pursuant to the Partnership Agreement, any default by one or more of the Limited Partners could have a material adverse effect on the Funds, its assets and the interests of the other Limited Partners.

*Limited Term.* As set forth in the Partnership Agreement, the Funds' term will be limited and may be extended only under certain circumstances. In addition, Portfolio Assets will have varying terms, some of which may be longer than that of the Funds. This may place the Funds at a disadvantage relative to other investment entities that have a longer-term investment horizon and may cause Inceptiv, in managing the Funds, to make investment acquisition or disposition decisions that are less advantageous to the ultimate performance of the Funds than the decisions Inceptiv would have made if the Funds' term were longer. Disadvantages associated with the Funds' limited term include the possibility that the Funds may sell Portfolio Investments during the Funds' dissolution and liquidation period at lower prices than could have been obtained if the Funds were able to act as a more "patient" investor. Nevertheless, prospective investors must not assume that the Funds will complete its liquidation and winding-up within a brief period following the conclusion of the Funds' term. As set forth in the Partnership Agreement, the Funds' liquidation and winding-up period may extend for a very substantial period of time due to the illiquid nature of the Portfolio Investments (and in particular, the illiquid nature of the Funds' investments in Sponsors) and contingent liabilities associated with the Funds' dispositions of Portfolio Investments, lock-ups or other restrictions on the transfer of Portfolio Investments, or for other reasons. In particular, it is specifically contemplated that, in seeking liquidity for the Funds' portfolio, Inceptiv may cause the Funds to enter into a variety of transactions (e.g., causing the Funds to merge with any other investment vehicle or other entity, including any such investment vehicle or entity that is sponsored, managed or otherwise controlled by the General Partner, the Manager, or any of their respective affiliates; causing the Funds to sell its remaining assets to any investment vehicle or entity that is sponsored, managed or otherwise controlled by the General Partner, the Manager, or any of their respective affiliates (including any Successor Platform or any Other Fund); causing the Funds to restructure into a permanent capital vehicle (by example, a business development company)) that may not be fully resolved during the Funds' term or for an extended period thereafter.

Accordingly, prospective investors must be prepared to continue to hold their interests in the Funds for an extended period following the conclusion of the Funds' term.

*Limited Partners May be Required to Return Distributions.* The General Partner may require a Limited Partner, including any former Limited Partner, to return any or all of the distributions made to such Limited Partner, subject to certain limitations, if the assets of the Funds are insufficient to satisfy its liabilities, including indemnification obligations.

*Fewer than All Interests Offered May be Sold.* If fewer than all Interests offered are sold, the Funds' investments may be less diversified than if a larger portion of the maximum offering proceeds is obtained. This may have an adverse impact on the ability of the Funds to achieve its investment objectives.

*Significant Investor Influence.* The Significant Investor is expected to have significant influence over the Fund's activities because the Significant Investor Commitment is expected to compose at least one-third of the aggregate Combined Commitments. Among other things, the Significant Investor may potentially control the LP Advisory Committee and also may potentially unilaterally approve or reject any Fund action which requires a Majority in Combined Interest vote (including, in certain cases, a vote to remove the General Partner on a no-fault basis).

*Significant Investor Opt-Out Right.* The Significant Investor will have the right to opt out of the Fund's investments in Sponsor Equity or Sponsor Debt on a Sponsor-by-Sponsor basis. Due to the size of the Significant Investor Commitment, if the Significant Investor exercises its opt-out right with respect to any Sponsor Equity or Sponsor Debt, subject to the diversification limits set forth in the Partnership Agreement, the other Limited Partners' exposure to such Sponsor Debt or Sponsor Equity will be materially higher than their exposure would have been in the absence of such opt-out by the Significant Investor. As such, any opt-out by the Significant Investor is expected to meaningfully increase the other Limited Partners' overall concentration and may therefore also increase their overall risk.

*No Significant Investor Clawback Guarantee.* The Significant Investor will be entitled to receive a share of Carry and therefore will be required to pay its share of any GP Clawback Obligation but the Significant Investor will not be required to execute a guarantee with respect to its share of any GP Clawback Obligation. As a result, 100% of the GP Clawback Obligation will not be supported by personal guarantees that are executed by the Carry recipients.

*Reserves.* As is customary in the industry, the General Partner will establish reserves for Platform Expenses, Platform liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult. Inadequate or excessive reserves could impair the investment returns to the Limited Partners. If reserves are excessive, the Funds may decline attractive investment opportunities.

*In-Kind Distributions.* Prior to the dissolution of the Funds, the General Partner shall use its reasonable efforts to distribute only cash. Distributions may, however, take the form of cash, cash equivalents, or freely tradable securities. Distributions may also consist of restricted securities or other assets upon termination of the Funds. A Limited Partner that receives assets other than cash from the Funds may incur costs and delays in converting those assets into cash.

*Effect of Platform Expenses on Returns.* The Funds will bear all Platform Expenses (including the Management Fee) which will be paid regardless of whether the Funds produces positive investment returns and will reduce the actual investment returns to Limited Partners. If the Funds does not produce

significant positive investment returns, the payment of Platform Expenses could reduce the amount of the investment recovered by a Limited Partner to an amount less than the amount invested in the Funds by such Limited Partner.

*Recourse to the Funds' Assets.* The Funds' assets, including any investment made by the Funds and any cash and other assets held by the Funds, are available to satisfy all liabilities and other obligations of the Funds. Such obligations include, but are not limited to, the Funds' obligation to indemnify Inceptiv and other persons entitled to indemnification under the Partnership Agreement, as well as the Funds' obligations with respect to other borrowings and Portfolio Investment-related guarantee obligations, as further described in the Partnership Agreement. If the Funds becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Funds' assets generally and such recourse may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.

*Required Withdrawals.* In certain circumstances set forth in the Partnership Agreement, the General Partner may require a Limited Partner to withdraw partially or completely from the Funds. A Limited Partner that is required to withdraw from the Funds may not realize certain economic benefits that such Limited Partner would have realized if it was not required to withdraw from the Funds.

*Removal of the General Partner.* If, pursuant to and in accordance with the terms of the Partnership Agreement, the General Partner is removed and a replacement general partner is appointed, Inceptiv will cease to be involved in the management or control of the business of the Funds. Therefore, there can be no certainty regarding the Funds' ability to consummate investment opportunities thereafter.

*Reinvestment of Capital.* Inceptiv will have the option to reinvest or recall, as applicable, certain amounts, including certain net proceeds of fully realized or partially realized Portfolio Investments. Accordingly, during the term of the Funds, a Limited Partner may be required to return distributions to the Funds or the General may otherwise retain distributable proceeds for use by the Funds, and to the extent such recalled or retained amounts are reinvested in Portfolio Investments, a Limited Partner will remain subject to investment and other risks associated with such Portfolio Investments.

*Public Disclosure.* Some Interests will be held by Limited Partners, such as public pension plans and listed investment vehicles that are subject to public disclosure requirements. The amount of information such Limited Partners are required to disclose about their investments has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to the Funds or its Portfolio Investments results from Interests being held by public investors, the Funds may be adversely affected. The General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to certain or all Limited Partners.

*Indemnification.* The Funds will be required to indemnify the General Partner, the Manager, Key Persons their respective affiliates and personnel, and members of the LP Advisory Committee against all claims, liabilities, costs, and expenses, including legal fees and judgments, incurred or paid by them relating to or arising out of the business and affairs of, or activities undertaken in connection with, the Funds, any Portfolio Investment or any involvement with a Portfolio Investment, or otherwise relating to or arising out of the Partnership Agreement, subject to certain limited exceptions. In addition, it is expected that each Portfolio Asset in which the Funds invests also will be required to indemnify its general partner, Sponsor and other entities or individuals involved in managing the Portfolio Asset for certain losses arising out of their activities on behalf of such Portfolio Asset. Such indemnification

obligations of the Funds and Portfolio Assets, if required to be paid, could potentially reduce the returns to the Limited Partners. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Funds will initially be payable from the assets of the Funds, including the unfunded Capital Commitments of the Limited Partners. If the assets of the Funds are insufficient, the Funds may recall distributions previously made to the Limited Partners subject to certain limitations described in the Partnership Agreement.

*Delayed Schedules K-1.* It is unlikely that the Funds will provide final Schedules K-1 to Limited Partners for any given fiscal year until after April 15 of the following year. The General Partner will endeavor to provide Limited Partners with final Schedules K-1 on or before such date, but final Schedules K-1 may not be available until after the Funds has received tax-reporting information from its Sponsors, Portfolio Assets and portfolio companies necessary to prepare final Schedules K-1. Limited Partners should plan to obtain extensions of the filing dates for their U.S. federal, state and local income tax returns . Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Funds.

### Risks Relating to the Investment Activities of the Funds

*Risks of Performance of Underlying Assets.* The individual portfolio companies and assets in which a Sponsor invests may involve a high degree of business and financial risk. These portfolio companies and assets may have operating losses or significant variations in operating results and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. Portfolio companies may also include companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. In addition, they may have weak financial conditions and may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive positions. To the extent a portfolio company in which a Sponsor has invested receives additional funding in subsequent financings and such Sponsor or the Funds does not participate in such additional financing rounds, the interests of such Sponsor and/or the Funds, as applicable, in such portfolio company would be diluted. Portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities and a larger number of qualified managerial and technical personnel. Many of the portfolio companies in which a Sponsor invests may be highly leveraged, which may impair their ability to finance their future operations and capital needs, and may result in restrictive financial and operating covenants. As a result, such companies' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. In addition, in the event that such companies do not perform as anticipated or incur unanticipated liabilities, high leverage will magnify the adverse effect on the value of the companies' equity and could result in substantial diminution in, or the total loss of, equity investments in such companies.

*Complexity of Transactions.* Transactions of the kind targeted by the Funds can be extremely complex and time-consuming. They are frequently conducted through competitive processes (such as auctions) that may exacerbate pricing pressures and/or heighten the degree of execution difficulty. They may also be dependent upon multiple and uncertain consent processes involving underlying fund investors, lenders and other counterparties, co-investors and others. Finally, they may be of a size or nature that requires the Funds to arrange or syndicate participation by other buyers, and such contingent financing arrangements may prevent the Funds from successfully executing any given transaction. Even in situations where the Funds has expended considerable resources pursuing and negotiating a deal, there can be no assurance that the Funds will be successful in closing on an acquisition. This may result in unrecouped costs and expenses, which will be borne by the Funds, and may adversely affect the Funds' overall performance.

*No Assurance of Return of Invested Capital.* Inceptiv cannot provide any assurance that it will be able to choose, make, or realize investments in any particular Sponsor or Portfolio Asset. There can be no assurance that the Funds will be able to generate returns for its Limited Partners or that the returns will be commensurate with the risks of investing in the types of Portfolio Investments and transactions described herein. There can be no assurance that any Limited Partner will receive any distribution from the Funds. Any return on investment to the Limited Partners will depend upon successful Portfolio Investments being made by the Funds. The marketability and value of any such Portfolio Investment will depend upon many factors beyond the control of the Funds. The expenses of the Funds may exceed its income, and a Limited Partner could lose the entire amount of its contributed capital. Therefore, an investor should only invest in the Funds if the investor can withstand a total loss of its investment.

*Inability to Deploy Committed Capital.* Delays in investing the proceeds of this offering may cause the Funds' performance to be worse than the performance of other investment vehicles with investment programs that are similar to the investment program of the Funds. Inceptiv may not be able to identify a sufficient number of Portfolio Investments that meet the Funds' investment objectives or ensure that any Portfolio Investment that the Funds makes will produce a positive return. Inceptiv may be unable to invest the net proceeds of this offering on acceptable terms within the time period anticipated or at all, which could reduce the returns to the Funds.

*Illiquidity of Investments.* The Portfolio Investments (and in particular, the Funds' investments in Sponsors) are expected to be highly illiquid. Moreover, the holding period for any Portfolio Investment may be longer than Inceptiv initially expects upon consummating such Portfolio Investment. Given the anticipated lack of liquidity of the Portfolio Investments, there is a risk that the Funds will not be able to liquidate all Portfolio Investments by the end of the Funds' term and that the Funds' exit from certain Portfolio Investments will be significantly delayed beyond the Funds' term. There may also be significant restrictions on the transfer of interests in Portfolio Investments and, as a result, there is no assurance that the Funds will be able to transfer these interests. The Funds may also be prohibited by law or contract from selling its interests in Portfolio Investments for a period of time or may otherwise be restricted from disposing of such Portfolio investments. The Portfolio Investments may require a substantial length of time to liquidate. Consequently, there is a significant risk that the Funds will be unable to realize its investment objectives by sale or other disposition of its Portfolio Investments at attractive prices, or will otherwise be unable to complete any exit strategy with respect to such Portfolio Investments. These risks can be further increased by changes in the financial condition or business prospects of the Sponsors and Portfolio Assets in which the Funds invests, changes in national or international economic conditions, the condition of financial markets, changes in prevailing interest rates, daily price fluctuation limits on commodities, adverse results of insolvency proceedings or other litigation related to such Portfolio Investments, developments or trends in any particular industry and changes in laws, regulations, fiscal policies that are applicable to such Portfolio Investments.

In addition, the Funds may, in connection with its dissolution, distribute non-marketable securities (including interests in Sponsors and Portfolio Assets) in kind to its Partners. There can be no assurance that the Partners would be able to dispose of these Portfolio Investments or that the value of these Portfolio Investments will ultimately be realized.

*Variation among Sponsors.* The Sponsors are expected to have varying levels of experience. The Sponsors and their principals may employ investment methods, policies and strategies which may differ from those of other Sponsors, and which may deviate from the Manager's expectations concerning such methods, policies and strategies. Therefore, the results of any Sponsor's investments in which the Funds has interests may differ from those of the other accounts operated by the Sponsors

and from results anticipated by the Manager.

*The Funds May Guarantee the Obligations of Sponsors and Portfolio Assets.* The Funds may guarantee the obligations of Sponsors, Portfolio Assets, or portfolio companies in which a Portfolio Asset has invested. As a result, if any such Sponsor, Portfolio Asset or portfolio company defaults on its obligations, the Funds will be required to satisfy such obligation. In order to do so, the Funds may call Capital Commitments or liquidate some or all of its Portfolio Investments prematurely at potentially significant discounts to market value.

*Availability of Investment Opportunities by the Funds.* The business of identifying and structuring investments in portfolio managers and private equity funds of the types contemplated by the Funds is competitive and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally is subject to market conditions, the prevailing regulatory and political climate, and competition from other investors, including investors that have lower cost of funds, more available capital or access to funding sources that are not available to the Funds and who may have higher risk tolerances or different risk assessments, which may allow them to consider a wider variety of investments or different return targets than those of the Funds. The Funds may incur significant expenses investigating potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses, and the fees of other third-party advisors. Even if attractive investment opportunities are identified by the Manager, there is no certainty that the Funds will be permitted to invest in such opportunity (or invest in such opportunity to the fullest extent desired). Accordingly, there can be no assurance that the Funds will be able to identify and complete attractive Portfolio Investments in the future or that the Funds will be able to invest all of its Capital Commitments. In addition, the Manager may not be able to obtain as favorable terms as it would otherwise in a less competitive investment environment.

*Portfolio Investments May Be Concentrated.* Because the Funds and the Parallel Platform(s) have the ability to concentrate their investments by making capital contributions, the overall adverse impact on the Funds of the adverse performance of a single Sponsor Group or sector will be considerably greater than if the Funds were not permitted to concentrate its investments to such an extent.

The Funds will seek to acquire Portfolio Investments in an opportunistic manner. As a result, from time to time, the Portfolio Investments held by the Funds may not be diversified across Sponsors, Portfolio Assets, strategies, sectors, or regions. During periods that Portfolio Investments held by the Funds are not diversified across geographic regions, the investment performance of the Funds may be subject to greater volatility than would be the case if the Funds was subject to geographic diversification requirements. In addition, a greater geographic concentration of Portfolio Investments may increase the adverse effect on the Funds of any problems experienced in such geographic regions. For example, if Portfolio Investments are concentrated in North America, adverse economic conditions in North America may have a material adverse effect on the Funds' returns. Similar considerations may apply with respect to concentration among managers, strategies, or sectors.

*Termination of Interest in a Portfolio Investment.* A Sponsor or a Portfolio Asset may, among other things, terminate the Funds' interest in such Sponsor or such Portfolio Asset, respectively, if, among other things, the Funds fails to satisfy any capital call. The Funds may fail to meet a capital call if a Limited Partner fails to honor a capital call issued by the Funds and such shortfall cannot be made up by the other Limited Partners, a new investor, a borrowing, the General Partner, the Manager, or otherwise.

*Custody Risk.* The Funds will not have custody of the invested assets or control over its investments in Portfolio Assets, as the Funds will make investments in Portfolio Assets as an investor therein. Therefore, despite due diligence and monitoring, there is always the risk that a Sponsor could divert or abscond with the assets, fail to follow agreed upon investment strategies or engage in other misconduct. The Portfolio Assets in which the Funds' assets may be invested likely will not have registered their securities under federal or state securities laws. In addition, some Sponsors may not be registered as investment advisers under the Advisers Act. This lack of regulatory oversight may enhance the risk of misconduct by the Sponsors. Additionally, bankruptcy or fraud at institutions, such as brokerage firms, banks or administrators, into whose custody Portfolio Assets have placed their assets could impair the operational capabilities or the capital position of the Portfolio Assets and may, in turn, have an adverse impact on the Funds.

*Multiple Levels of Expenses.* The Funds and the Portfolio Investments will incur their own management and/or administrative fees, costs and expenses, as well as carried interest payments on realized income. These fees, costs and expenses will result in greater expense to the Limited Partners than if the Limited Partners were able to invest directly in the Portfolio Investments.

*Dependence on Sponsors and the Performance of their Portfolio Assets.* The Funds' financial results will depend, in part, on the Sponsors' receipt of asset- and performance-based fees, which may vary substantially from year to year. The Sponsors' ability to maintain current fee levels depends on a number of factors, including such Sponsor' investment performance, as well as competition and trends in the asset management industry, including recent fee pressure, driven in part by investor demand for passively-managed products (including exchange-traded funds) that typically carry lower fee rates. In addition, in the ordinary course of business, the Sponsors may reduce or waive fees on certain products for particular time periods, to attract or retain assets or for other reasons. Further, different types of assets under management can generate different ratios of asset-based fees to assets under management, based on factors such as the investment strategy and the type of client. Products that use fee structures based on investment performance may also vary significantly from period to period, depending on the investment performance of the particular product. For some of the Sponsors, performance-based compensation may include a provision providing a preferred return to investors. No assurances can be given that the Sponsors will be able to maintain current fee structures or levels. A reduction in the fees that the Sponsors receive could have an adverse impact on the Funds' returns.

Additionally, the Funds' interests in each Sponsor are tailored to meet the needs of each such Sponsor and are therefore varied, and the Funds' returns may be adversely affected by changes in the relative performance or in the relative levels and mix of assets under management among such Sponsors, independent of the Funds' aggregate operating performance measures. Further, certain Sponsors contribute more significantly to the Funds' results than other Sponsors and, therefore, changes in fee levels, product mix, assets under management or investment performance of such Sponsors could have a disproportionate adverse impact on the Funds.

*Dependence on Sponsors and the Capital Commitments of their Portfolio Assets.* The Funds' financial results may be impacted by changes in the total capital commitments raised by the Sponsors for their Portfolio Assets. The total level of capital commitments raised by the Sponsors generally or for a particular Portfolio Asset could be adversely affected by conditions outside of the Funds' control, including:

- a decline in the market value of a Portfolio Asset's investments, due to declines in the capital markets, fluctuations in foreign currency exchange rates and interest rates, inflation rates or the yield curve, and other market factors;

- changes in investor risk tolerance or investment preferences, such as the continued growth in passively-managed products (including exchange traded funds), which could result in investor allocations away from active, return-oriented strategies offered by the Sponsors;
- the Sponsors' ability to attract and retain client assets and market products and services, which may be impacted by investment performance, client relationships, trends in product and service offerings, and the prices of securities generally;
- global economic conditions, which may be exacerbated by changes in the equity or debt markets;
- financial crises, political or diplomatic developments, war, terrorism, pandemics or natural disasters; and
- other factors that are difficult to predict.

A reduction in overall capital commitments raised by the Sponsors could adversely affect the fees payable to the Sponsors and, ultimately, the Funds' financial condition and results of operations.

*Sponsors May Be Subject To Removal.* Although the Sponsors are expected to manage their Portfolio Assets for the duration of their terms, the operating agreements of the Portfolio Assets may include provisions permitting the investors to remove a Sponsor as the sponsor and manager of the applicable Portfolio Asset on a for-cause or no-fault basis. In addition, certain Portfolio Asset operating agreements may also include provisions subjecting the applicable Sponsor to a reduction on its carry upon a for-cause removal. Neither Inceptiv nor the Funds will have any control over whether the investors of a Portfolio Asset elect to exercise a no-fault removal right. Moreover, neither Inceptiv nor the Funds is expected to control any Sponsor and are expected to have limited ability to monitor the Sponsors' activities, and therefore Inceptiv and the Funds will not be able to prevent any Sponsor from engaging in removable conduct. If a Sponsor is removed by the investors of a Portfolio Asset, it is likely to harm the Funds' returns.

*Dependence on Identifying Suitable Sponsors.* The Funds' investment program will depend upon Inceptiv's ability to find suitable Sponsors in which to invest or make additional investments in the Funds' existing Sponsors, the Funds' ability to negotiate agreements with such Sponsors on acceptable terms, and the Funds' ability to raise the capital necessary to finance such transactions. There can therefore be no assurance that the Funds will be able to (i) locate, complete and exit investments that satisfy the Funds' rate of return objective or (ii) invest fully its available capital. The Funds will be competing for investments with many other investors, including, without limitation, other investment partnerships and corporations, sovereign wealth funds, domestic and international public pension plans, individuals, financial institutions and other investors. Some of these competitors may have stronger relationships, more relevant experience, greater financial and other resources and/or more personnel than Inceptiv. Further, over the past several years, an increasing number of private equity funds have been formed to target these transactions (and many existing funds (including more traditional secondaries funds) have grown substantially in size and increased their focus on this market). Additional funds with similar objectives may also be formed in the future by other unrelated parties. More generally, the availability of attractive investment opportunities will be subject to market conditions (such as interest rates and other macro-economic factors) and to structural conditions in the private capital markets, such as supply/demand for illiquid private funds as an asset class, the performance and value of investments held by private funds and the ability of such funds to realize, recapitalize and/or refinance their own investments in order to return capital to their investors. Higher

valuations and increased liquidity and return of capital in the private funds market may result in fewer attractive investment opportunities being available for the Funds. Likewise, changes in the prevailing terms and structures of private funds may impact the availability of opportunities, and the future pace and direction of such changes is difficult to anticipate.

The success of the Funds' investment program depends on the Sponsors' ability to grow their businesses and to achieve their investment objectives. In addition, the Funds' investments involve a number of risks, including the existence of unknown liabilities that may arise after making an investment, some of which may depend upon factors that are not under the Funds' control. The Funds may not be successful in making investments in new Sponsors or maintaining existing investments, and any Sponsors that the Funds does invest in may not have favorable results or performance following the Funds' investment, which could have an adverse effect on the Funds' financial condition and results of operations. Further, the consummation of the Funds' announced investments may in certain cases be subject to a number of closing conditions, contingencies and approvals, including, but not limited to, obtaining certain consents of the Sponsor's investors and applicable regulatory approvals.

*Risks Relating to Investments in Asset Management or Investment Advisory Businesses.* The Funds intends to invest in Sponsors in the asset management and investment advisory businesses, or similar businesses. The asset management industry encompasses the creation and management of investment products. Companies operating in this subsector include: traditional long-only and alternative funds; managers of strategies using equity, fixed income, commodity, hard asset, or other asset classes; and, providers of both retail and institutional investment products. The revenues of asset management and investment advisory businesses are highly dependent on advisory fee income and carried interest or similar incentive compensation. Advisory fee income, carried interest or similar incentive compensation may be negatively impacted by an absolute decline in assets under management, whether as a result of a market decline or a loss of clients. Such a decline or shift could be caused or influenced by any number of factors, such as underperformance in absolute or relative terms, loss of key advisers or other talent, changes in investing preferences or trends, market downturns or volatility, drops in investor confidence, reputational damage, increased competition, or general economic conditions. The financial services industry is further subject to extensive regulation which directly affects the cost of doing business and any failure to comply with applicable laws or regulations could result in fines, censure, suspensions of personnel or other sanctions, including revocation of registrations as an investment advisor or broker-dealer, with respect to any Sponsor (or similar advisory businesses) in which the Funds invests. Each of these risks could negatively affect any investments by the Funds in Portfolio Investments involved in asset and wealth management or similar advisory businesses.

Inceptiv's strategy also includes pursuing strategic partnerships in areas where Inceptiv can assist the Sponsors in growing and scaling up their businesses. These strategic partnerships may involve risks and require resources and investment. These include the risks associated with investments in businesses at an early stage of development or with little or no variations in operating results. Although the Funds may not be able to control, influence or make investment decisions taken by the Sponsors in which the Funds acquires participations, the Funds may seek to have observer rights and other transparency rights with respect to such investments. It is possible that regulators or third parties will try to impose liability on the Funds in connection with the operations of such Sponsors. Any such liability could adversely affect the performance of the Funds' investment in such Sponsors and thus the performance of the Sponsor.

*Sponsor's Misconduct or Bad Judgment.* It will be difficult for the Funds, the General Partner or the Manager to protect investors from the risk of any Sponsor engaging in misconduct and could cause significant losses to the Funds. Investors themselves will generally have no direct dealings or contractual relationships with any Sponsor or the Portfolio Assets that they manage. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, the improper use or disclosure of confidential information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to the Funds. The Manager has controls and procedures through which it seeks to minimize the risk of such misconduct occurring. However, no assurances can be given that the General Partner or the Manager will be able to identify or prevent such misconduct.

*Net Asset Value.* The Funds, the General Partner, the Manager and any other service provider engaged by the Funds are reliant on valuations provided by or on behalf of the Sponsors and the Portfolio Assets in calculating the net asset value of the Funds. Furthermore, the valuations provided by or on behalf of the Sponsors and the Portfolio Assets are subject to revision including through the end of any annual audits for the Sponsors and the Portfolio Assets.

*Repositioning or Divestment of Portfolio Investments Risks.* From time to time, the Funds may reposition the Funds' relationships with the Sponsors, which could, among other things, include changes in the manner in which the Funds' interests in any given Sponsor is structured, including changes in the Funds' ownership level and in the calculation of the Funds' share of revenue or operating expenses. Such repositioning may be done in order to address a Sponsor's succession planning, changes in its revenue or operating expense base, strategic planning or other developments. Any repositioning of the Funds' interest in a Sponsor may result in increased exposure to changes in the Sponsor's revenue or operating expenses, or in additional investments or commitments from us, or could increase or reduce the Funds' interest in the Sponsor. In some cases, this could result in the full divestment of the Funds' interest to the management of the Sponsor or to a third party, or in the Funds' acquisition of all of the equity interests of the Sponsor. In addition, certain of the Funds' Sponsors may have rights in certain circumstances to sell a majority interest in their firm to a third party and to cause the Funds to participate in such sale. Any such changes could have an adverse impact on the Funds' financial condition and results of operations.

*Reliance on Third-Party Fund and Portfolio Investment Management.* The Funds will have limited opportunity to control the day-to-day operation of its Portfolio Assets, including investment and disposition decisions, or to protect its position in such Portfolio Assets, nor will it generally have the right to remove the Sponsors thereof. The success of the Funds will be substantially dependent upon the capabilities and performance of the Sponsors who control those Portfolio Assets and the company management of the underlying portfolio companies, which will include representatives of other financial investors with whom the Funds is not affiliated and whose interests may conflict with the interests of the Funds. Although Inceptiv is expected to retain enhanced governance and other rights (and may participate in the initial structuring and customizing of portfolios of a Portfolio Investment), once such a transaction is complete, the Sponsors will generally have broad discretion in structuring, negotiating, purchasing, financing, monitoring and eventually divesting the underlying assets and portfolio companies. Further, should a Sponsor for any reason cease to participate in the management of the underlying assets and/or portfolio companies, the performance of the relevant Portfolio Investment (and consequently the Funds) could be adversely affected.

Although Inceptiv will attempt to evaluate each prospective Sponsor and Portfolio Asset based on criteria such as the performance history of such Sponsor or Portfolio Asset, if any, as well as their investment strategies, the past performance of the Sponsors and the Portfolio Assets may not be a reliable indicator of future results. Some Sponsors may not be registered as investment advisers with the SEC, making it more difficult for Inceptiv to scrutinize such Sponsors' credentials and to otherwise conduct operational due diligence on such Sponsors.

Sponsors may make investment decisions that are inconsistent with their prior investment history or the applicable Portfolio Asset's offering and governing documents, and the ability of Inceptiv to timely detect or react to such deviation may be limited. Accordingly, the returns of the Funds depend on the performance of the Sponsors and their Portfolio Assets and would be substantially adversely affected by the unfavorable performance of such Sponsors and such Portfolio Assets. The performance of a Sponsor or a Portfolio Asset may also be highly dependent on the services of a limited number of key individuals, the loss of whom could significantly adversely affect their performance. Similarly, although the Funds may seek management rights in Sponsors or Portfolio Assets in which the Funds invests, the Funds will not control any such Sponsor or Portfolio Asset.

*Debt Securities.* Certain Portfolio Assets may invest in debt securities. Debt securities are subject to creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws and so-called lender liability claims by the issuer of the obligations. Further, the laws with respect to creditors and other investors in non-U.S. jurisdictions may not be as comprehensive or as well developed as in the United States, and the procedures for the judicial or other enforcement of such rights may not be as effective as in the United States. Additionally, adverse credit events with respect to any portfolio investment, such as missed or delayed payment of interest or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of a Portfolio Asset's investment in any such company. A Portfolio Asset's debt investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by such Portfolio Asset earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that a Portfolio Asset's rate of return objectives will be realized. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of underlying assets selected as collateral may allow the Funds to withstand certain assumed deficiencies in payments occasioned by an issuer's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to a Portfolio Asset in respect to its investment. Any subordinated investments of a Portfolio Asset will be subordinated to the senior obligations of an issuer. In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on and declines in the value of such securities more quickly than in the case of the senior obligations of such issuer.

*Risks Relating to Equity Securities and Other Assets that have Characteristics of Debt Securities.* Certain Portfolio Assets may directly or indirectly invest in equity securities and other assets which have characteristics similar to those of debt securities. Such investments may be subject to the same

or similar risks as debt securities, including risks related to issuer insolvency and/or default and interest rate fluctuations.

*Equity Securities.* A substantial portion of certain Portfolio Assets' investments will be in equity or equity-related investments that by their nature involve business, financial, market and legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that such Portfolio Assets will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of such Portfolio Assets' activities. As a result, such Portfolio Assets' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

*Investments in Troubled or Highly Leveraged Companies; Bankruptcy.* Certain Portfolio Assets may invest directly or indirectly in securities and obligations of entities that are experiencing significant financial or business distress or entities involved in work-outs, liquidations, reorganizations, bankruptcies and similar transactions. While these investments may offer the potential for high returns, they also bring with them correspondingly greater risks and may not show any return for a considerable period of time. Securities and obligations of entities that are experiencing significant financial or business distress typically remain unpaid unless and until the entity reorganizes and/or emerges from insolvency proceedings and, as a result, such securities and obligations may have to be held for an extended period of time, during which the issuer might not make any interest or other payments. Defaulted obligations might not be repaid at all.

There are a number of significant risks when investing in distressed companies that are or may be involved in bankruptcy proceedings, including adverse and permanent effects on a company, such as the loss of its market position and key personnel, and if converted to a liquidation, a possible liquidation value of the company that is less than the value that was believed to exist at the time of the investment. Bankruptcy proceedings are often lengthy and difficult to predict, and could adversely impact a creditor's return on investment. In addition, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor. Under certain circumstances, payments made by a portfolio company, or distributions by a portfolio company, to a Portfolio Asset may be reclaimed if any such payment is later determined in a bankruptcy proceeding to have been a preferential payment. Many of the events within insolvency proceedings are adversarial and often beyond the control of creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that the court administering such proceedings would not approve actions which may be contrary to the interests of the Portfolio Asset.

The level of analytical sophistication, both financial and legal, necessary for successful investment in entities experiencing significant business and financial distress is very high. There is no assurance that a Sponsor will correctly evaluate the nature and magnitude of the various factors that could affect the prospect for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an entity in which a Portfolio Asset invests, such Portfolio Asset may lose its entire investment or may be required to accept cash or securities and obligations with a value less than such Portfolio Asset's original investment.

*Investment and Due Diligence.* Before making investments, the Sponsors will conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Sponsors will be required to exercise their

professional judgment in evaluating important and complex business, financial, tax, accounting, and legal issues. When conducting due diligence and making an assessment regarding an investment, the Sponsors will rely on the resources reasonably available to them, which in some circumstances whether or not known to the Sponsors at the time, may not be sufficient, accurate, complete, or reliable. Due diligence may not reveal or highlight matters that could have a material effect on the value of an investment. Moreover, even if due diligence reveals certain factors that, over time, prove to have a material effect on the value of an investment, there is no guarantee that in conducting due diligence, the Sponsors will accurately predict at such time which factors ultimately prove to have such a material effect.

*Leverage.* Although the Funds has, and the Portfolio Assets are expected to have, certain limitations on their ability to borrow, the portfolio companies may borrow without limitation. While leverage presents opportunities for increasing the Funds' and the Portfolio Assets' total returns, it also has the effect of potentially increasing losses. If the income and appreciation of such portfolio companies are less than the required interest payment on their borrowings, the value of such portfolio companies, and thus of applicable Portfolio Asset's net assets, may decrease or, in extreme cases, the lender could obtain the equity and such Portfolio Asset could suffer a total loss. Accordingly, any event that adversely affects the value of an investment by a Portfolio Asset may be magnified to the extent that a portfolio company in which it is invested is leveraged. The Portfolio Assets' investments may involve portfolio companies whose capital structures have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. Such investments will be inherently more sensitive to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry.

*Availability of Financing.* The Funds' ability to invest in a Portfolio Investment or a Portfolio Asset's ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair the Funds' or such Portfolio Asset's ability to consummate these transactions and would adversely affect the Funds' or the Portfolio Asset's returns.

*Uncertainty of Financial Projections.* Financial and other information concerning the Funds' and the Portfolio Assets' investments may only be available through certain sources, including the Sponsors, the Portfolio Assets and the portfolio companies. Such involvement of Sponsors, Portfolio Assets and portfolio companies may present risks primarily relating to Inceptiv's or the applicable Sponsor's, as the case may be, reduced control of the functions that are outsourced. There may be no consistent means of confirming the accuracy of information. It may also be impractical or undesirable to carry out substantial due diligence before an investment is acquired. The Sponsors, the Portfolio Assets and the portfolio companies may have little or no previous credit histories. The inaccuracy of certain assumptions and general economic conditions, which are unpredictable, can have a materially adverse impact on the reliability of such projections. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect, and potential investors should regard an investment in the Funds and the Portfolio Assets as being speculative and having a high degree of risk.

Furthermore, there can be no assurance that the Funds or a Portfolio Asset will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor investments on an ongoing basis. In the event of fraud by any Sponsor, any Portfolio Asset, any portfolio company or any of their respective affiliates, the Funds and the Portfolio Assets may suffer a partial or total loss of capital invested. An additional concern is the possibility of material misrepresentation or omission on the part of a Sponsor, a Portfolio Asset or a portfolio company. Such inaccuracy or incompleteness may adversely affect the value of the Funds' or the Portfolio Asset's interests therein. The Funds and the Portfolio Assets will rely upon the accuracy and completeness of representations made by the Sponsors, the Portfolio Assets and the portfolio companies in the due diligence process to the extent reasonable when they make their investments, but cannot guarantee such accuracy or completeness.

*Asset Valuations.* There is no actively traded market for most of the securities to be owned by the Funds or the Portfolio Assets. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties. The resulting values may differ from values that would have been determined had an active market existed for such securities, and may differ from the prices at which such securities may ultimately be sold. Further, third-party pricing information for publicly traded or registered securities may at times not be available regarding certain of the Funds' and the Portfolio Assets' assets. There can be no assurances that the projected results will be obtained, and actual results may vary significantly from the valuations. General economic, political, regulatory, and market conditions and the actual operations of the portfolio managers and underlying funds, which are not predictable, can have a material impact on the reliability and accuracy of such valuations.

*Assumption of Contingent Liabilities.* In connection with an investment, a Portfolio Asset may assume, or acquire a portfolio company subject to, contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations, environmental actions, or payment of indebtedness among other things. To the extent these liabilities are realized, they may materially adversely affect the value of a portfolio company. In addition, if a Portfolio Asset has assumed or guaranteed these liabilities, the obligation would be payable from the assets of such Portfolio Asset, including the uncalled capital commitments of its investors. If the assets of a Portfolio Asset are insufficient to pay such obligations, its investors (including the Funds) may be required to return distributions previously made to them in order to satisfy such obligations.

*Contingent Liability on Disposition of Investments.* Most of the Portfolio Asset's investments are expected to involve private securities. In connection with the disposition of an investment in private securities, a Portfolio Asset may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. A Portfolio Asset also may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations are inaccurate or with respect to certain potential liabilities or other liabilities. The obligations of a Portfolio Asset would be payable from the assets of such Portfolio Asset, including the uncalled capital commitments of its investors. If the assets of a Portfolio Asset are insufficient to pay such obligations, its investors (including the Funds) may be required to return distributions previously made to them in order to satisfy such obligations.

*Risks in Effecting Operating Improvements.* In some cases, a Portfolio Asset's investment strategy will depend, in part, on the ability of such Portfolio Asset to restructure and improve the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Portfolio Asset will be able to successfully identify and implement such restructuring programs and improvements.

*Fraudulent Conveyance Considerations.* Various federal and state laws enacted for the protection of creditors may apply to a Portfolio Asset's investments by virtue of such Portfolio Asset's role as a creditor with respect to the issuers of such investments. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower (*i.e.*, a portfolio company), such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that (a) the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and granting any security interest or other lien securing such investment and (b) after giving effect to such indebtedness, the borrower either (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, then such court could invalidate, in whole or in part, such indebtedness and any security interests or other lien securing such investment as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of the borrower or could recover amounts previously paid by the borrowers (including to a Portfolio Asset) in satisfaction of such indebtedness or amounts representing proceeds of such security interest or other liens previously applied in satisfaction of such indebtedness. In addition, upon any insolvency of a portfolio investment, payments made on the investment could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency. The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction that is being applied. Generally, however, a borrower would be considered insolvent at a particular time if the sum of its debts was greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether a borrower was insolvent after giving effect to the particular indebtedness or that, regardless of the method of evaluation, a court would not determine that the borrower was "insolvent" upon giving effect to such indebtedness.

In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Portfolio Asset) or from subsequent transferees of such payments, including such Portfolio Asset's investors. Accordingly, there can be no assurance as to the timing or amount of return of capital, if any, to investors in any Portfolio Asset (including the Funds).

*Investments with Third Parties.* The Portfolio Assets may be permitted to co-invest with third parties through joint ventures or other entities, including with private funds sponsored by others. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a co-venturer of a Portfolio Asset may experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of such Portfolio Asset, may take a different view from the applicable Sponsor as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to such Portfolio Asset's investment objectives. In addition, such Portfolio Asset may in certain circumstances be liable for the actions of its third party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties or joint venture partners with whom a Portfolio Asset may co-invest have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments may differ from the terms upon which such Portfolio Asset invests in such portfolio company.

*Follow-On Investments.* The Funds and the Portfolio Assets may be called upon to provide follow-on funding for its Portfolio Investments and portfolio companies, respectively, or have the opportunity to increase its investment its Portfolio Investments and portfolio companies, respectively. There can be no assurance that the Funds or any Portfolio Asset will have sufficient capital to do so. If the Funds or any Portfolio Asset does make a follow-on investment, it will increase the Funds' exposure to all assets which may be distressed and therefore, may result in further losses. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a Portfolio Investment or portfolio company in need of such an investment or may diminish the Funds' or the Portfolio Asset's proportionate ownership in such Portfolio Investment or portfolio company and thus its ability to influence such Portfolio Investment's or portfolio company's future development.

*Risk of Absence of Exit Opportunity.* Investments are subject to the risk that the Funds and the Portfolio Assets will be unable to dispose of such investments by sale or other disposition at attractive prices or otherwise be unable to complete a realization or an "exit" strategy. It is likely that the majority of the investments made by the Funds and the Portfolio Assets will be in securities for which there is no public market. The Funds and the Portfolio Assets may also be prohibited by contractual or legal requirements from selling such securities for a period of time, or the investments themselves may be of such a type as to require a substantial length of time to liquidate.

*Unidentified Investments.* Inceptiv has not yet identified all of the investments in which the Funds will invest, and to the extent Inceptiv has identified proposed investment opportunities for the Funds, there is no assurance that the Funds will actually make such investments. As a result, there are risks and uncertainties to the Limited Partners with respect to the availability and selection of investments. Investors will be relying on the ability of Inceptiv to find and access suitable future investments using the proceeds of this offering. No assurance can be given that the Funds will be successful in obtaining suitable investments.

*Competition.* The business of investing in real estate situations is highly competitive. Identification of attractive investment opportunities by the Sponsors is difficult and involves a high degree of uncertainty. Competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the Sponsors. Therefore, there are no assurances that any Portfolio Asset will be able to invest its committed capital fully or that suitable investment opportunities will be identified. Moreover, the historical performance of any Portfolio Asset or any Sponsor is not a guarantee or indication of its future performance and returns may decline and the favorability of terms upon which investments are made may decrease as the number of funds similar to such Portfolio Asset operating in the marketplace increases. There can be no assurance that any Portfolio Asset will be able to identify or consummate investments satisfying its investment criteria. Likewise, there can be no assurance that any Portfolio Asset will be able to realize the values of its investments or that it will be able to fully invest its committed capital. To the extent that a Portfolio Asset encounters competition for investments, returns to its investors (including the Funds) may decrease.

*Real Estate Risks Generally.* The Funds will invest in Sponsors and Portfolio Assets that manage, or otherwise invest in, real estate properties, mortgages, securities, obligations and other real estate-related investments that entail substantial inherent risks. Real estate historically has experienced significant fluctuations and cycles in value, and specific market conditions may result in reductions in the value of the real properties in which the Funds indirectly holds interests. Such reductions in value prevent the Funds from successfully executing its investment strategies, cause the Funds and the Manager to alter their investment strategies or required the Funds to disposes of Portfolio Investments at a loss. The marketability and value of such real property interests will depend on many factors

beyond the control of the General Partner and the Funds, including: (a) further changes in general or local economic conditions; (b) changes in the supply of, or the demand for, competing properties in a geographic area; (c) changes in interest rates; (d) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (e) unavailability of mortgage funds that may render the sale of a property difficult; (f) the financial condition of tenants, buyers and sellers of properties (many of which have been negatively impacted by the global economic fallout from COVID-19); (g) changes in real estate tax rates and other operating expenses; (h) changes in real estate tax assessment methodologies and/or the passage of new taxes on real estate ownership and/or transactions, (i) energy costs and energy supply shortages; (j) various uninsured or uninsurable risks; (k) acts of God and natural disasters; and (l) political developments and terrorist activities. General economic conditions in the United States, as well as conditions of international financial markets, may adversely affect operations of the Funds. In addition, investments in industrial real estate are subject to the risks that affect the industrial environment generally, including seasonality, the willingness of tenants to lease space in the properties in which the Funds holds interests, tenant bankruptcies, changes in economic conditions, consumer confidence, political developments and terrorist activities. Any one or more of these factors could adversely affect the Funds' results of operations or financial condition.

*Joint Ventures.* The Funds may invest in investment vehicles or joint venture arrangements in order to facilitate Portfolio Investments. The Funds, and Inceptiv, may share control or have limited control over these entities and, therefore, may have only a limited ability to protect the Funds' interests in such Portfolio Investments. Such Portfolio Investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner may have financial difficulties resulting in a negative impact on such Portfolio Investment, may default on its obligation to contribute capital to the joint venture, may have economic or business interests or goals which are inconsistent with those of the Funds, may commit fraud or misappropriate assets of the joint venture, or may be in a position to take action contrary to the Funds' interests. In addition, the Funds may under certain circumstances be liable for the actions of its third party partners or co-venturers.

*Environmental Risks.* The Portfolio Assets may be exposed to risk of loss from environmental claims arising with respect to interests in real estate with environmental problems that a Portfolio Asset acquires, including as a result of providing guarantees to lenders against losses due to environmental matters. The Portfolio Assets may also be subject to substantial costs arising out of claims alleging personal injury or property damage based upon the presence of mold, asbestos or other substances at the properties in which it invests. There can be no assurances that the costs of complying with environmental laws and regulations and defending such personal injury and property damage claims will not have a material adverse effect on a Portfolio Asset's investments. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time a Portfolio Investment is made and that could not have been foreseen.

*Defects.* The properties in which a Portfolio Asset invests may have defects or other problems that require the Portfolio Asset to expend funds to correct defects or to make improvements before a property can be sold. No assurance can be given that the Portfolio Asset will have funds available to correct those defects or to otherwise make improvements before the property can be developed or sold, which may result in unforeseen capital expenditures, special repair or maintenance expenses, or the payment of damages to third parties. Environmental, seismic and other reports on which a Sponsor or Portfolio Asset relies as part of their pre-acquisition due diligence investigations of these properties may be inaccurate or deficient, at least in part because defects may be difficult or impossible to ascertain. Furthermore, after selling a property in its portfolio, the Portfolio Asset may continue to owe a statutory warranty obligation to the purchaser if any latent defects in such property are

subsequently discovered.

*Risks Associated with Property Acquisitions.* Real estate acquisition activities are subject to many risks. Certain Portfolio Assets may acquire properties through foreclosure or interests in properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition or compliance with zoning laws, building codes or other legal requirements. Many distressed real estate assets are the subject of protracted litigation. In each case, the Portfolio Assets' acquisitions of real estate may be without any recourse, or with only limited recourse, with respect to unknown liabilities or conditions. As a result, if any liability were asserted against a Portfolio Asset relating to those properties, or if any adverse condition existed with respect to the properties, such Portfolio Asset might have to pay substantial sums to settle or cure it, which could adversely affect the cash flow and operating results of such Portfolio Asset (and therefore, potentially the Funds).

*Risks Associated with Investments in Land and New Developments.* Certain Portfolio Assets may acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing. To the extent that a Portfolio Asset invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of the Portfolio Asset, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the Portfolio Asset (and thus the Funds).

*Risks of Increased Construction Costs.* Construction costs are rising due to price increases for construction materials, labor and services from third-party contractors and suppliers, as well as disruptions to global supply chains and an overall increase in market demand for such goods and services. Higher inflation will have a compounding, adverse effect on these construction costs, which may be necessary to complete Portfolio Assets' development projects. Increased construction costs may have an adverse impact on the Portfolio Assets' performance, which will impact the performance of the Funds, unless the property is able to correspondingly increase its revenue.

*Risks Associated with Ground Lease Investments.* Certain Portfolio Assets may invest from time to time in real estate properties that are subject to ground leases. As a lessee under a ground lease, a Portfolio Asset may be exposed to the possibility of losing the property upon termination, or an earlier breach by such Portfolio Asset, of the ground lease, which may adversely impact such Portfolio Asset's investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, a Portfolio Asset will generally need to obtain consent of the landlord of such property, which, in turn, could adversely impact the price realized from any such sale.

*Risks Associated with Investment in Troubled Real Estate.* Certain Portfolio Assets may make substantial investments in nonperforming, underperforming or other troubled real estate which involve a degree of financial risk and are experiencing or are expected to experience severe financial difficulties that may never be overcome and, as a result, may lead to a loss of some or all of a Portfolio Asset's investment. The investments may have been originated by financial institutions that are insolvent, in serious financial difficulty, or no longer in existence; and, as a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being operated may be adversely affected.

*Regulatory and Other Consents for Real Estate Investments.* The real estate projects in which a Portfolio Asset may invest may require the approval of governmental authorities and, in most cases, consent of third parties. There can be no assurance that any such approvals and consents will be obtained on a timely basis, if at all. The need to obtain such approvals and consents and otherwise to comply with regulatory requirements may cause significant delays in any renovation or development process, exacerbating the risk that changes in the local market will cause the investment returns to be adversely impacted.

*Real Estate-Related Regulatory Risks.* Each real estate investment will be subject to various laws and regulations, including building codes, laws and regulations pertaining, to fire safety and handicapped access (including the Americans with Disabilities Act), and other laws and regulations that may from time to time be enacted. The Portfolio Assets may be required to incur significant costs to comply with any future changes in such laws or regulations. However, noncompliance with the existing or future laws and regulations to which each investment is subject could result in substantial capital expenditures to bring the relevant investment into compliance, as well as the imposition of fines or an award of damages to private litigants which might adversely affect the Portfolio Assets.

Changes in applicable federal, state and local laws may result in requirements or restrictions affecting a particular property that adversely affect its operation, occupancy levels or operating costs. A Portfolio Asset may be required to obtain various licenses, approvals and permits in connection with the acquisition and operation of its investments, and no assurance can be given that it will be able to do so or that it will be able to do so in a timely manner. Any shift in the political landscape (such as the election of local representatives who support strict rent control policies) may significantly impact a Portfolio Asset's investment timing and its ability to realize its investment objectives. Failure to comply with these requirements could result in the impositions of fines by governmental authorities or awards of damages to private litigants.

*Risks of Engaging in Development, Renovation or Maintenance Activities.* Certain Portfolio Assets may own interests in properties that require renovation or deferred maintenance, or even development which may often be non-income producing. Although such Portfolio Assets may contract with companies that are experienced in handling such renovation, deferred maintenance, or development projects, as applicable, it will be subject to various risks, including those set forth above in "*Real Estate Risks Generally*" and the risk that there may be unanticipated delays in the completion of such projects due to factors beyond the control of the applicable Portfolio Asset. These factors may include: (a) strikes; (b) adverse weather; (c) changes in building plans and specifications; (d) material shortages; and (e) increases in the costs of labor and materials. Delays in completing any project will cause corresponding delays in the receipt of related operating income and, consequently, the distribution of any cash flow by the applicable Portfolio Asset with respect to such project. In addition, the estimated costs and schedules of developing and constructing buildings and related landscaping may be affected by changes in construction plans and specifications or by other unforeseen events, any of which may cause additional expenses to be incurred, which likely will be borne by the Portfolio Assets. Any delay in completing a project may result in increased interest and construction costs, the potential loss of purchasers or tenants and the possibility of defaults under project financings. There is also the risk that inadequate oversight over local contractors, architects or engineers may result in poor quality construction or the diversion of funds intended for construction, and the quality of construction generally may not be commensurate with appropriate standards, resulting in potential difficulties in obtaining all authorizations necessary for operation. Because of the long lead time between the inception of a project and its completion, a well-conceived project may, as a result of changes in the real estate market, economic and other conditions prior to its completion, result in losses to the Portfolio Assets or substantially lower returns than were anticipated at the beginning of such project.

Properties under development or renovation may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. Moreover, development projects are expected to be subject to the risk of higher costs given uninsured liabilities and/or high deductible insurance policies.

*Special Mortgage Loan Risks.* Certain Portfolio Assets may invest in sub-performing and non-performing mortgage loans. The value of the real estate that underlies mortgage loans is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from a liquidation. In addition, adverse changes in real estate values increase the probability of default, as the incentive of the borrower to retain equity in the property declines. Loans may become non-performing for a wide variety of reasons, including, without limitation, because the mortgaged property is too highly leveraged (and, therefore, the property is unable to generate sufficient income to meet its debt service payments), is poorly managed, construction has not been fully completed or is in need of rehabilitation. Such non-performing loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, costs and expenses, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan.

Certain Portfolio Assets may purchase a variety of assets from entities that are financially or economically distressed. There is a risk that such third-party distressed entities may assign, transfer, encumber, pledge or otherwise dispose of assets already sold by such entities to a Portfolio Asset. There is also a risk that the sale of any asset by such third-party distressed entity may be disallowed, subordinated or disenfranchised by a bankruptcy court, should such third-party file for bankruptcy or similar protection.

The borrowers under sub-performing and non-performing mortgage loans may have a variety of rights to contest the enforceability of the mortgage loans and prevent or significantly delay and increase the cost of any foreclosure action, including, without limitation, allegations regarding fraud in the inducement by the original lender or broker, failure of the lender to produce the original documentation, improper recordation of the mortgage, various theories of lender liability, and relief through the U.S. Bankruptcy Code and similar state laws providing debtor relief. Given the recent attention to the residential mortgage foreclosure market specifically, and potential defects in foreclosure processes used by lenders, changes in laws and regulations could increase borrowers' rights to contest the enforceability of mortgage loans or to delay, halt or unwind foreclosure. Investments in properties operating in workout modes or under the U.S. Bankruptcy Code, as amended, are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of the original investment. For example, under certain circumstances lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions.

The sub-performing and non-performing mortgage loans and loan portfolios acquired by the Portfolio Assets will have been originated by third parties. While the portfolio managers may engage consultants to perform due diligence, there is a risk that the underlying mortgage loan documentation and calculations of outstanding principal, interest, late fees and other amounts are deficient and/or inaccurate and that the Portfolio Assets will not detect such deficiencies and inaccuracies prior to acquisition, regardless of its effort or the statements made herein. Accordingly, the mortgage loan portfolio may be compromised, reducing the value of a Portfolio Asset's investments.

Of paramount concern in the purchase of loans secured by real estate is the possibility of material misrepresentation or omission on the part of the borrower or the seller. Such fraudulent mortgage

loans may not be identified as such due to internal control weaknesses and failure of the loan originator or intermediary to be advised of such claims. Such mortgage loans could be acquired by a Portfolio Asset despite the exercise of prudent due diligence. Any inaccuracy or incompleteness on the part of the borrower or seller may adversely affect the valuation of the real estate underlying the loans or may adversely affect the ability of a Portfolio Asset to perfect or effectuate a lien on the real estate or other collateral securing the loan. Under certain circumstances, payments to a Portfolio Asset may be reclaimed if such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

A Portfolio Asset could face increased default rates on its sub-performing and non-performing mortgage loans, including loans that were modified with the expectation that they would be re-performing loans. A Portfolio Asset may find it necessary or desirable to foreclose on loans or purchase property secured by a loan already in foreclosure. The foreclosure process may be lengthy and expensive. A borrower may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses including, without limitation, numerous lender liability claims and defenses, in an effort to prolong the foreclosure actions and force the lender into a modification of the loan or a favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the mortgaged property and may result in disrupting the ongoing leasing, management, and operation of the property.

Certain Portfolio Assets may hold direct or indirect investments in certain real estate-related debt instruments in addition to mortgages. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real estate related debt investments are subject to a variety of risks, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments. Debt investments have special inherent risks relative to collateral value. In the event of default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of the investment). To the extent that a Portfolio Asset purchases partial interests in nonperforming loans, such Portfolio Asset may not have control over the workout process and the management of the real estate assets. It may be necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by such Portfolio Asset, and the foreclosure process can be lengthy and expensive.

*Risks Associated with Commercial Mortgage Loans Specifically.* Certain Portfolio Assets may invest in commercial mortgage loans. The value of such commercial mortgage loans will be influenced by the historical rate of delinquencies, defaults experienced on the commercial mortgage loans and the severity of loss incurred as a result of such defaults, as well as market conditions. The factors affecting delinquencies, defaults and loss severity include (a) industry sector and economic and real estate market conditions (e.g., multifamily, retail, office), (b) the terms and structure of the mortgage loans, and (c) any specific limits to legal and financial recourse upon a default under the terms of the mortgage loan. Commercial loans generally expose a lender to a greater risk of loss through delinquency and foreclosure since the ability of the borrower to repay a loan secured by income-producing property typically is dependent primarily upon the successful operation and operating income of such property, rather than upon the existence of independent income or assets of the borrower. Most commercial mortgage loans provide recourse only to specific assets, such as the property, and not against the

borrower's other assets or personal guarantees. Commercial mortgage loans generally do not fully amortize, which can necessitate a sale of the property or refinancing of the remaining debt amount at or prior to maturity of the mortgage loan. Accordingly, investors in commercial mortgage loans bear the risk that the borrower will be unable to refinance or otherwise repay the mortgage at maturity, thereby increasing the likelihood of a default on the borrower's obligations. Exercise of foreclosure and other remedies may involve lengthy delays and additional legal and other related expenses on top of potentially declining property values. In certain circumstances, a Portfolio Asset could become liable upon taking title to an asset for environmental or structural damage existing at the property.

*Risks Associated with Industrial Real Estate Investments.* There are a number of risks involved in the investments in industrial real estate properties. These risks include, among others: (a) declines in the value of industrial real estate; (b) risks related to general and local economic conditions; (c) possible lack of availability of mortgage funds for borrowers to refinance or sell their properties; (d) overbuilding; (e) the general deterioration of the borrowers' ability to keep a rehabilitated sub-performing or non-performing mortgage loan current; (f) increases in competition; (g) increases in operating expenses; (h) changes in zoning laws; (i) costs resulting from the cleanup of, and liability to third parties for damages resulting from, environmental problems; (j) casualty or condemnation losses; (k) uninsured damages from floods, earthquakes, other natural disasters, or acts of terrorism; (l) limitations on and variations in rents; and (m) fluctuations in interest rates or property taxes. To the extent that assets underlying a Portfolio Asset's investments are concentrated geographically, and as a result of concentration in industrial properties or in certain other respects, such Portfolio Asset may be subject to certain of the foregoing risks to a greater extent. Additionally, a Portfolio Asset may be required to foreclose sub-performing and non-performing mortgage loans and such actions would subject such Portfolio Asset to greater concentration of the risks of the real estate markets and risks related to the ownership and management of real property.

### Tax-Related Risks

*No Assurance of Adequate Tax Distributions.* It is possible that taxes owing on taxable income allocated to Limited Partners from the Funds' investments will exceed the amount of cash distributed by the Funds. Limited Partners could incur U.S. federal income tax liabilities without receiving sufficient distributions from the Funds to defray such tax liabilities. Each prospective investor is solely responsible for all tax consequences to that investor of an investment in the Funds, and is advised to consult its own tax advisor as to the U.S. federal income tax consequences attributable to acquiring, holding and disposing of an Interest, as well as to applicable state, local, estate, non-U.S. or other tax consequences.

*U.S. Federal Tax Audit Procedures.* The Bipartisan Budget Act of 2015 replaced certain longstanding rules governing how the IRS (as defined herein) audits partnership tax returns and collects additional U.S. federal income tax. The new rules may modify the allocation of tax costs among the Partners. Prospective investors should consult with their own tax advisors regarding the possible implications of these new rules on their investment in the Funds.

*Non-U.S. Taxes.* It is possible that certain dividends and interest received by the Funds from sources outside of the United States will be subject to withholding taxes imposed by other countries. In addition, the Funds or the Limited Partners may also be subject to taxes and related filing obligations in certain other countries where the Funds purchases and sells Portfolio Investments. Tax treaties between the United States and other countries may affect, reduce or eliminate such taxes, however, the application of such treaties to the Funds may be unclear. Limited Partners generally may be entitled to claim either a credit (subject, however, to various limitations on foreign tax credits and the availability

of documentation to substantiate the payment of such taxes) or a deduction (subject to the limitations generally applicable to deductions) for their share of such non-U.S. taxes in computing their federal income tax liabilities.

*Tax Exempt and Non-U.S. Limited Partners.* Tax-exempt entities generally are subject to U.S. federal income tax on their “unrelated business taxable income” or “unrelated debt financed income” (together, “UBTI”) within the meaning of Sections 512 and 514 of the Code. Non-U.S. persons are generally subject to U.S. federal income tax on their allocable share of the Funds’ net income and gains that are effectively connected with the Funds’ conduct of a trade or business in the U.S. (“ECI”). The Funds may engage in activities, and hold portfolio investments, in each case, that may result in the realization of UBTI or ECI. Each tax-exempt or non-U.S. prospective investor is advised to consult its own tax advisor as to the U.S. federal income tax consequences of UBTI or ECI to their particular circumstances.

*Future Tax Legislation.* Future amendments to the Code or state or foreign tax statutes, new or amended regulations promulgated thereunder, administrative rulings or decisions by the IRS or other tax authority, judicial decisions or other legislative developments may adversely affect the federal income tax or other tax aspects of an investment in the Funds, with or without advance notice, retroactively or prospectively. Moreover, the effect of existing income tax laws and of proposed changes in income tax laws on investors will vary with the particular circumstances of each investor, which should be taken into consideration in reviewing this Memorandum. Prospective investors are strongly urged to consult with their tax advisors regarding an investment in the Funds, with specific reference to their own situations.

## ERISA-Related Risks

*ERISA Considerations.* The General Partner intends to structure and operate the Funds so that the assets of the Funds will not constitute “plan assets” for purposes of ERISA and Section 4975 of the Code and regulations promulgated thereunder (the “Plan Asset Regulation”). If, however, the Funds were deemed to hold “plan assets” of Benefit Plan Investors (defined below), (a) ERISA’s fiduciary standards would apply to the Funds and might materially affect the operations of the Funds, and (b) any transaction with the Funds could be deemed a transaction with each Benefit Plan Investor and may cause transactions into which the Funds might enter in the ordinary course of business to constitute prohibited transactions under ERISA and/or Section 4975 of the Code. If the underlying assets of the Funds were considered “plan assets” of Benefit Plan Investors, the General Partner and the Manager would be considered fiduciaries of such Benefit Plan Investors and would need to manage the Funds in compliance with the requirements of ERISA and the Code, as applicable.

The General Partner may avoid having the assets of the Funds constitute plan assets by restricting Benefit Plan Investor participation to less than 25% of each class of equity interest in the Funds, as further described in ERISA and the Plan Asset Regulation (the “25% Test”). “Benefit Plan Investors” include (a) “employee benefit plans” (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA; (b) plans, accounts or other arrangements subject to Section 4975 of the Code; and (c) entities whose underlying assets include plan assets by reason of a plan’s investment in such entities. In addition, or alternatively, the General Partner may seek to manage the assets and activities of the Funds so as to qualify the Funds as a “venture capital operating company” (a “VCOC”) within the meaning of the Plan Asset Regulation that may adversely affect the operations of the Funds. For example, the General Partner may decide not to make an otherwise favorable investment because it would not count as a qualifying investment for purposes of the VCOC requirements, or the General

Partner may decide to liquidate a given investment at an otherwise disadvantageous time based on these requirements.

*Risk Arising from Provision of Managerial Assistance.* The investment professionals of the General Partner and the Manager may choose to take an active role in the management of Portfolio Investments in order to protect or enhance the Funds' investment. In addition, if the Funds receives investments from Benefit Plan Investors, the General Partner may choose to structure Portfolio Investments so that the Funds will be a VCOC, as opposed to relying on the 25% Test. Under the VCOC requirements, the Funds would need to invest at least 50% of its assets in "operating companies" and obtain rights to substantially participate in or influence substantially the conduct of the management of such operating companies. If the General Partner elects to operate the Funds as a VCOC, the Funds might seek to designate investment professionals of the General Partner or the Manager to serve on the boards of directors of Portfolio Investments. Doing so could expose the assets of the Funds to claims by a Portfolio Investment, its security holders and its creditors. While the General Partner intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

## **ITEM 9 – DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a Client or potential client's evaluation of Inceptiv Management, LP's advisory business or the integrity of its management.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither Inceptiv Management, LP nor its employees are registered as broker-dealers, and neither has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### *Code of Ethics*

The Adviser's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to the Adviser's "Access Persons". Access Persons include, generally, any partner, officer or director of the Adviser and any employee or other supervised person of the Adviser (or an affiliate) who, in relation to the Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All employees of the Adviser are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account the Adviser's status as a fiduciary and requires Access Persons to place the interests of the Clients and investors above their own interests and the interests of the Adviser. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of the Adviser's Chief Compliance Officer (the "CCO"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt and understanding of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons are permitted to make securities transactions in their personal accounts which presents potential conflicts in that an Access Person could make improper use of information regarding a Client's holdings or future transactions or research paid for by the Client. An Access Person could take for himself or herself an investment opportunity available to a Client or could engage in "front-running" of the Client's investment.

Inceptiv Management, LP seeks to manage the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. The Adviser requires that Access Persons pre-clear initial public offerings ("IPOs") and limited offerings. Access Persons must also obtain pre-approval from the CCO prior to engaging in any outside business activities. Requests for pre-clearance are reviewed for potential conflicts of interest with the Clients. All investment transactions (including personal investment transactions) must be conducted consistent with this Code, and in such a manner as to avoid any actual or potential conflict of interest, or any abuse of an Access Person's position of trust and responsibility.

Access Persons must provide the Adviser's Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Adviser's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

Further, the Adviser may place certain securities on a "Restricted List" comprised of names of issues of securities about which the Adviser (including Access Persons) have learned material, nonpublic information. Access Persons are strictly prohibited from purchasing or selling securities that appear on the Restricted List.

Inceptiv Management, LP will provide a copy of the Code to our investors, or any prospective investors to review, upon request.

## Participation or Interest in Client Transactions

### Allocation of Investment Opportunities

The Adviser has adopted this Investment Allocation Policy (the “Policy”) which requires the Inceptiv to treat the Funds in a fair and equitable manner as it relates to allocation of each investment opportunity (“Investment Opportunity”, collectively referred to as “Investment Opportunities”). In accordance with the Funds’ governing documents, Inceptiv has discretion to allocate Investment Opportunities in such amounts and in such manner as Inceptiv determines to be reasonably appropriate, taking into account for purposes of such determination all relevant then-existing circumstances as further outlined below. As such, there may be circumstances where a portion of an Investment Opportunity that would have otherwise been invested in by a particular Fund is instead offered to another Fund, or is otherwise offered as a co-investment opportunity (as detailed below), and there can be no assurances with respect to the amount of any Investment Opportunity that will be allocated to the respective Fund.

Inceptiv’s investment team determines whether an Investment Opportunity is permissible for a Fund managed by Inceptiv pursuant to the governing documents of such Fund, including discretion with respect to co-investment opportunities.

Notwithstanding the foregoing, an Investment Opportunity may, in the discretion of Inceptiv’s Partners Committee, be allocated in a manner based on a variety of considerations, including, but not limited to, the following:

- Investment restrictions in governing documents or financing agreements (e.g., ability to hedge, draw down feature, investment period limitation, or other fund life limitations),
- Liquidity (e.g., allocation size may vary depending on a Client’s cash availability, other liquidity obligations of the client account or commitments made to other investments),
- Tax considerations (e.g., FIRPTA and UBTI),
- Regulatory considerations, including FINRA Rule 5130 and Rule 5131 and banking, ERISA, VCOC/REOC and foreign laws and regulations, 144a, and Regulation S,
- Current portfolio composition, diversification goals or targets, and risk management,
- Investment objectives and policies (e.g., fund with limited mandate or multi strategy fund),
- Disclosures previously made to client accounts or investors in such client accounts regarding allocations, or
- Any other information determined to be relevant to the fair allocation of securities or other instruments.

### Co-Investments

Inceptiv may become aware from time to time of opportunities for the Funds’ Limited Partners (“LP”) and other third parties to invest in Investment Opportunities that are within the investment criteria of the Funds. Under the Funds’ Limited Partnership Agreement (the “LPA”), the General Partner may generally offer such opportunities (“Co-Investments”) to any LP or third party. Inceptiv has no individual agreements with LPs requiring the General Partner to allocate Co-Investments in any particular manner, apart from the terms of the Funds’ LPA and this Co-Investment policy.

When deciding how Inceptiv will exercise our discretion to allocate Co-Investments among LPs, the Adviser will consider the following factors (the “allocation factors”) as relevant under the circumstances:

- whether the LP has expressed to us an interest in participating in Co-Investments;
- an LP's ability to decide in a timely fashion whether to participate in Co-Investments and to promptly fund a decision to invest;
- the size of the Co-Investment and an LP's expressed preferences regarding the size, stage, and the underlying business characteristics of deals they will participate in;
- whether the LP is capable of leading and/or pricing a financing round;
- strategic considerations that might be of particular aid to such Co-Investments, such as an LP's unique network of influence or commitment to a relevant business sector;
- our perception of the legal, regulatory, reporting, public relations, competitive, confidentiality or other issues that may arise with respect to any prospective LP co-investor; and
- specific guidance from the Co-Investment itself about who it would like to see invest.

In addition to weighing these allocation factors, Inceptiv will adhere to the following guidelines for Co-Investments:

1. The Funds will first and foremost receive its allocation to any Investment Opportunities and the Adviser will not reduce the allocation that a fund intends to make to create room for Co-Investment opportunities.
2. If application of the allocation factors does not result in the Co-Investment opportunity being fully subscribed, the Adviser will generally provide notice of the opportunity to all LPs who expressed an interest in Co-Investments.
3. If there is more interest in a Co-Investment than the amount being offered by the Investment Opportunities, the Adviser will decide how to allocate amounts among interested investors.
4. For the avoidance of doubt, in all cases the Adviser will make the final decision about which investors to accept in a Co-Investment.

#### Cross Trades and Principal Transactions

While Inceptiv does not intend to engage in transferring securities from one Fund to another Fund (each such transfer, a "**Cross Trade**"), the Adviser would only so do if the Adviser determined the Cross Trade was in the best interests of its Funds. Further the Adviser would seek to ensure that any such Cross Trade is consistent with the investment objectives and policies of each Fund involved in the trade and applicable law, as well as with the Adviser's fiduciary duty and obligation to seek to obtain best execution for each Fund.

As a general matter, Inceptiv does not intend to engage in principal transactions with the Fund(s). To the extent, however, that Cross Trades may be viewed as principal transactions (as such term is defined under

the Advisers Act) due to the ownership interest in a Fund by the Adviser or its personnel, the Adviser will comply with the requirements of Advisers Act Section 206(3). Each Fund may appoint a Limited Partner Advisory Committee for the purpose of independently reviewing and approving any such principal transactions or agency cross transactions on behalf of such Fund.

## **ITEM 12 – BROKERAGE PRACTICES**

As described in Item 4 above, Inceptiv is the investment adviser to the Clients.

As a matter of fiduciary duty, the Adviser will ensure that, when allocating and aggregating securities transactions, all participating Clients are treated in a fair and equitable manner.

### **ITEM 13 – REVIEW OF ACCOUNTS**

Inceptiv continuously monitors and analyzes the transactions, positions, and investment levels of the Funds to ensure they conform with the investment objectives and guidelines that are stated in the Funds' offering documents. In these reviews, the Adviser pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the market.

The Funds will furnish to each investor quarterly updates and an annual report that will include audited financial statements as of the end of each fiscal year.

#### **ITEM 14 – CLIENT REFERRALS AND COMPENSATION**

Inceptiv Management, LP currently does not enter into solicitation or referral agreements.

The Adviser receives a management fee from Tower 14 MSP I GP, LLC (“Tower 14”), an affiliated adviser. In addition, the Adviser receives services compensation for providing valuation services to a private fund managed by Tower 14. Otherwise, the Adviser does not receive compensation, other than management fees and performance fees, related to its advisory services provided to its Clients.

## **ITEM 15 – CUSTODY**

Inceptiv is deemed to have custody of Client assets pursuant to Advisers Act Rule 206(4)-2. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), the Adviser will distribute each of the Fund's audited financials to investors within 180 days of such Funds fiscal year end, as the Adviser relies on the audit provision for fund of funds.

Fund assets and securities are maintained with a qualified custodian. The qualified custodians utilized by the Funds are disclosed in the Adviser's Form ADV Part 1.

## **ITEM 16 – INVESTMENT DISCRETION**

Inceptiv has discretionary authority to manage securities accounts on behalf of the Clients. The Adviser is authorized to make transaction recommendations for the Clients. As explained in Item 8 above, the Client's investment strategy is set forth in detail in such Client's Governing Documents. Fund investors do not have the ability to impose limitations on the discretionary authority of the Adviser. Fund investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in an investment pool.

## **ITEM 17 – VOTING CLIENT SECURITIES**

The Adviser generally will not invest in publicly traded securities. However, in the future the Adviser may be in receipt of public securities as it relates to its investment strategy. In those instances, the Adviser will vote in the best interest of the Funds and in accordance with its fiduciary duty to the Funds. If there is an actual or potential material conflict of interest in connection with a prospective vote, such conflict will be resolved in accordance with the Funds' offering documents. The Adviser may abstain or refrain from voting in any instance if it deems that such abstention is in the best interest of the Funds. Fund investors may not direct proxy voting decision. However, Fund investors may obtain information on how the Adviser voted on behalf of the Funds by contacting the CCO.

## **ITEM 18 – FINANCIAL INFORMATION**

Inceptiv is not aware of any financial condition that is expected to impair its ability to manage Client assets and has not been the subject of a bankruptcy proceeding.