

**INVESTMENT ADVISER BROCHURE**

**HUNTER POINT CAPITAL LP**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Hunter Point Capital LP (“Adviser”). If you have any questions about the contents of this Brochure, please contact us at [Compliance@hunterpointcapital.com](mailto:Compliance@hunterpointcapital.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 authority.**

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

## **MATERIAL CHANGES**

The Adviser filed its most recent Form ADV Part 2 on March 31, 2023. This annual amendment updates the description of the business practices of the Adviser and its affiliates.

At any time, you may view the current version of Adviser's Brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ADVISORY BUSINESS

Hunter Point Capital LP, a Delaware limited partnership and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Adviser commenced operations in June 2020.

The Adviser's clients are private investment funds (each, a "**Fund**," and collectively, together with any future private investment fund to which the Adviser and/or its affiliates provide investment advisory services, the "**Funds**"). In respect of the advisory services provided to the Funds, the Adviser is affiliated with Hunter Point Capital GPFS LP (the "**Relying Adviser**"), Hunter Point Capital GP LLC, Hunter Point Capital GPFS – Preferred GP LLC, and Hunter Point Capital GPFS – NAV Lending GP LLC (each a "**General Partner**," and together with any general partner entities or equivalent governing entities established with respect to future Funds, the "**General Partners**" and, together with the Adviser, the Relying Adviser and their affiliated entities, "**HPC**"). Each General Partner is subject to the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Adviser.

The Funds are private equity funds and invest through negotiated transactions primarily in middle-market alternative asset managers as well as investment products and investment vehicles advised by such managers (generally referred to herein as "**portfolio companies**" or "**Underlying Managers**"). HPC's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. HPC will focus on providing capital, financing solutions, strategic advice, and other value-added services to the portfolio companies.

HPC's advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a "**Memorandum**"), limited partnership or other operating agreements of the Funds (each, a "**Partnership Agreement**" and, together with any relevant Memorandum, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; such arrangements generally do not and will not create an adviser-client relationship between HPC and any investor. The Funds or the General Partners reserve the right to, and have entered into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, as permitted by the Governing Documents, the Adviser expects to provide (and has agreed to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, HPC's personnel and/or certain other persons associated with HPC and/or its affiliates (e.g., a vehicle formed by HPC's principals to co-invest

alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in HPC's sole discretion, HPC reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As of December 31, 2023, the Adviser manages \$4,058,489,678 of regulatory assets under management on a discretionary basis. The Adviser does not manage any assets on a non-discretionary basis. HPC is controlled by Bennett Goodman and Avshalom Kalichstein.

## FEES AND COMPENSATION

In general, HPC receives a management fee and a carried interest in connection with the provision of advisory services to its clients. HPC or its affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the Management Fees (defined below) otherwise payable to HPC to the extent provided by the Governing Documents. In addition, in certain circumstances HPC receives compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in a Fund also bear certain expenses, including certain start-up costs as further described in the Governing Documents.

### Management Fees

During the investment period, each Fund will pay its respective General Partner (or an affiliate thereof) a management fee (the "**Management Fee**") which is payable either quarterly in advance or in quarterly in arrears, depending on the Fund and as detailed in each Fund's Governing Documents, with respect to each limited partner that is not designated as an "affiliated partner" by the General Partner. Such Management Fee will be equal to a certain percentage of either the capital commitments of such limited partner ("**Commitments**") or a limited partner's average invested capital, depending on the Fund and as specified in the Governing Documents, subject to discounts and/or reductions in certain circumstances as described in the Governing Documents. Following the investment period (or upon the occurrence of certain other events as described in the Governing Documents), certain of the Funds will pay the General Partner (or an affiliate thereof) a Management Fee equal to a percentage of such limited partner's invested capital (as further described in the relevant Governing Documents). For certain of the Funds, the Management Fee will be payable for the initial term of the Fund (except as otherwise set forth in the Governing Documents) and thereafter, such Fund will pay the General Partner (or an affiliate thereof) an

annual administration or servicing fee (as described in the relevant Governing Documents). Certain of the other Funds pay the Management Fee until the final distribution of such Fund's assets (as described in the relevant Governing Documents). Where the Governing Documents calculate Management Fees based on the amount of Commitments or the amount of investment contributions, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors. The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

To the extent specified in a Fund's Governing Documents, the Adviser or another HPC entity will be permitted to receive certain supplemental fees and other amounts ("**Supplemental Fees**") consisting of: (i) management services or advisory consulting fees paid by any portfolio company; (ii) transaction fees paid by any portfolio company; and (iii) other designated net fee payments received by the Adviser or its partners or personnel from portfolio companies or prospective portfolio companies. A Fund's Governing Documents generally will provide that Supplemental Fees received by HPC and attributable to the Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to HPC in a specified percentage (e.g., 100%). The remaining amount of such Supplemental Fees will be retained by HPC. In accordance with the Governing Documents, Supplemental Fees do not include any amounts received by HPC or other person from or in respect of any portfolio entity or prospective portfolio entity (A) as reimbursement for expenses directly related to such portfolio entity, prospective portfolio entity or related Underlying Manager, (B) as payment relating to HPC's procurement business (including fees payable to personnel thereof and/or costs and expenses related to products and services acquired in relation thereto), (C) following the disposition thereof by the relevant Fund, including fees or other compensation received in connection with any continuation fund or retained interests and/or (D) as otherwise provided in the relevant Partnership Agreement.

The Adviser reserves the right to receive Management Fees and Supplemental Fees from, on behalf of or with respect to co-investors in an investment. The Adviser currently receives and is authorized in the future to receive other fees relating to the structuring and administration of co-investment arrangements. The receipt of such other fees and Supplemental Fees from co-investors will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which could include co-investment vehicles managed by the Adviser, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others), which have the potential to be significant. Additionally, as further described below and in the relevant Governing Documents of each Fund, the Adviser will use or retain certain operating partners and affiliated service providers to provide services to (or with respect to) certain portfolio companies in which Funds invest. Such operating partners and service providers will generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will result in additional offsets to the Management Fee.

Similarly, to the extent a former Adviser employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Each of the foregoing conditions is expected to reduce the amount of Supplemental Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to HPC over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for HPC to seek to increase such amounts.

### **Carried Interest**

HPC will generally receive a carried interest with respect to a Fund of up to 20% of all realized profits subject to a compound preferred return of up to 8%, as more fully described in the respective Governing Documents. The carried interest distributed to HPC is subject to a potential giveback at the end of life of a Fund if HPC has received excess cumulative distributions and at certain interim intervals as provided in the Governing Documents. The General Partner is permitted to designate itself and/or any of its affiliates to receive all or any portion of the carried interest (any such carry recipient, a "**Special Limited Partner**"). HPC generally is permitted to waive in part or full, or charge at its discretion, varying carried interest to its limited partners.

It is expected that any future Funds will have a similar compensation structure.

### **Other Information**

HPC is permitted to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including certain investors closely associated with the General Partner's principals and/or affiliates. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by HPC and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an HPC professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. In general, the Management Fee offsets described above apply only with respect to the commitments of fee-paying investors. HPC retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

Management Fees and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

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

In addition to the Management Fee and carried interest payable to HPC, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio company

or applied to reduce Management Fees, including fees, costs, expenses, liabilities and obligations relating or attributable to: the origination, identification and sourcing of investment opportunities for the Fund and its affiliated entities; pursuing, structuring, organizing, evaluating, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring (including attending meetings with actual or prospective Underlying Managers and/or Underlying Managers' portfolio companies), operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments, future funding obligations and other transactions involving the deployment of capital of the Fund or any of its affiliated entities) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence, software and service providers, consultants and similar professionals in connection therewith); indebtedness of, or guarantees made by, the Fund or any of its affiliated entities, the Adviser, the General Partner or any of their respective affiliates on behalf of the Fund or any of its affiliated entities or any portfolio entities (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or evaluating, negotiating and/or seeking to put in place any such indebtedness or guarantee; financing, commitment, origination and similar activities; third-party broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker, finder and similar services; third-party brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account, registered office and similar services (including any depository appointed pursuant to the Alternative Investment Fund Managers Directive and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended) or any other applicable law); administrative, financial, tax or similar matters or functions of the Fund or any of its affiliated entities, including all costs of the Fund or any of its affiliated entities, the General Partner, the Special Limited Partner, the Adviser or any of their respective affiliates incurred in connection with the operation of the Fund or any of its affiliated entities, including any legal, administrator, consulting or other third-party service provider costs related thereto; regulatory and compliance activities relating to the Fund or any of its affiliated entities and any of their actual or prospective investments; developing, structuring, maintaining, operating and winding up administrative structures in European countries and other jurisdictions that are put in place to establish required residence and/or operate the investment activities of the Fund or any of its affiliated entities; legal, accounting, research, auditing, technology, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, rating agency (e.g., the obtaining and maintaining ratings for any investments and or portfolio entities (including costs related to any ratings)), advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services and the HPC procurement business (including amounts payable in respect thereof and/or costs related to products and/or services acquired in relation thereto), (including costs related to the establishment or maintenance of any such activities or services); reverse breakup, termination and other similar arrangements; insurance; activities or proceedings of the limited partner advisory committee for the Fund; indemnification; actual, threatened or otherwise

anticipated litigation, mediation, arbitration or other dispute resolution process and/or any inquiry, investigation, examination or proceeding; all costs relating to any Alternative Investment Vehicles, and feeder vehicles and any SPVs or other subsidiaries related to the Fund and its affiliates; defaults by partners in the payment or timely payment of any capital contributions to the extent not recovered from the relevant defaulting partner; amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund; unreimbursed costs incurred in connection with any transfer or proposed transfer by a Limited Partner or any Limited Partner's name change, internal restructuring or change in trust, registered agent or custodian; distributions to the partners and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses; the dissolution, winding up, liquidation and termination of a Fund; any amounts paid for or resulting from any hedging or derivatives transactions related to a Fund or its investments; any costs related to exploring, evaluating, structuring, negotiating and/or consummating a possible liquidity event or restructuring, including any costs related to offering (or otherwise making available) a liquidity event to one or more limited partners (including any costs related to initial set up, ongoing subscriptions, compliance, tax analysis and/or maintenance of secondary matching programs and/or qualified matching services); costs relating to any investment, liquidity event, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful including with respect to any continuation fund ("**Broken Deal Expenses**") and/or that may have been offered to co-investors (including co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated); any travel (including, where appropriate as determined by the General Partner, the cost of chartering private aircraft owned, partially owned, or leased by HPC, its affiliates or any of their respective personnel, or other private air travel, in each case, not in excess of the cost of first class commercial airfare for reasonably comparable flights as determined by the General Partner), meals, lodging and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities and other fund related costs as more fully explained in the Governing Documents. Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses generally are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of HPC and/or its affiliates. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, rent, utilities and other similar expenses specified in the Governing Documents. In certain cases, these or similar expenses (and/or SVG Fees (as defined below)) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies ("**SPACs**"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where

prohibited by the Governing Documents, such interests are permitted to be issued to the Adviser and its personnel. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

As described above, in certain circumstances, the relevant General Partner is expected to permit (and has historically permitted) certain investors to co-invest in portfolio companies alongside one or more Funds, subject to HPC's related policies and practices and the Governing Documents and/or Side Letter(s). Such co-invest vehicle generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will generally be borne by the Fund(s), and not by any co-investors, that were to have participated in such transaction. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

As described in more detail in the applicable Governing Documents, with respect to certain Funds, HPC provides strategic value-add for its Underlying Managers through HPC's Strategic Value Group (the "SVG"). HPC and/or its affiliates generally have discretion over whether to charge fees for certain value-add operational, strategic, advisory, financial and other support services (including environmental, social and governance consulting; fundraising; client development; product development; human resources; purchasing; marketing; financial advisory and monetization and other services) ("**SVG Services**" and any fees related to such SVG Services "**SVG Fees**") to an Underlying Manager or any Underlying Manager's portfolio companies and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of SVG Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and HPC and/or its affiliates on the other hand. Certain members of the SVG are not employees, members, or partners of any HPC entity and are not expected to have a carried interest in any investment made by a Fund. However, in certain instances, the members of the SVG are expected to receive compensation from HPC portfolio companies and/or directly from a Fund. Such compensation will not result in offsets to or reductions of any Management Fee, Cost Reimbursement or Servicing Fee paid by a Fund, as applicable.

Additionally, HPC's procurement business, which is part of the services offered by the

SVG, is a group purchasing organization that provides purchasing services to member companies, which includes portfolio entities owned, in whole or in part, by certain HPC-managed Funds, Underlying Manager funds and third-parties. HPC's procurement business provides the option of group purchasing services to a Fund, the Underlying Managers and their investment vehicles and portfolio companies, other HPC Funds and HPC. HPC's procurement business is owned by HPC, and accordingly, HPC will receive any profit generated through any participation by a Fund, the Underlying Managers and/or their investment funds or portfolio companies in the procurement business by such entities which creates a conflict of interest for HPC. Additionally, potential and actual conflicts of interest exist in connection with HPC's operation of HPC's procurement business, including that HPC will have a financial incentive to negotiate purchasing, vendor or similar arrangements on terms favorable to HPC's procurement business, which could result in less favorable terms or discounts for program participants.

For further details and information regarding the conflicts of interest related to SVG Services and the HPC procurement business, please refer to the disclosure in "Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest" below.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” the relevant General Partner generally receives a carried interest allocation on certain realized profits in the relevant Fund. HPC does not advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under “Fees and Compensation.”

The existence of performance-based compensation has the potential to create an incentive for the General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise operate in the absence of such arrangement, although HPC generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amount at certain interim intervals.

## TYPES OF CLIENTS

HPC provides investment advice solely to its Fund clients, and references throughout this Brochure to “clients” and to HPC’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of HPC and its affiliates and members of their families, or other service providers retained by HPC or a Fund, as well as executives of portfolio companies.

The relevant General Partner also generally is permitted, and has, established Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents of the related Fund.

The Funds generally have a minimum investment amount of \$5 million for third-party investors, and the Funds’ interests are offered and sold solely to qualified purchasers (or qualified knowledgeable HPC personnel). HPC generally is permitted to waive such minimum investment amount.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### General

HPC is a private investment firm primarily focused on two distinct and complementary investment strategies through a single integrated platform: (1) making permanent, non-controlling equity investments in middle-market alternative asset managers and their related entities on a global basis in a variety of industry sectors and asset classes, including, without limitation, private equity, private credit, infrastructure and real estate, and (2) providing tailored, limited duration, secured financing to alternative asset managers and the funds that they manage, including (a) making loans to individual private funds managed by alternative asset managers secured or collateralized by the net asset value of such fund's portfolio investments and (b) through preferred securities or loans at the alternative asset manager company level, collateralized by such asset manager's assets and/or cash flows, including contractual management fees. HPC targets opportunities where HPC believes it can add value by providing capital, financing solutions, strategic advice, and other value-added services to help firms grow their businesses. HPC's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly of non-public companies although investments in public companies are permitted.

There can be no assurance that HPC will achieve the investment objectives of any Fund and a loss of investment is possible.

### Investment and Operating Strategy

HPC's strategy is centered on a highly focused, systematic effort to identify top quality middle-market alternative asset managers who possess a strong likelihood of success via sustainable, defensible growth and long-term enterprise value creation potential. HPC specifically focuses on opportunities where HPC believes that it can add value.

Through the use of HPC's SVG, HPC seeks to work with fund managers early on, providing services aimed at helping to accelerate value creation through the knowledge and insights that HPC's management team has developed through their experience helping to build leading global asset management businesses. The Funds are also authorized to invest in one or more of the funds, vehicles or other products sponsored or managed by the Underlying Managers with profit and/or revenue share participation granted in exchange for such investment (in addition to the economics associated with an investment in such products).

### Risks of Investment

Each Fund and its investors bear the risk of loss that HPC's investment strategy entails. The risks involved with HPC's investment strategies and an investment in a Fund include, but are not limited to:

*Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as an illiquid investment. It is unlikely that there will be a public market for the securities held by a Fund at the time of their acquisition. The interests in a Fund have not been registered U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, the

securities laws of any state or the securities laws of any other jurisdiction and, therefore, generally cannot be resold unless they are subsequently registered under applicable securities laws, or unless an exemption from such registration requirements will be available. Absent a liquidity event, it is not contemplated that registration of the interests in a Fund would be available. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years (or at all) after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the relevant General Partner, the Adviser or one of their affiliates) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

*Perpetual Term.* Certain of the Funds have a perpetual term and, unlike more traditionally structured private equity investment vehicles, are not self-liquidating. Accordingly, limited partners may not be able to liquidate their investments prior to the liquidation of such Fund and, therefore, must be prepared to bear the risks of owning interests in the Fund and contributing capital indefinitely. In addition, there can be no assurance that a Fund will have sufficient cash flow to permit it to make annual distributions in the amounts necessary for the limited partners to pay all tax liabilities resulting from the limited partners' ownership of interests.

*Suitability of Investing in a Fund; No Assurance of Investment Returns.* An investment in a Fund is not suitable for all individuals or entities. An investment in any of the Funds is suitable only for sophisticated investors and an investor must have the ability to understand and accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in a Fund. Investors with any doubts as to the suitability of an investment in a Fund should consult professional advisers to assist them in making their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Fund in light of their own circumstances and financial condition. There can be no assurance that a Fund will be able to implement its investment strategy and investment approach or achieve its investment objective or that a limited partner will receive a return of its invested capital. Certain of the Fund's have an "evergreen" structure with a perpetual term, subject to certain limitations set forth in the relevant Partnership Agreement. An investment in a Fund requires an indefinite or long-term commitment (as applicable), with no certainty of overall positive investment returns and the risk of loss of capital. There can be no assurance of liquidity, and there is no assurance that any Fund will be able to make distributions or other payments as described in the Governing Documents or generate returns for its investors or that the returns will be commensurate with the risks described therein. An investment in a Fund should only be considered by persons who can afford a loss of their entire investment.

In light of the various legal, tax and regulatory considerations applicable to the Funds and any of their parallel investment vehicles, such parallel vehicles(s) may not participate in all investments to the same extent or through the same structures and, accordingly, such vehicle(s) will generally experience different returns with respect to each other.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value.

Certain investments may be distributed in kind to the partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such partners may sell such securities may be lower than the value of such securities determined pursuant to the relevant Partnership Agreement, including the value used to determine the amount of carried interest available to the Special Limited Partner with respect to such investment.

*Borrowing and Leverage.* A Fund is permitted to borrow or obtain leverage on a secured or unsecured basis and the relevant General Partner expects to cause the Fund (or other entities formed to hold Fund investments) to borrow funds or otherwise obtain leverage for the purpose of facilitating investments in Underlying Managers, which will be in addition to indebtedness that is incurred, directly or indirectly, by such Underlying Manager. Accordingly, a Fund could effectively be highly leveraged at any given time as there are few limits (except for the limits set forth in the relevant Partnership Agreement) on the Fund's ability to borrow amounts. As further described under "Investment- and Intermediate Entity-Level Borrowing" below, certain of the Funds are authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing or NAV-based borrowing) and/or the unfunded commitments of the limited partners (e.g., subscription facility borrowing). The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a portfolio company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in value of such Fund's investments in leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the investments purchased or carried. If investment results fail to cover the cost of borrowings, a Fund's assets (including uncalled commitments) could decrease faster than if there had been no borrowings. Additionally, if investments fail to perform to expectation or suffer losses, the value of interests in a Fund of limited partners will decrease more than if the Fund had not incurred borrowings or other leverage, so that borrowings or other leverage will magnify any such adverse consequences. Repayment of borrowings and other leverage incurred by a Fund is an obligation senior to the interests in the Fund of the limited partners, and the agreements for such obligations may prohibit distributions to limited partners in certain circumstances. To the extent a Fund incurs leverage (or provides such guarantees), such amounts are permitted to be secured by capital commitments made by the limited partners and such limited partners' contributions may be required to be made directly to the lenders instead of the Fund. A Fund is permitted to incur leverage on a joint and several basis with one or more other investment funds and entities managed by the relevant General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. Further, to the extent income received from investments is used to make interest and principal payments, the partners may be allocated income, and therefore may incur a tax liability, in excess of cash distributed to them. Additionally, tax-exempt investors should note that the use of leverage by a Fund may give rise to debt-financed UBTI. Because the Funds are permitted to

engage in portfolio financings where several Fund investments are cross-collateralized, multiple Fund investments may be subject to the risk of loss. As a result, the Funds could lose their interests in any performing Fund investments in the event such investments are cross-collateralized with poorly performing or nonperforming Fund investments. The incurrence of a significant amount of indebtedness, directly or indirectly, by a Fund or a Fund investment could, among other things, (i) give rise to an obligation to make mandatory prepayments of debt, which will reduce distributions to limited partners, (ii) limit the ability of the Fund or the Fund investment to adjust to changing market conditions, placing it at a disadvantage compared to its competitors who have relatively less debt, and (iii) limit the ability of the Fund or the Fund investment to obtain additional financing or increase the cost of obtaining such financing. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

*Securitizations; Back Leverage; Holding Vehicles.* To finance investments or otherwise manage capital needs of a Fund, certain Funds may securitize or otherwise restructure or repackage some or all of their investments and/or other assets on an individual or cross-collateralized basis with other investments and/or assets held by the Fund any other HPC Fund and HPC may otherwise structure or package some or all investments and/or assets held by other HPC Funds in holdings vehicles as described in the relevant Fund's Governing Documents, unrelated to any financing arrangements, but which will nevertheless give rise to similar risks. This would typically involve creating one or more special purpose vehicles, contributing a Fund's assets to such vehicle or a related entity, and issuing debt or preferred equity interests in such entity or having such entity make borrowings or incur other indebtedness on a non-recourse or limited-recourse basis to purchasers or lenders, as the case may be, or engaging in such transactions with existing holding or other special purpose vehicles. To the extent such arrangements are entered into by any such vehicle or entity (and not a Fund itself), such arrangements will not be subject to the limits on borrowings or other indebtedness (or any limits on issuing additional interests) by the Fund or limits on cross-collateralization that are set forth in the relevant Partnership Agreement and will not be treated as a single investment for purposes of the investment limitations. In connection with the foregoing, distributions from one investment may be used to pay interest and/or principal (or the equivalent amounts regarding preferred securities) with respect to other investments.

If a Fund were to utilize one or more of such special purpose vehicles for any such purpose, each of the limited partners, including those that have no (or different) interest in certain investments (due to exercise of excuse or exclusion rights, for example) would nevertheless be exposed to risks associated with the Fund's interest in such investments and/or other assets. The limited partners and/or the relevant Fund may also have an interest in certain investments that is disproportionate to their exposure to leverage through cross-collateralization on other investments. A decline in the value of such investment could also result in increased costs of borrowing for the relevant Fund as a whole. Similar circumstances could arise in a situation where a Fund and a co-invest vehicle participate in borrowings that experience a margin call, and the co-invest vehicle's investors already have funded their full commitments to such vehicle and accordingly have the option (and not the obligation) to fund additional amounts or otherwise be diluted by the relevant Fund and/or other HPC Funds. In addition, if certain limited partners and/or a Fund are excused or excluded from or otherwise do not participate in an investment, through cross-collateralization, such limited partners or the relevant Fund, as the case may be, may nevertheless be indirectly

exposed to risks associated with leverage on investments made by other HPC Funds in which such limited Partners and/or the Fund is not invested and distributions from unrelated investments may be used to satisfy obligations with respect to such investment. In addition, a Fund would depend on distributions from a special purpose vehicle's assets out of its earnings and cash flows to enable the Fund to make distributions to its limited partners and the relevant General Partner. The ability of such a special purpose vehicle to make distributions will be subject to various limitations, including the terms and covenants of the debt/preferred equity it incurs. Also, a special purpose vehicle could take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower or be required to prepay all or a portion of its cash flows to pay outstanding obligations to credit parties. As a result, there could be a lag, which could be significant, between the repayment or other realization from, and the distribution of cash out of, such a special purpose vehicle, or cash flow may be completely restricted for the life of the relevant special purpose vehicle. To the extent any such special purpose vehicle defaults in its obligations to any credit parties, such credit parties may be entitled to foreclose on any collateral pledged by the applicable special purpose vehicle(s) and/or otherwise exercise rights and remedies as a creditor against the assets of any such special purpose vehicle(s), which could result in a loss of all or a part of a Fund's interest in any applicable special purpose vehicle and/or distributions therefrom.

In addition, a decline in the quality of assets in a special purpose vehicle due to poor operating results of the relevant issuer, declines in the value of collateral (whether due to poor operating results or economic conditions), among other things, could force a special purpose vehicle to sell certain assets at a loss, reducing their earnings and, in turn, cash potentially available for distribution to a Fund for distribution to its limited partners, or in certain cases a margin call or mandatory prepayment may be triggered by such perceived decrease in value which could require a large amount of funding (either from separate borrowing proceeds or capital contributions) on short notice.

*Subscription Lines.* A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the

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

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital

at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the Adviser for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

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

borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

*Multi-Step Transactions.* In the event a Fund determines to effect an investment in a portfolio entity by means of a multi-step transaction, there can be no assurance that the remainder of such investment can be successfully completed. As a result, such Fund may acquire only partial access to a portfolio entity's cash flows to service any debt incurred in connection with the investment.

*Additional Capital.* Certain of a Fund's investments are expected to require additional financing to maintain an Underlying Manager's competitive position or satisfy operational requirements or growth strategies. If such capital is not provided by such Fund, an Underlying Manager may raise additional capital at a price unfavorable to the existing investors, including the Fund. In addition, the Fund may make additional investments in such Underlying Manager or exercise warrants, options or convertible securities that were acquired in the initial investment in such Underlying Manager in order to preserve the Fund's proportionate ownership if a subsequent financing is planned, or to protect the Fund's investment if such Underlying Manager's performance does not meet expectations. The availability of capital is generally a function of market conditions that are beyond the control of the Funds. There can be no assurance that a Fund's Underlying Managers will be able to predict accurately the future capital requirements necessary for success or that additional capital will be available from any source. A Fund may have the opportunity to provide follow-on funding for its investments or have the opportunity to increase its investment in an Underlying Manager. There can be no assurance that such Fund will want to make follow-on investments or that it will have sufficient capital available or the ability to make such follow-on investments. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on Underlying Manager in need of such additional capital or may diminish the Underlying Manager's future development.

*Risks Relating to any Restructuring or Liquidity Event.* A General Partner may, in its sole discretion, take actions in an attempt to realize its investments or provide means of liquidity to limited partners as described in the relevant Governing Documents. No assurance can be given that the economic or legal rights attributable to such post liquidity event interests will be as favorable to limited partners as the rights attributable to a Fund and no assurance can be provided that any restructuring will not result in adverse tax or financial consequences to limited partners. There can be no assurance that a liquidity event will ever occur or that if the liquidity event occurs, the value of the interests issued in connection with the liquidity event will equal or exceed that value of the limited partnership interests issued in exchange therefor had such interests been retained. The risks associated with the ownership of any interests issued in connection with the liquidity event may be different, and may be greater, than the risks associated with an investment in an interest. If partners convert, or are required to convert, all or a portion of their interests in a Fund into another form of interest in connection with a liquidity event, their rights and benefits as a holder of such interest may differ substantially from the rights and benefits that they have as investors in the Fund. If a liquidity event involves a listing or public offering of securities, due to current legal and regulatory considerations, it is possible such listing or offering may only be permitted to occur outside the United States.

A Fund could face contractual, regulatory and market constraints on its ability to effect a

restructuring or liquidity event. For example, to effect a public listing, the Fund may be required to provide certain information about each Underlying Manager in public filings, or otherwise to provide such information to various government or private entities. If the Fund is not permitted by an Underlying Manager to disclose such information, it may not be able to carry out a liquidity event, or the potential venues for a liquidity event may be materially restricted. To the extent a liquidity event involves a non-U.S. initial public offering, sale and transfers to U.S. investors would likely be restricted only to certain qualified persons under applicable U.S. securities laws.

*Risk of Unsuccessful Liquidity Strategy.* A General Partner may choose to pursue a liquidity strategy within or outside the United States. If a Fund fails to execute a liquidity strategy successfully, the Fund may be forced to liquidate its assets on terms less favorable than anticipated and the disposition proceeds from such investments and remaining investments may be adversely affected. Alternatively, the Fund may choose to hold such investments indefinitely.

*Limitations on Availability of Exit Opportunities.* A Fund's ability to dispose of investments may be limited for several reasons (some or all of which may be outside of the Fund's control), including the absence of an established market for such investments, as well as contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms upon which a disposition could be made. Any possibility of a disposition in the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market, among other factors. Furthermore, investments in Underlying Managers by their nature are subject to industry cyclicality, downturns in financial markets, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time-consuming to liquidate.

*Limited Operating History.* Certain of Funds and the General Partners have commenced operations in the last few years and therefore have limited operating history upon which prospective investors may evaluate their performance. Furthermore, there can be no assurance that a Fund's investments will be successful and investors should draw no conclusions from the transactional and advisory experience described in the Governing Documents. In addition, a Fund's investments differ from previous investments made by the HPC investment team and/or other HPC investment professionals in a number of respects, including investment strategy and objective, target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure and holding period. Furthermore, a Fund may invest in Underlying Managers run by managers who have recently established their investment management companies or funds. There may be little, if any, historical performance data available for these Underlying Managers. The past performance of a manager's prior fund or investments (whether in a principal capacity or an advisory role) may not be an indication of the future performance of the manager's new investment management company or fund. There can be no assurance that these Underlying Managers will achieve their respective performance objectives.

The failure of one or more of a Fund's investments to meet performance objectives could have a material adverse effect on the Fund.

*Market and Credit Risks of Debt Securities.* Investment portfolios with debt, debt-like and

preferred equity securities are subject to credit and interest rate risks. “Credit risk” refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Certain of the investments a Fund makes may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. Furthermore, certain instruments may provide for payments-in-kind interest, which has a similar effect of deferring current cash payments. In both cases, an issuer’s ability to repay the principal of an investment may be dependent on a liquidity event or the long-term success of the issuer, the likelihood of which is uncertain. Credit risk may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such security. Interest rate changes may affect the value of a debt, debt-like or preferred equity instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Funds. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. This risk will be greater for long-term securities than for short-term securities. While a Fund is permitted to seek to hedge such risks (including through investments in treasury securities or derivative instruments), it does not intend to do so actively. There is no assurance that such measures, even if implemented, will be effective. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Certain investments may be structured as debt rather than equity for regulatory, tax, contractual or other reasons. US investments structured as debt are more likely to produce income that is effectively connected to a trade or business in the US debt investments may also have other characteristics that are treated differently, possibly in an adverse manner, with respect to different investors.

A Fund will be dependent upon the judgment of the relevant General Partner as to the credit quality of the investments. There can be no assurance that such General Partner will be successful in assessing the credit risk of the different investments or mitigating the impact of credit risk changes. An issuer’s ability to repay its loans may be adversely affected by numerous factors, including, without limitation, the failure to meet its business plan, a downturn in its industry or negative economic conditions. Loans that become non-performing may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan. However, even if such restructuring were successfully accomplished, a risk exists that upon maturity of such mortgage loan, replacement “take-out” financing will not be available. There is no assurance that the value of any collateral will be

sufficient to protect all or a portion of the related investment. Deterioration in an issuer's financial condition and prospects may be accompanied by deterioration in the value of any collateral and a reduction in the likelihood of capitalizing on any guarantees that may have been obtained from the issuer or other parties. An issuer's failure to satisfy financial or operating covenants imposed under the related investment could lead to defaults and, potentially, acceleration of the time when the investment is due. Foreclosure on its assets securing an investment could trigger cross defaults under other loans of the issuer (or vice versa), and could result in prepayment of the investment (or such other loans) or jeopardize the issuer's ability to meet its obligations under the investment, and could have a material adverse effect on the value of any related equity interests of such issuer that a Fund may hold.

Furthermore, a General Partner cannot assure that other claims may not be asserted that might interfere with enforcement of a Fund's rights. The General Partner cannot guarantee the adequacy of the protection of the Fund's interests, including the validity or enforceability of the applicable investment contract and the maintenance of the anticipated priority and perfection of any applicable security interests. A default by an issuer may result in a Fund being unable to liquidate the related investment prior to the termination of the Fund; and such investment may end up being restructured on terms that might result in the Fund being unable to liquidate it prior to the termination of the Fund. This could cause the limited partners to receive in-kind distributions in respect of such investments upon the termination of such Fund.

*Revenue Participation Rights; Equity Interests.* Although unlikely, certain investments by certain of the Funds in Underlying Managers are expected to offer the opportunity for capital gains, such investments involve a high degree of business and financial risk can result in substantial losses. These risks include, but are not limited to, risks associated with investments in businesses at an early stage of development or with little or no variations in operating results. Although it is anticipated that a Fund will not control (i.e., acquire a controlling interest or control voting board seats) or make decisions on behalf of any Underlying Manager, the Fund may own economic interests in Underlying Managers and may seek to have observer rights and other transparency rights with respect to such Underlying Managers. It is possible that third parties (including regulators) will try to impose liability on such Fund in connection with the operations of Underlying Managers. If successful, any such liability could adversely affect the performance of the Fund. A Fund's interests in Underlying Managers may be subordinated to indebtedness or other interests that rank senior to the Fund's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of the Fund's investment. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an Underlying Manager, holders of securities ranking senior to the Fund's investment would typically be entitled to receive payment in full before distributions could be made to the Fund. After repaying senior security holders, the Underlying Manager may not have any remaining assets to use for repaying amounts owed to the Fund. To the extent that any assets remain, holders of claims that rank equally with the Fund's investment would likely be entitled to share only on an equal and ratable basis in distributions that are made out of those assets.

Certain Underlying Managers also have "benchmarks", "hurdles" or "preferred returns" whereby the investment management company does not earn performance-based income during the current period, as a result of losses in prior periods (or where current period results did not satisfy

such benchmarks, hurdles or preferred returns), even though the managed investment funds had positive returns in the current period. If a fund managed by an Underlying Manager experiences losses (or fails to meet performance benchmarks or preferred returns), such Underlying Manager will not be able to earn performance-based returns from that fund until it satisfies such benchmarks or preferred returns.

The returns on a Fund's investments in Underlying Managers will depend on the profitability of Underlying Managers, who will retain control over the operations, budgets, expenses, compensation and revenues of their respective firms. The returns on a Fund's investments in Underlying Manager funds will depend on the profitability of the Underlying Manager funds, which are controlled by the Underlying Managers. The returns on the Fund's investments in Underlying Manager portfolio companies will depend on the profitability of the Underlying Manager portfolio companies, which are controlled by their management teams and the Underlying Managers. It is possible that a Underlying Manager may make decisions in the exercise of its discretion over these items that may adversely affect its performance or cash flows available for distribution by a Fund.

*Past Performance of Underlying Managers Is Not Indicative of Future Performance.* Among the factors that the General Partners may consider in selecting Underlying Managers for investment is a record of strong financial performance and prospects for future success and growth. However, the past performance of an Underlying Manager is not indicative of such Underlying Manager's future performance. There is no assurance that an Underlying Manager will achieve similar revenues or profits in the future and an investment with an Underlying Manager could result in a partial or total loss of investment for a Fund. The foregoing may have a material adverse effect on a Fund's performance.

*Additional Risks Applicable to Allocation of Investments to Certain Underlying Managers.* The Funds may invest in Underlying Managers that have relatively low levels of assets under management, limited direct experience managing investment vehicles and/or limited or no experience managing certain of the strategies expected to be deployed by them in their investment program. Subject to the limitations set forth in the Partnership Agreement, the Fund may invest a substantial portion of its investments with such Underlying Managers. An investment by the Fund in such Underlying Manager may entail additional risks. For example, such Underlying Manager may not yet have established their infrastructure, may have infrastructure that has been newly established or may have fewer dedicated resources and less developed marketing and other capabilities when compared with managers that have higher levels of assets under management. Such Underlying Managers may also have less robust processes, procedures and controls to help address cybersecurity risks and regulatory compliance. The foregoing may have a material adverse effect on a Fund's performance.

*Attractiveness to Underlying Managers of an Investment by a Fund.* A Fund's structure and investment objective may impair its ability to complete investments. The Adviser may pursue certain realization and monetization strategies including but not limited to liquidity events such as a public listing of interests in a Fund or a sale of all or some of the Fund's interests in an Underlying Manager. A prospective Underlying Manager may not be interested in an investment by a Fund if required to disclose information that might be made public as part of a liquidity event or if it may ultimately result in an interest in such Underlying Manager potentially becoming one indirectly held by a publicly traded entity. In addition, while an Underlying Manager may feel comfortable with a

Fund being a minority owner of its business, such Underlying Manager may not have the same view for potential transferees and, as such, may not approve a partial or full sale of a Fund's interest in such Underlying Manager.

*Limited Transparency.* Although it will not control or make investment decisions with respect to an Underlying Manager's operations, a Fund may seek to influence or obtain certain favorable terms, such as a certain level of information from an Underlying Manager or observer rights with respect to an Underlying Manager's operations. Some Underlying Managers may be unwilling to grant transparency rights for a variety of reasons, including due to confidentiality concerns. Alternatively, HPC and/or its respective affiliates may elect not to receive certain information from an Underlying Manager that they otherwise may have been entitled to receive, such as material non-public information about such Underlying Manager in order to avoid trading restrictions for a Fund or its affiliates.

*Underlying Manager Accounting and Reporting.* If an Underlying Manager under-reports to a Fund the amount of revenues or income (as applicable) that it has generated, or attempts to use other accounting or other methods in order to avoid its obligations to share revenues or income (as applicable) with the Fund, the Fund may be adversely affected. In connection with its Underlying Managers, a Fund intends to seek investment terms designed to prevent any such under-reporting or similar circumvention of the Fund's economic participation, including rights for the Fund to receive periodic and other reports and similar information from an Underlying Manager, rights to inspect an Underlying Manager's financial records and/or a requirement that professional outside accountants periodically audit the financial reports of an Underlying Manager. However, there is no assurance that such investment terms will fully protect the Fund from such risks.

*Financial Reporting Risks of Global Investing.* Underlying Managers in which the Funds invest may be subject to accounting, financial, auditing and other reporting standards, practices and disclosure requirements that are not equivalent to U.S. GAAP. Accordingly, information available to a Fund that is not consistent with U.S. GAAP may be less reliable and less detailed than information available in more financially sophisticated countries, which could adversely impact, among other things, HPC's due diligence and reporting activities.

*Impact of Government Regulation, Reimbursement and Reform.* The Funds might invest in Underlying Managers that invest in certain industry segments, including various segments of the healthcare, financial services, real estate and telecommunications industries, that are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies (either directly as co-investments in Underlying Manager portfolio companies or indirectly through the Underlying Managers) that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare, financial services, real estate and telecommunications industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the applicable

Underlying Managers (negatively impacting the relevant Fund's investment in such Underlying Managers). By way of example, the healthcare and financial services industries have been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industries are introduced from time to time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which a Fund may directly or indirectly invest.

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

*Multiple Levels of Fees and Expense.* A Fund bears its direct expenses and management costs, as well as its pro rata share of certain expenses and management costs incurred directly or indirectly by the Underlying Managers in which it indirectly invests. This will result in more expenses being borne by the limited partners than if the limited partners were able to invest directly in the Underlying Managers. In addition, although the General Partners generally do not expect that the Funds will be charged management fees or bear incentive fees or allocation in their capacity as a direct or indirect investor in an Underlying Manager, there will be organizational and operating expenses associated with such Underlying Manager that the Fund will bear a portion of. Further, the relevant Fund will bear its pro rata share of certain expenses and management fees incurred directly or indirectly through any investment in funds advised by Underlying Managers. These various levels of costs and expenses will be charged whether or not the performance of the Fund generates positive returns for the limited partners. As a result, the Fund, and indirectly the limited partners in the Fund, will bear multiple levels of expenses, which in the aggregate will exceed the expenses which would typically be incurred by an investment in a single fund investment, and which will reduce the Fund's profits. In addition, because of fees and expenses payable by a Fund, returns to the limited partners will be lower than the returns to a direct investor in the Underlying Managers. Such returns will be further diminished to the extent a Fund is also charged management fees and/or bears carried interest or other similar performance-based compensation by HPC.

*Lack of Coordination Among Underlying Managers.* Investment decisions of the Underlying Managers are made by such Underlying Managers independently of each other. While investment in multiple Underlying Managers is expected to provide a Fund with diversification, it may result in Underlying Managers holding opposite (or concentrated) interests in particular asset classes or overlapping investments. To the extent Underlying Managers engage in opposite trading or investment activities, it could increase transaction costs. To the extent Underlying Managers engage in similar trading or investment activities, it could concentrate a Fund's interests in a specific asset class or investment.

*Unspecified Investments.* An investor acquiring any interest must rely upon the ability of the relevant General Partner and/or the Adviser to identify, structure and implement investments, consistent with a Fund's investment objectives and policies. A Fund may be unable to source a sufficient number of attractive opportunities to meet its investment objectives. The success of a Fund will depend on the ability of the relevant General Partner and/or the Adviser to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of Fund investments.

*Investment in Junior Securities.* The securities in which certain of the Funds will invest may be among the most junior in an Underlying Manager's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect such Fund's investment once made.

*Preferred/Structured Equity.* Certain of the Funds will invest in leveraged preferred equity, structured equity and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Among the factors that the Adviser may consider in selecting such Underlying Managers for investment is a record of strong financial performance. However, the past performance of any such Underlying Manager is not indicative of its future performance. There is no assurance that such Underlying Manager will achieve similar revenues or profits in the future. While it is expected that representatives of the Adviser will periodically meet with the management of Underlying Managers in which a Fund invests and that the Fund may negotiate contractual terms requiring such Underlying Managers to periodically provide the Fund with certain information, the Fund generally will not have the opportunity to evaluate the specific strategies employed by the Underlying Managers and their funds and the Fund will not have an active role in the day-to-day management of the Underlying Managers.

Furthermore, a Fund's right to payment will be subordinated to the payment rights and security interests of a senior lender, to the extent applicable. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, certain instruments may provide for payments-in-kind, which have a similar effect of deferring current cash payments. In such cases, a Underlying Manager's or portfolio entity's ability to repay the principal of an investment may depend on a liquidity event or the long-term success of an Underlying Manager, Underlying Manager fund or Underlying Manager portfolio company, the occurrence of which is uncertain.

The preferred equity investments in which certain of the Funds will invest, by the nature of the capital structure of such investments, will involve a high degree of financial risk. These securities will be unsecured. In addition, while the relevant General Partner will endeavor to structure the preferred equity investments in a manner most favorable to the relevant Fund, these securities may not be protected by all the financial and other covenants and limitations that would be typical for secured loans. These investments often reflect a greater possibility that adverse changes in the financial condition of the counterparty and underlying assets or in general economic conditions or both may impair the ability of the counterparty to make distributions. Preferred equity investments are often issued in connection with leveraged acquisitions, recapitalizations or restructurings, each of which entails potential risks.

*Credit Ratings.* Although some investments held by certain of the Funds may have credit

ratings assigned to them, credit ratings of debt obligations merely represent the applicable rating agency's opinions regarding their credit quality and are not a guarantee of quality. There is no assurance that a rating accorded to such investments will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances in the future so warrant (which may include a change in such rating agency's rating methodology or criteria). In addition, a rating agency may fail to make timely changes in credit ratings in response to subsequent events, so that the relevant issuer's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings are only a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Investments in non-investment grade and comparable unrated obligations will be more dependent on the relevant General Partner's credit analysis than would be the case with investments in investment-grade debt obligations.

*Secured Debt.* Some of the investments of certain of the Funds could be senior debt or secured debt. The characterization of an investment as senior debt or senior secured debt does not mean that such debt will necessarily have repayment priority with respect to all other obligations of the issuers. Issuers may have, and/or may be permitted to incur, other debt and liabilities that rank equally with or senior to the senior loans in which a Fund invests. If other indebtedness is incurred that ranks in parity in right of payment or proceeds of collateral with respect to debt securities in which a Fund invests, the Fund would have to share on an equal basis any distributions with other creditors in the event of a liquidation, reorganization, insolvency, dissolution or bankruptcy of such Issuer. Where a Fund holds a first lien to secure senior indebtedness, the investments may be permitted to issue other senior loans with liens that rank junior to the first liens granted to the Fund. The intercreditor rights of the holders of such other junior lien debt may, in any liquidation, reorganization, insolvency, dissolution or bankruptcy of such issuer, affect the recovery that the relevant Fund would have been able to achieve in the absence of such other debt.

Even where the senior loans held by a Fund are secured by a perfected lien over a substantial portion of the assets of an issuer and its subsidiaries, the issuer and its subsidiaries will often be able to incur a substantial amount of additional indebtedness, which may have an exclusive lien over particular assets. Accordingly, any such debt and other liabilities of such subsidiaries would, in the event of liquidation, dissolution, insolvency, reorganization or bankruptcy of such subsidiary, be repaid in full before any distributions to an obligor of the loans held by a Fund. Furthermore, these other assets over which other lenders have a lien may be substantially more liquid or valuable than the assets over which a Fund has a lien. A Fund may also invest in second-lien secured debt, which compounds the risks described in this paragraph. These investments may be subject to the risk that a Fund's security interests in the underlying collateral are not properly or fully perfected. Compounding these risks, the collateral securing debt investments will often be subject to casualty or devaluation risks.

*Nature of Mezzanine Investments and Other Subordinated Investments.* Certain of the Funds may invest in loans, securities and/or other instruments, or interests in pools of securities and/or other instruments that are subordinated or may be subordinated in right of payment and ranked junior to other securities and/or instruments issued by, or loans made to, obligors. Mezzanine and other subordinated debt investments involve a high degree of risk with no certainty of any return of capital. Although subordinated debt is senior to common stock and other equity securities in the capital structure, it may be subordinated to large amounts of senior debt and is

often unsecured.

While subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of such investments and may benefit from cross-default provisions, some or all of such terms may not be part of particular investments. In addition, the ability of the subordinated debt holders to influence an issuer's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. Accordingly, the Fund may not be able to take the steps necessary to protect their investments in a timely manner or at all. Further, the unsecured debt in which a Fund may invest may not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity and may not be rated by a credit rating agency.

Subordinated debt investments may increase a relevant Fund's exposure to adverse economic factors such as significantly rising interest rates, severe downturns in the economy or deterioration in the condition of the obligor on the subordinated debt investment. Conversely, mezzanine loans and other subordinated debt investments are often less risky than equity investments because the claims of subordinated debt investors are typically senior to those of equity holders in the issuer. In the event that any obligor of a mezzanine loan or other subordinated debt investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of the relevant Fund's investment in such loan could be significantly reduced or even eliminated.

If an obligor becomes subject to insolvency proceedings in any jurisdiction, the rights of holders of mezzanine and subordinated debt may be adversely affected. Such proceedings and related laws and remedies vary substantially from jurisdiction to jurisdiction, may create the right of such obligor to avoid certain unfavorable contracts or obligations and may result in significant delay and/or limitations on repayment of amounts owed to a Fund. With respect to a Fund's investments in the form of subordinated debt obligations, upon any distribution to the relevant issuer's creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such issuer's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on such investment. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to such issuer, the relevant Fund will typically participate with all other holders of such issuer's indebtedness in the assets remaining after the issuer has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). Such issuer may not have sufficient funds to pay all of its creditors, and the relevant Fund may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such issuer or the holders of indebtedness that is not subordinated. If an issuer declares bankruptcy, the relevant Fund may not have full or any recourse to the assets of the issuer, or the assets of the issuer may not be sufficient to satisfy the loan. Further, the relevant General Partner's ability to amend the terms of a Fund's loans, assign its loans, accept prepayments, exercise its remedies (through "standstill periods") and control decisions made in bankruptcy proceedings may be limited by intercreditor arrangements if debt senior to the Fund's loan exists.

*Unsecured Debt.* Certain of the Funds may invest a portion of their assets in unsecured indebtedness, whereas all or a significant portion of the issuer's senior indebtedness may be

secured. In such situations, the ability of the Fund to influence the issuer's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors.

*High Yield Instruments.* Certain of the Funds may purchase and/or hold "high yield" notes, preferred securities and other debt products, which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Debt instruments in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated instruments and are generally considered to be predominately speculative with respect to the issuers' capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than instruments with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated instruments, the yields and prices of such instruments may tend to fluctuate more than those of higher-rated instruments. The market for lower-rated instruments is thinner and less active than that for higher-rated instruments, which can adversely affect the prices at which these instruments can be sold. In addition, adverse publicity and investor perceptions about lower-rated instruments, whether or not based on fundamental analysis, may contribute to a decrease in the value and liquidity of such lower-rated instruments. Further, rating agencies may downgrade certain instruments in which a Fund has invested. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. No assurances can be given that the ratings on such instruments accurately reflect their risk profiles.

*Convertible Securities.* Certain of the Funds may invest in convertible securities. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. Because of the embedded equity component of convertible securities, the value of convertible securities is sensitive to changes in equity volatility and price. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price

established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Moreover, a decrease in equity volatility and price could result in a loss for the Fund. The debt characteristic of convertible securities also exposes the relevant Fund to changes in interest rates and credit spreads. Additionally, the Fund's exposure to these risks may be unhedged or only partially hedged. Any of these events could have an adverse effect on a Fund's ability to achieve its investment objective.

*Structured Finance Securities and Structured Products.* Certain of the Funds may invest in structured finance securities such as, for example, collateralized loan obligations, collateralized debt obligations or asset-backed instruments backed by receivables from Underlying Managers, Underlying Manager funds and/or Underlying Manager portfolio companies and similar instruments. The cash flow on the underlying instruments may be apportioned to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the structured products is dependent on the extent of the cash flow on the underlying instruments. Structured finance securities may present risks similar to those of the other types of investments in which a Fund may invest and, in fact, such risks may be of greater significance in the case of structured finance securities. Moreover, investing in structured finance securities may entail a variety of unique risks. Among other risks, structured finance securities may be subject to prepayment risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, whether collateral represents a fixed set of specific assets or accounts, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Certain structured finance securities (particularly subordinated structured finance securities) may also provide that the non-payment of interest in cash on such securities will not constitute an event of default in certain circumstances and the holders of such securities will not have available to them any associated default remedies. Interest not paid in cash will often be capitalized and added to the outstanding principal balance of the related security. Any such deferral will reduce the yield on such structured finance securities. Distributions on structured finance securities generally depend solely upon the amount and timing of payments and other collections on the related underlying collateral, the amount of which is typically established to withstand certain assumed deficiencies in payment occasioned by defaults of the underlying collateral. However, if any deficiencies exceed such assumed levels, payments on the related structured finance securities could be adversely affected by defaults.

Structured finance securities are generally limited recourse obligations of the issuer payable solely from the underlying collateral of the issuer or proceeds thereof, and the structured finance securities will not be guaranteed by any person. Consequently, holders of structured finance securities must rely solely on distributions on the underlying collateral or proceeds thereof for payment in respect thereof, and to the extent the underlying collateral is insufficient to pay the structured finance securities in full the issuer will not have any other assets that can satisfy any deficiencies.

The risks associated with structured products involve the risks of loss of principal due to market movement. In addition, investments in structured products may be illiquid in nature, with no readily available secondary market. Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on a structured product is derived by linking the return to one or more characteristics of the underlying instrument. Because certain structured products of the type in which the Fund may invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. Certain of the Funds may invest in a class of structured products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products.

*Secondary Market Purchases; Pooled Investments in Secondary Investments.* Certain of the Funds are authorized to invest in Underlying Manager funds that have completed their closings by purchasing an interest in each such Underlying Manager fund from unaffiliated parties in the secondary market (a “**Secondary Market Interest**”). Such Secondary Market Interests may present additional risks such as difficulty in valuing the existing investments of the Underlying Manager fund or the possibility that the acquired Secondary Market Interest may be subject to contingent liabilities resulting from activity that transpired prior to the Fund’s purchase of such Secondary Market Interest (e.g., an indemnification obligation in respect of an act or omission occurring prior to the date of the Fund’s purchase of such Secondary Market Interest). Further, the purchase or sale of a Secondary Market Interest may be subject to the consent of the general partner or investment manager of such Underlying Manager fund or otherwise on behalf of the Underlying Manager fund and other qualification requirements and/or conditions may make such purchase more difficult or, ultimately, prevent it. In addition, certain of the Funds will likely have the opportunity to participate in “stapled secondaries” (e.g., a secondary market purchase of an existing limited partner interest and corresponding commitment to a new fund in formation sponsored by the same investment manager). In certain instances, the purchase of an interest in the new fund may be less attractive than the investment in or related to an existing partnership interest.

*Concentration of Investments.* The Funds will participate in a limited number of investments and intend to make most of their investments in the alternative asset management industry. Other than as described in the Governing Documents, investors have no assurance regarding the degree of diversification of a Fund’s investments. As a result, a Fund’s investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry or market sector may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer Underlying Managers and thus be less diversified. The focus of a Fund’s portfolio on a specific industry may present more risks than if its portfolio were broadly diversified over numerous industries and sectors of the economy. A downturn in this industry or change in regulation, for example, would have a larger impact on the Fund than on an investment company that does not concentrate in such industry. At times, the performance of securities of companies in the alternative asset management industry will lag the performance of other industries or the broader market as a whole. To the extent that a Fund raises less than its targeted amount, a Fund may invest in fewer Underlying Managers and thus be less diversified. If a Fund co-invests with another

investment fund (including another Fund), a limited partner invested in such other investment fund may have exposure to a single portfolio company through more than one fund, potentially multiplying such limited partner's losses. In addition, during the early stages of a Fund's term, a Fund may hold more concentrated positions than it otherwise would.

*Non-Controlling Investments.* In accordance with, and as allowed by, their Governing Documents, the Funds may invest in some or a combination of the below types of investments: (a) minority, non-controlling (i.e., not acquire a controlling interest or control voting board seats), equity interests of middle-market investment management firms and their general partners and related entities, (b) limited duration preferred and structured equity investments in, and/or providing preferred equity, structured equity and other equity-like or similar financing solutions (including financing solutions which may include debt financing characteristics), and (c) senior term loan facilities secured by assets of Underlying Managers' funds or SPVs, as applicable, unsecured and/or subordinated loans, or single- or multiple-asset financings and/or warehouse facilities. As such, each Fund will have a limited ability to protect its position in or exert influence over Underlying Managers, and will not have the opportunity to evaluate or select the specific underlying investments made by any Underlying Manager and will not be responsible for the results of such investments. Certain of the Funds may hold meaningful minority stakes in certain Underlying Managers and in some cases may have limited minority protection rights. The General Partners expect that the existing managers of the Underlying Managers will retain autonomy over the day-to-day operations of their investment management firms and will generally retain a majority stake in them. In such cases, the Funds will rely on the existing management and board of directors or similar body of such entities, which could include representation of other investors with whom a Fund is not affiliated and whose interests conflict with the interests of the Fund.

*Trade Policy.* Political leaders in the United States and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum, and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Fund and its Investments. In particular, the United States and China have agreed to a partial trade deal with respect to their ongoing trade dispute, however certain issues remain unresolved, which is expected to be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While this dispute has already had negative economic consequences on the U.S. markets, to the extent that this trade dispute escalates into a "trade war" between the United States and China, there could be additional significant impacts on the industries in which a Fund participates and other adverse impacts on Fund investments.

*Global Investments.* The Funds may invest in Underlying Managers that are organized or

headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), and the application of complex U.S. and non-U.S. tax rules to cross-border investments. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Underlying Managers may make investments in developing markets, some of which may prove unstable. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in Western Europe or the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. An Underlying Manager may not be in a position to take legal or management control of its investments in certain countries. They may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the country in question where it may be difficult to obtain and enforce a judgment. The availability of information within developing countries and emerging market jurisdictions, including information concerning their economies and the securities of companies in such countries, and the amount of government supervision and regulation of private companies in developing countries, generally is more limited than is the case in more developed countries. Financial accounting and auditing standards and practices may differ, and there may be less publicly available information in respect of such companies. For a company that keeps accounting records in local currency, inflation accounting rules in some countries require, for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to express items in terms of a currency of constant purchasing power. As a result, financial data may be materially affected by restatements for inflation and may not accurately reflect the real condition of real estate, companies and securities markets. Accordingly, an Underlying Manager's ability to conduct due diligence in connection with an investment and to monitor the investment may be adversely affected by these factors, which could in turn harm a Fund's investment in such Underlying Manager.

*Inflation.* Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging or less developed economies. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation may not be successful and often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on a Fund's returns.

*Changes to Benchmark Rates.* To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight

Financing Rate (SOFR) or other rates (each, a “**Benchmark Rate**”), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

*Environmental, Social and Governance (“ESG”) Matters.* The Adviser maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and the Adviser expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by the Adviser, or any judgment exercised by the Adviser, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, the Adviser’s ESG / Policy and associated ESG practices are expected to evolve over time. Although the Adviser views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, the Adviser cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund.

The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance and will vary by Fund and investment. In addition, in evaluating an investment, the Adviser expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause the Adviser to incorrectly assess a company’s ESG practices and/or related risks and opportunities. The Adviser does not intend independently to verify all ESG information reported by investments or third parties.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. The Adviser’s adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted “anti-ESG” policies, legislation, or initiatives or issued related legal opinions. the definition, measurement and disclosure of ESG factors. The Adviser and its ESG Policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and the Adviser cannot guarantee that its current approach including the ESG Policy and associated ESG practices will meet future regulatory requirements,

reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

*Investments in Multiple Alternative Asset Management Firms.* While investment in multiple middle-market investment management firms may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or if it does, that it will not reduce, rather than increase, potential net profits. Also, investment in multiple middle-market investment management firms may cause a Fund to indirectly hold opposing positions in an underlying investment, thereby negating, in whole or in part, the positive returns, if any, from such investments. Underlying Managers that employ similar investment strategies and make overlapping investments may result in a Fund having increased exposure with respect to such underlying investments. Additionally, Underlying Managers may have overlapping investment interests, may participate in the same auction process for a prospective investment and/or may oppose one another as buyer and seller in respect of an investment. Such an overlap of interests may result in competition between such Underlying Managers for the same investment opportunities. In addition, such Underlying Managers may engage in other transactions with affiliated parties on terms and conditions not determined through arm's-length negotiations. The relevant General Partner is not expected to be in position to monitor these sorts of conflicts of interest and such conflicts of interest may diminish returns to the limited partners.

*Underlying Managers May Make Commitments in Excess of Their Funds' Capital Commitments.* Underlying Managers may make commitments to portfolio companies in excess of the total capital committed to funds managed or advised by such Underlying Manager. As a result, in certain circumstances, an Underlying Manager may need to retain distributions from its investments or recall distributions or liquidate certain of its investments prematurely at potentially significant discounts to market value if such Underlying Manager's fund does not generate sufficient cash flow from its investments to meet these commitments. Likewise, a Fund may also be exposed to these risks if the Fund does not generate sufficient cash flow to satisfy its recall obligations to an Underlying Manager.

*Clawback Payments to Underlying Managers.* Underlying Managers may make distributions to certain of the Funds that are then distributed by the Fund to limited partners that are subject to clawback arrangements. The terms of a Fund's investments in an Underlying Manager may require the Fund to return such distributions to the Underlying Manager upon the occurrence of certain circumstances, such as, but not limited to, the failure of a fund managed by the Underlying Manager to achieve an overall level of profitability. Accordingly, a Fund may set aside amounts otherwise distributable to limited partners or recall distributions made to limited partners for the purpose of making clawback payments to the Underlying Managers, should they arise. Amounts set aside to fund clawback payments will reduce the amount of funds available for either distribution to the limited partners or for making additional investments.

*Reliance on Underlying Managers.* Limited partners are dependent upon the judgment and ability of the Adviser to source and consummate investments in appropriate Underlying Managers, Underlying Manager funds and Underlying Manager portfolio companies and subsequently on such Underlying Managers in conducting their underlying operations and investment activities, including sourcing transactions and investing and managing their capital. A Fund's investments will be structured on terms negotiated by the Adviser in its sole and absolute discretion. Subjective decisions made by the Adviser and/or the Underlying Managers may cause a Fund and/or influence

such Underlying Managers (and therefore indirectly the Fund to the extent of its interests therein) to incur losses, miss profitable investment opportunities or otherwise not maximize risk-adjusted returns. The success of the Funds is dependent on a variety of factors, including the expertise of the investment professionals of the Underlying Managers.

*Underlying Manager's Internal Conflicts.* Underlying Managers and/or its affiliates will experience internal conflicts of interest. One type of conflict of interest involves the overlap of investment interests by different investment funds managed by an Underlying Manager in which a Fund acquires an interest. Such overlapping investment interests may result in competition between such Underlying Manager's funds for the same investment opportunities. In addition, such Underlying Managers may engage in other transactions with affiliated parties on terms and conditions not determined through arm's-length negotiations. The relevant General Partner will often not be in position to monitor these sorts of conflicts of interest and such conflicts of interest may diminish returns to the limited partners.

*Termination of Certain Underlying Managers' Funds.* The organizational documents of an investment fund managed by an Underlying Manager may permit such fund's investors to terminate that investment fund, or an applicable Underlying Manager's investment management agreement with such fund, in either case without the approval of the applicable Underlying Manager. In the event that a fund or an investment management agreement is terminated pursuant to such a provision, the applicable Underlying Manager will no longer be able to earn revenue from the management of such fund, which would adversely affect the profitability of certain of the Funds' investments in such Underlying Manager.

*Changes in Expected Investment Objectives of Underlying Managers May Adversely Affect a Fund.* Underlying Managers may have the ability to change their investment objectives and strategies and economic and other terms, as well as those of their related funds after a Fund has made its investments in such Underlying Manager and any such change may be adversely different than the relevant General Partner's expectations. A Fund may be unable to reduce or withdraw its investments.

*Ability of Underlying Managers to Enter New Lines of Business.* The Underlying Managers may enter into new lines of business not anticipated by a Fund at the time the Fund made its investments. A Fund will likely not have the ability to prevent an Underlying Manager from taking such action and may not have the ability to reduce or withdraw its investment following such a decision. As a result, such a decision by an Underlying Manager may negatively impact the performance of a Fund.

*Limited Partners Will Not Have any Direct Interest in any Underlying Manager.* By virtue of their investment in a Fund, limited partners of a Fund will not be limited partners of, or equity holders in, any Underlying Manager, will have no direct interest in any Underlying Manager and will have no voting rights in the Underlying Managers or standing or recourse against any Underlying Managers. Moreover, none of the limited partners will have the right to participate in the control, management or operations, or have any discretion over the management, of any Underlying Managers by reason of their investment in a Fund.

*Future Performance.* While the relevant General Partner intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no

assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Public Company Holdings.* A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities and debt at certain times or to influence management, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including HPC personnel, increased costs and greater liabilities (including liabilities in connection with the failure to comply with any law, rule or regulation applicable to such companies) associated with each of the aforementioned risks.

*Market Conditions.* The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect the Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the Underlying Managers or the portfolio companies in which the Underlying Managers are invested. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of Underlying Managers, investments held by the Underlying Managers in portfolio companies and a Fund's performance. To the extent a Fund's investments participate in or otherwise rely on such markets, the investment returns of such investments may suffer. In addition, to the extent that such marketplace events continue (or even worsen), this may have an adverse impact on the availability of credit to and the demand for investment products and services offered by Underlying Managers. A further economic downturn could adversely affect the financial resources of the Fund's investments and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund could lose both invested capital in and anticipated profits from the affected Fund investment. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. A Fund's ability to generate attractive investment returns for investors may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments or to the extent the investment products of Underlying Managers suffer due to poor conditions in global capital markets. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and the level of

profitability achieved on realization of investments.

*Highly Competitive Market for Investment Opportunities.* The business of identifying, structuring and completing acquisitions of investments in Underlying Managers is highly competitive and involves a high degree of uncertainty. The Funds will compete with, among other entities, public companies, business development companies, public funds, private funds (including private equity and hedge funds), sovereign wealth funds, governmental and private pension funds, funds-of-funds and commercial and investment banks for investment opportunities. Additional funds with similar investment objectives have been and are expected to be formed in the future by other parties. The market for investment in middle-market investment management firms and their general partners and related entities is relatively new and immature, compared to more traditional private equity asset classes. Some of the Funds' competitors for investments may have lower costs, more available capital to make similar investments and access to funding sources that will not be available to the Funds. In addition, some of the Funds' competitors may have higher risk tolerances or different risk assessments, which could allow them to make a wider variety of investments and achieve different returns than those of the Funds.

*Financial Market Fluctuations.* Declines or volatility in financial markets, including the securities and derivatives markets, would adversely affect the value of the investments. The Underlying Managers and their underlying investments and/or portfolio companies may regularly seek to acquire new debt and refinance existing debt and significant declines in pricing of debt securities or increases in interest rates, or other disruptions or deterioration in the credit markets, would make it difficult to carry on normal financing activities. Tightening of loan underwriting standards and a widening of credit spreads, which often occur during market disruptions, can have a negative impact on borrowers, including the Funds. A Fund's ability to generate attractive investment returns will be adversely affected by any worsening of financing terms and availability.

*Lack of Sufficient Investment Opportunities.* There can be no assurance there will be investment opportunities that meet a Fund's investment criteria or, if such investment opportunities exists, that the Fund will be able to make such investments. There can be no assurance that a Fund will be presented with an adequate number of new investment opportunities to fulfill its anticipated strategy. Changes in various factors (including, among others, general economic conditions, regulatory conditions, general political conditions, securities markets conditions and tax rules or related tax burdens) may also adversely affect the availability of suitable and attractive investment opportunities. No assurance can be given that investment opportunities can be sourced, acquired, financed or disposed of at favorable prices or terms or that perceived trends in the market for Underlying Managers described herein will continue, because this will depend on events and factors outside the control of the relevant General Partner and the Adviser. Accordingly, no assurance can be given that the relevant General Partner, or the Adviser, will be able to locate suitable investment opportunities in which to deploy a Fund's capital. Limited partners will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by a Fund and, accordingly, will be dependent upon the judgment and ability of the relevant General Partner and the Adviser to identify suitable investments.

*Sanctioned Investors.* If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the relevant General Partner will

have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a “freeze” on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund’s activities, could materially and adversely affect the Funds.

*Hedging Arrangements; Related Regulations.* A General Partner is authorized (but not obligated) to endeavor to manage the relevant Fund’s or any Underlying Manager’s currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds are permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter (“OTC”) contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

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

Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (“CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or an Underlying Manager’s portfolio company to hedge its exposures becomes limited by such requirements.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which businesses are subject. To the extent that a General Partner, the Adviser or an Underlying Manager (or businesses held in its portfolio) is subject to cyber-attack or other unauthorized access is gained to a General Partner, the Adviser or an Underlying Manager’s (or businesses’ held in its portfolio) systems, such businesses may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) financial information, including investor financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. In certain events, such businesses’ failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or -cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject such businesses and a Fund to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized

access is directed at HPC or one of its service providers holding its financial or investor data, HPC, its affiliates or the Fund will be at risk of loss, despite efforts to prevent and mitigate such risks.

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

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

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

These conflicts may have a significant adverse impact and result in significant losses to a Fund. This impact may include reductions in revenue and growth, unexpected operational losses

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

*Force Majeure Risk.* The Funds may be affected by force majeure events (e.g., acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by a Fund, and the Fund and the Underlying Managers in which it invests may not be able to effectively insure against any such risk of loss.

*Availability of Insurance for Certain Catastrophic Losses.* HPC may seek to require that an Underlying Manager obtain appropriate liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that they believe are customary for similar investments. Since such Underlying Managers are not controlled by HPC, however, there can be no assurance that any such insurance would be obtained (or, if obtained, that it would be sufficient). Certain losses of a catastrophic nature, such as wars, natural disasters, terrorist attacks, 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. In general, losses related to terrorism are becoming harder and more expensive to insure against, and most insurers are excluding terrorism coverage from their all-risk policies.

*United Kingdom (“UK”) Exit from the European Union (the “EU”).* The UK formally left the EU on January 31, 2020 (“**Brexit**”). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

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

its investments, including the ability of a Fund to achieve its investment objectives.

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

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

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

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

*SVG Fees.* The General Partner, the Adviser or their designated affiliates expect to provide certain strategic support services through the SVG to any actual or prospective Underlying Manager in advance of or on or following the date on which the Fund makes an investment in such Underlying Manager and the General Partner, the Adviser or their designated affiliates will be paid SVG Fees. The SVG Fees will be borne by the respective Underlying Manager (and therefore a

portion will be indirectly borne by the relevant Fund) and, subject to the limitations set forth in the relevant Partnership Agreement, will not otherwise reduce Management Fees payable by such Fund. Although the relevant General Partner believes that the Underlying Managers and such Fund will benefit from such services and will provide or seek such services with a view toward reducing costs to and/or improving performance of the Underlying Managers and the Fund, the SVG Fees subject the General Partner and the Adviser to conflicts of interest. For example, the relevant General Partner has an incentive to maximize the frequency of such services. The Adviser believes that such conflicts are reduced by the anticipated cost savings to the Underlying Managers and the relevant Fund that will result if the value of the services provided to the Underlying Managers is greater relative to relevant market alternatives. However, there can be no assurance that amounts charged for the relevant services ultimately will approximate then-current market rates, that no other service provider is more qualified to provide the services or could provide such services at a more competitive cost, or that the provision of such services will not result in a net benefit to the General Partner, the Adviser, or their affiliates over the life of a Fund.

*Underlying Manager Investment Strategy Risks.* The General Partners expect to invest in Underlying Managers with various investment strategies and objectives. Therefore, the Funds will be subject to risks specific to the distinct investment profile of each Underlying Manager in addition to the foregoing investment-related risks (which also generally apply to investments of funds advised by the Underlying Managers). The following is a non-exhaustive list of certain of such investment strategy-related risks (additional detail on risks related to potential Underlying Manager investment strategies, for example, risks of investing in particular sectors or industries, is set forth in the relevant Fund Governing Documents):

- ▶ *Private Illiquid Investments.* The funds advised by the Underlying Manager(s) are generally expected to invest in private illiquid securities and investments, which are often long-term in nature and subject to restrictions on resale. As a result, there is a significant risk that the Underlying Managers may be unable to dispose of investments at attractive prices and/or that they will otherwise be unable to complete any exit strategy for investments held by funds they advise.
- ▶ *Controlling Interests.* The Underlying Managers in which a Fund invests may take controlling interests in a substantial portion of their funds' portfolio companies. The exercise of control over a company may impose additional risks of liability for a variety of reasons. If these liabilities were to arise, such Underlying Managers (and indirectly the Fund) might suffer a significant loss.
- ▶ *Equity and Equity-Related Investments.* Certain of the Funds intend to generally make equity and equity-oriented investments in Underlying Managers. Such Underlying Managers may themselves directly or indirectly invest in equity securities, including common stocks of U.S. and non-U.S. issuers, equity-related securities and instruments, such as preferred stock, convertible securities, warrants and stock options. The value of equity securities varies in response to many factors, including factors specific to an issuer and factors specific to an industry. These factors and others can cause significant fluctuations in the prices of the securities in which an Underlying Manager invests and can result in significant losses to such Underlying Manager and consequently to the Fund.

- ▶ *Growth Equity Investments.* The Underlying Managers may invest in growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss of a Fund's investment.
- ▶ *Broad Private Equity Oriented Investment Mandate.* The investment strategy of private equity funds is generally opportunistic in nature and covers a broad range of asset classes, geographic regions and industries. The funds advised by Underlying Managers in which the Funds invest may make investments throughout the capital structure of an issuer and may invest in any number of companies operating in a wide range of industries, geographies or activities, and as a result, may be exposed to a wide range of risks.
- ▶ *Credit Investments.* Certain of the Funds may invest in Underlying Managers that pursue credit-oriented private equity investment strategies, which include the risk that an issuer will be unable to make principal and interest payments when due. To the extent a fund advised by such an Underlying Manager invests primarily in credit instruments, return to their investors (and indirectly the relevant Fund) would be adversely impacted if an issuer of debt becomes unable to make such payments when due. The funds advised by Underlying Managers may also invest in leveraged loans, high yield securities, structured products (including commercial mortgage-backed securities), unsecured investments, distressed debt and other credit instruments. Investments in unsecured or subordinate securities have a higher risk of loss and credit default than investments in more senior securities and subordinated tranches absorb losses from default before other more senior tranches are put at risk.
- ▶ *Buyout Investments.* The funds advised by Underlying Managers in which the Fund invests may invest in leveraged buyouts which by their nature require companies to undertake a high ratio of leverage to available income. Leveraged portfolio companies are inherently more sensitive to declines in revenues and increases in expenses.
- ▶ *Distressed Investments.* Certain of the Funds may invest in Underlying Managers that invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that Underlying Managers will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or

liquidation of such company. Therefore, in the event that an Underlying Manager (or its applicable Underlying Manager Fund) does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, such Underlying Manager (or its applicable Underlying Manager Fund) may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Underlying Manager (or its applicable Underlying Manager Fund) was invested. Under all of these circumstances, the returns generated from such companies may not compensate the Underlying Manager, the Underlying Manager fund and, in turn, the relevant Fund, adequately for the risks assumed.

- ▶ *Secondaries Investments.* Certain of the Funds may invest in Underlying Managers that acquire interests in private equity funds or other alternative investment funds from existing investors on an opportunistic basis. The market for secondary interests in alternative investment funds is continuing to develop and there can be no assurance as to the number of investment opportunities that will be presented to any such Underlying Manager. In addition, completing the acquisition of a secondary interest in an alternative investment fund generally requires the consent of the general partner of that fund and there is no assurance that any Underlying Manager will be able to obtain such consent. The secondary market for interests in private equity funds and other alternative investment funds is highly competitive, and successfully sourcing investments can be problematic given the high level of investor demand some investment opportunities receive. Even if these investment opportunities and managers are identified, there is no assurance that the relevant Fund's or an Underlying Manager's bids to acquire interests in such investments, which interests are often difficult to value, will be successful; and, upon a successful bid, legal or contractual transfer restrictions, including rights-of-first-refusal, change-of-control and other similar provisions applicable to such investments, may prevent the Fund and/or an Underlying Manager from acquiring all or a portion of such investments. In addition, the Fund and Underlying Managers may not be able to obtain as favorable terms as it would otherwise in a less competitive investment environment. The relevant Fund and the Underlying Managers may incur significant expenses investigating potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors.
- ▶ *Real Estate Fund Investments.* Certain of the Funds may invest in Underlying Managers that manage Underlying Manager funds that make real estate private equity investments. Real estate private equity investments are subject to special risks (beyond those described herein with respect to private equity investments) including, but not limited to: (i) adverse changes in the general economic climate, (ii) adverse local market conditions, including the availability of excess supply of property relative to demand, (iii) changes in the availability of debt financing, (iv) credit risk arising from the financial condition of tenants, buyers and sellers of properties, (v) interest rate risk, (vi) changes in real estate taxes and other operating expenses, (vii) changes in government regulations, such as those governing land

usage, improvements, zoning, environmental laws and regulations, (viii) liability arising out of the presence of certain construction materials, (ix) uninsurable losses and other factors beyond the control of the Fund or the Underlying Managers, (x) inability to obtain accurate valuations and (xi) risk of additional taxes imposed by the country in which the real estate is located.

- ▶ *Infrastructure Fund Investments.* Certain of the Funds may invest in Underlying Managers that manage Underlying Manager funds that make infrastructure fund investments. Such investment vehicles make investments in physical structures and systems that provide the services and facilities fundamental to a functioning society. Infrastructure assets generally can be categorized into the following sub-sectors: (i) transport infrastructure, (ii) utilities infrastructure, (iii) social infrastructure and (iv) communications infrastructure. Infrastructure assets are subject to special risks (beyond those described herein) including, but not limited to: (a) regulatory risks, (b) environmental risks, (c) demand, usage and patronage risks, (d) inflation and interest rate risk, (e) operational risk and force majeure, (f) terrorism risk, (g) market disruption risk and (h) commodity price risk. In addition, the risk profile of infrastructure assets can vary substantially depending on whether the assets are in development stage or are mature. Development stage assets are subject to construction risk, including risk that the project will not be completed on time, within budget or to the agreed specification, and greater demand risk than a mature asset with an established operating and patronage history.
- ▶ *Venture Capital Fund Investments.* Certain of the Funds may invest in Underlying Managers that manage Underlying Manager funds that make venture capital investments. Such vehicles generally involve more risk than private equity funds focused on later-stage investing due to the nature of the companies in which venture capital investments are made. Venture capital investing tends to be more speculative; there is a greater risk of loss of up to the entire amount invested because the underlying portfolio assets are generally attempting to do business in nascent or developing areas (where business models are not yet proven); and the competition for gaining market share or a proven product may be particularly intense. Investments in vehicles that make venture capital investments are highly illiquid and there is no guarantee that any applicable Underlying Manager (and hence the Fund) will be able to realize its investments in the expected timeframe. In many instances, a venture capital investment may require additional infusions of capital in order to protect earlier investments, although there is no guarantee that such additional investments will lead to a successful investment by an investment vehicle that makes such investments.
- ▶ *Credit Fund Investments.* Certain of the Funds may invest in Underlying Managers that manage credit funds. Credit funds make investments in loans and other fixed income instruments. Fixed income instruments can generally be categorized into a number of different categories depending on the type of issuer (e.g. public versus private), the issuer's creditworthiness (e.g. investment grade versus noninvestment grade), the form of the indebtedness (e.g. bank loans versus bonds) and the

placement of the loan in the borrower's capital structure (e.g., senior loans versus mezzanine loans). Investments in fixed income securities are subject to certain risks. For example, see "Distressed Investments" above.

- ▶ *Hedge Fund Investments.* Certain of the Funds may invest in Underlying Managers that manage hedge funds or engage in investment strategies typically associated with hedge funds. Hedge funds may utilize highly speculative investment techniques, including, without limitation: (i) high leverage, short selling and securities lending, (ii) investing in non-marketable securities, fixed income securities, commodities, listed and over the counter options, options on securities and securities indices, uncovered option transactions, derivative instruments, repurchase or reverse purchase agreements, forward transactions, futures and options on futures transactions, foreign currency transactions and various swap and swap-like arrangements, (iii) investing in workouts and startups, (iv) making illiquid investments, (v) taking control and/or minority equity interests, short-term trading, arbitrage, relative value and other trading strategies, (vi) investing in foreign securities, (vii) investing in distressed assets or securities and (viii) making directional (i.e., investments with net exposure or non-hedged investments), concentrated and non-diversified investments. Specifically, in the case that investment management companies pursue arbitrage, relative value and other trading strategies based on exploiting discrepancies in the pricing of financial assets, the success of an investment in such vehicles depends in large part on the relevant investment management company's ability to identify and exploit such price discrepancies. Identification and exploitation of such opportunities involves uncertainty and there are no assurances that such investment opportunities can be identified. Likewise, in the event that a perceived mispricing were to fail to converge toward, or were to diverge further from, expected relationships, losses would occur. In general, neither the relevant Fund nor the limited partners will have the ability to direct or influence the management of the investment management companies that the Underlying Managers invests in or the investment of their respective assets. There are certain market conditions in which any given investment strategy is unlikely to be profitable. Neither a General Partner nor the Underlying Managers have the ability to control or predict such market conditions. If a Fund receives distributions in-kind from any of the Fund investments, it will incur additional costs and risks in disposing of such assets and may determine to make such in-kind distributions to the limited partners.
- ▶ *Energy-Related Investments.* Certain of the Funds may make investments in Underlying Managers that may have substantial oil and gas holdings, or in securities related to underlying oil and gas assets. Investments in the energy, energy services and infrastructure sectors by the Fund may be subject to a variety of risks, not all of which can be foreseen or quantified, including: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iii) environmental liability risks related to energy properties and projects; (iv) risks of equipment failures, fuel interruptions, loss of sale and supply

contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage (if any), inability to obtain desirable amounts of insurance at economic rates and acts of God or other catastrophes; and (v) the risk of changes in values of companies in the energy sector, including customers of a portfolio company, whose operations are affected by changes in prices and supplies of energy fuels (as demonstrated by the recent downturn in energy and oil prices, prices and supplies of energy fuels can fluctuate significantly over a short period of time due to changes in international politics, political instability, armed conflicts, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments and the economic growth of countries that are large consumers of energy, as well as other factors).

*Underlying Manager Portfolio Company Risks.* In addition to the above, the Funds will invest, directly or indirectly, in Underlying Manager funds and Underlying Manager portfolio companies that involve a high degree of business or financial risk. The Underlying Manager portfolio companies may be start-ups or in an early stage of development, may be distressed or have operating losses or significant variations in operating results and may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence. The Underlying Manager 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 require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition. Underlying Manager 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. Although the relevant General Partner will seek to monitor the performance of each Underlying Manager fund and each Underlying Manager portfolio company, it is the responsibility of the Underlying Manager to monitor portfolio companies and each portfolio company's management team to operate such portfolio company on a day-to-day basis.

Many Underlying Manager portfolio companies may be highly leveraged, which may impair these Underlying Manager portfolio companies' ability to finance their future operations and capital needs and which may result in restrictive financial and operating conditions. In addition, in the event that an Underlying Manager portfolio company does not perform as anticipated or incurs unanticipated liabilities, high leverage will magnify the adverse effect on the value of the equity of the company and could result in substantial diminution in or the total loss of an equity investment in such Underlying Manager portfolio company.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "**Financial Institution**") of some or all of the Fund's (or any Underlying Manager's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant

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

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

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

*U.S. Taxation of Carried Interest.* U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain

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

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

*Secondaries and other General Partner-Led Transactions.* There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and the Adviser reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by the Adviser following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where the Adviser believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by the Adviser and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Adviser or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Adviser or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based

compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Adviser, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent Adviser requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Adviser in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Adviser reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Adviser will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, the Adviser reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. The Adviser is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

### **Conflicts of Interest**

HPC and its related entities currently, and expect in the future, to engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds, SPACs and portfolio companies. HPC will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of HPC conducting its activities, the interests of a Fund likely will conflict with the interests of HPC, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, HPC will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment

considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by HPC principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and HPC's Allocation Policy. Without limitation, HPC principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. HPC personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. HPC's principals and HPC's investment staff will continue to manage and monitor such investments until their realization. Such other investments that HPC principals expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, HPC principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. Unless restricted by the Governing Documents, HPC personnel are permitted to serve on boards or act in other roles unaffiliated with HPC, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

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

HPC must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. HPC generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including but not limited to: (A) the size, nature and type of investment or sale opportunity; (B) principles of diversification of assets; (C) the investment guidelines and limitations governing the applicable Funds, including any client instructions with respect to a specific investment and compressed ramp-up periods that are characteristic of certain investment vehicles; (D) liquidity considerations of the applicable Funds, including redemption/withdrawal requests received by the applicable Funds, proximity of each of the applicable Funds to the end of its specified term, investment period and cash availability (including cash that becomes available through leverage); (E) the magnitude of the investment; (F) the risk profile or the need to resize risk in the applicable Funds' portfolio (including the potential for the proposed investment to create an industry, sector, issuer, geographic or currency imbalance in the relevant portfolio); (G) a determination by the General Partner that the investment or sale opportunity is inappropriate in whole or in part for one or more of the applicable Funds; (H) applicable transfer or assignment provisions; (I) the management of any actual or potential conflicts of interest; (J) the investment focus of the applicable Funds (including the target return profile or targeted hold period of the applicable Funds); (K) applicable contractual or legal obligations (including any priority rights granted to another account under its

governing documents); (L) tax considerations; (M) the HPC investment team responsible for sourcing of the transaction; (N) avoiding a de minimis allocation and/or (O) such other factors as the General Partner may reasonably deem relevant, including the amount of leverage, if any, appropriate for such investment and any co-investments alongside the applicable Funds. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of HPC in the manner set forth in the Governing Documents and HPC's Allocation Policy. HPC will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with HPC's obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, HPC will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and HPC reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Governing Documents, Side Letters and HPC's Allocation Policy. HPC's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: whether a co investor adds strategic value, industry expertise or other similar synergies, whether a potential co investor has expressed an interest in evaluating co investment opportunities, whether a potential co investor has a history of participating in co investment opportunities with HPC, and such other factors that HPC deems relevant under the circumstances. Although HPC reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by HPC in identifying co-investors. HPC reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, HPC or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and the Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the

risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of HPC and its affiliates make capital investments in or alongside certain Funds, HPC and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

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

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

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Specifically, certain Funds are expected to hold debt instruments while certain other HPC Funds will hold the equity securities of the same issuer. Often, the security that will be purchased by the later-investing investment vehicle may have more attractive terms and conditions than the securities issued to the earlier investment vehicle and may be higher in the capital structure than those held by the earlier vehicle. For example, the earlier vehicle may hold equity securities of a company and the later vehicle may purchase convertible debt securities of such company. In such situations, the interests of a Fund and other HPC Fund(s) may not always be aligned, which may give rise to actual or potential conflicts of interest or the appearance of such conflicts of interest. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to

advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by HPC in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, HPC expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the relevant General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, HPC expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or HPC may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. In addition, a Fund and other HPC Funds that have invested in the same portfolio company may have different rights and remedies with respect to its respective investment even outside of a distress situation. For example, an HPC Fund may have rights relating to key person protection, bad act/cause events, finance- and collateral-related covenants among other considerations, that if exercised, could adversely impact another Fund's investment in the portfolio company. Moreover, if additional financing is necessary as a result of financial or other difficulties, it may be in the best interest of one HPC Fund, but not another HPC Fund, to obtain such additional financing. There can be no assurance that any such conflict can be resolved in a manner that is beneficial to any particular Fund. HPC intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness.

The Funds are expected to make "cross-fund investments." A cross-fund investment means an investment in a portfolio company in which an other HPC Fund already has an investment or will be making an investment at the same time. Cross-fund investments may occur when the investment falls within the investment objective of a Fund and one or more other HPC Funds and HPC allocates the investment opportunity across the Fund and one or more other HPC Funds, where an investment opportunity arises in an existing portfolio company of a Fund that falls within the investment objective of an other HPC Fund (or an investment opportunity arises in an existing portfolio entity of an other HPC Fund that falls within a Fund's investment objective) or a Fund with the existing investment does not have sufficient capital to make a follow-on investment or is at or approaching the end of its commitment period or term.

Cross-fund investing raises conflicts of interest for a variety of reasons. For example, a Fund and the other investing other HPC Funds frequently will not acquire the same types of securities at the same time or on the same terms. Specifically, HPC may cause a Fund and other HPC Funds to invest in a broad range of asset classes throughout the corporate capital structure of the same portfolio company, including investments in corporate loans, debt securities, preferred equity securities, and common equity securities. Conflicts may arise even when a Fund makes

investments alongside other HPC Funds at substantially the same time and on substantially the same terms, or if it invests in the same type of securities of an issuer in which such other HPC Fund has already made an investment (or the reverse) or intends to make at substantially the same time as the Fund. There can be no assurance that other HPC Funds and a Fund or any vehicle with which it co-invests will have the same investment timelines or exit such investments at the same time or the same terms. For example, HPC may choose to sell all or part of an investment in an entity while an other HPC Fund holds or increases its investment in such entity (or vice versa). Differing investment timelines may cause a Fund and other HPC Funds to have different desires for follow-ons or other disposition opportunities.

Cross-fund investing also raises the risk of using the assets of one Fund to support portfolio companies of other HPC Fund(s), which action might be motivated by a desire by HPC to attempt to reduce the potential clawback liability of an affiliate of the relevant General Partner and/or HPC (and therefore the guarantor liability of the ensuing carry recipients). In determining whether to make a cross-fund investment and upon what terms, HPC will follow the procedures set forth in the relevant Partnership Agreement and will act in accordance with HPC's Investment Allocation Policy, which may be amended from time to time.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. HPC and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds. Subject to any relevant restrictions or other limitations contained in the Governing Documents, HPC will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, HPC expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by HPC or its affiliates using their reasonable judgment, considering such factors as they

deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not, and in certain circumstances likely will not, be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or HPC. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' interests in portfolio companies, HPC and/or its affiliates, from time to time, may have the right to influence the appointment of portfolio company board members (including current or former HPC personnel or persons serving at their request) as well as their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to HPC and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to HPC.

Additionally, a portfolio company typically will reimburse HPC or service providers retained at HPC's discretion for expenses (including without limitation travel expenses) incurred by HPC or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by HPC personnel. This subjects HPC and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. HPC determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is generally reflected in each Fund's audited financial statements.

In connection with its services to the Funds and their investments, HPC, its affiliates and personnel expect to receive certain tangible and intangible benefits. For example, in the course of HPC's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, HPC and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**HPC Information**"). In many cases, HPC Information will include tools, procedures and resources developed by HPC to organize or systematize HPC Information for ongoing or future use. Although HPC expects its Funds and their portfolio companies generally to benefit from HPC's possession of HPC Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which HPC Information was originally received. HPC Information will be the sole intellectual property of HPC and solely for the use of HPC. HPC reserves the right to use, share, license, sell or monetize HPC Information, without offsetting or otherwise reducing Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party

rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset or reduce Management Fees.

HPC generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) HPC or a related person of HPC (which is permitted to include a portfolio company of such Fund); (ii) an entity with which HPC or its affiliates or current or former personnel has a relationship or from which HPC or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where HPC personnel are seconded, or from which HPC receives secondees; or (iii) certain limited partners or their affiliates. For example, HPC expects to be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects HPC to conflicts of interest, because, although HPC selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, HPC has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that HPC, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or HPC), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. HPC will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although HPC generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, HPC expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. HPC does not benchmark its rates against any other market rates or services providers. Whether or not HPC has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. Based on the foregoing factors, limited partners should not expect service providers to HPC or any Fund to provide services that will be the most beneficial to any limited partner.

HPC, the Funds and/or the Underlying Managers expect to retain consultants, senior advisors or operating partners to provide assistance with deal sourcing, industry insight or due diligence, offer financial and structuring advice and perform other services for HPC, the Funds or the Underlying Managers (“**Industry Specialists**”). Such services can be provided to HPC or the Funds on an exclusive basis. HPC reserves the right to make collective arrangements between an Industry Specialist and one or more of HPC and the Funds whereby each such party (other than

such Industry Specialist) compensates such Industry Specialist for his, her or its services to such party. A Fund's share of any retainer fees, success fees, promotes, profit sharing or other fees paid to Industry Specialists ("**Industry Specialist Fees**") will be borne by the Fund (whether paid by the Fund directly, by an Underlying Manager or by HPC and subsequently reimbursed by the Fund). While such Industry Specialist Fees will be at rates believed by HPC to be reasonable and generally at market rates for the relevant services provided, exclusive arrangements or other factors will result in Industry Specialist Fees that are not comparable to costs, fees and expenses charged by other third parties. In addition to Industry Specialist Fees, the Fund will also generally bear its share of any travel costs or other out of pocket expenses incurred by Industry Specialists in connection with the provision of their services. Accounting, network, communications, administration and other support benefits, including office space, could be provided by HPC or the Funds to Industry Specialists without charge. To the extent that communications or other equipment or services are provided by a Fund to an Industry Specialist, these costs generally will be borne by the Fund as a Fund expense. In addition, the Special Limited Partner is permitted in its sole discretion to elect to share a portion of the carried interest with one or more Industry Specialists. The decision to permit an Industry Specialist to share in the carried interest will not affect such individual's status as an Industry Specialist or the Fund's obligation to pay the other costs, fees and expenses described above. Due to a number of factors, the retention of an Industry Specialist could result in limited or no cost savings or an increase in costs, and there can be no assurance that similar services could not be provided at lesser cost. Fees or other payments or benefits received by Industry Specialists in connection with their services, including any amounts paid in connection with particular transactions or investments, will not be considered transaction fees as defined in the Governing Documents and consequently will not reduce the Management Fee paid by a Fund. The decision by HPC to initially perform particular services in-house for the Funds will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties, and HPC has no obligation to inform the Funds of such a change.

HPC, the Funds and/or the Underlying Managers, as applicable, are generally permitted to grant Industry Specialists the right to participate alongside the Funds in transactions that they source or for which they provide advice, and the Funds or relevant portfolio company are permitted to loan the Industry Specialist funds to make any such co-investments. Such co investment rights will result in the Funds investing less capital than it otherwise would have in such transactions. In addition, Industry Specialists are generally permitted to invest directly in the Funds as limited partners.

Affiliates of HPC and its personnel, and other professionals and personnel (including the SVG) will be authorized to provide procurement, advisory and other support services (collectively, "**Affiliated Services**"), and accordingly the Affiliated Services are expected to form part of the overall value proposition associated with a portfolio entity accepting an investment from a Fund or another HPC Fund. Such persons include personnel of HPC and third-party consultants (including consultants that have been retained on an exclusive basis). HPC is entitled to compensation for Affiliated Services, which compensation may include salary, bonus, fees, retainers, incentive equity, other non-cash compensation and/or reimbursement of expenses at rates the relevant General Partner believes are commercially reasonable in light of the services provided (collectively, the "**Affiliated Services Fees and Expenses**"). The Affiliated Services Fees and Expenses will be paid and/or reimbursed by a Fund or the applicable portfolio entity, or prospective portfolio entity and will not offset or otherwise reduce the applicable Management Fee. The costs and expenses associated with such Affiliated Services will reduce the returns of all investors in a

Fund or a portfolio entity. Such persons also are expected to receive reimbursement from a Fund or portfolio entity or prospective portfolio entity of certain costs and expenses, including travel, meals, lodging and reasonable and customary entertainment that are incurred in connection with providing Affiliated Services. In addition, HPC is entitled to reimbursement from a Fund or portfolio entity and prospective portfolio entity for the Affiliated Services providers' use of office space (including at HPC's offices), health insurance, business cards, paid time off and other employment benefits and/or other HPC resources. Affiliated Services Fees and Expenses may, at the sole discretion of the relevant General Partner taking into account the particular Affiliated Services, include cash fees, a per diem or project based retainer or fee, monthly fee, performance fee, profits or equity interest in a portfolio entity (the terms of which may be different than the profits or equity interest owned by a Fund) or other incentive-based compensation to a provider of Affiliated Services, the amount of which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) spent by such provider of Affiliated Services, a percentage of the value of a portfolio entity, a percentage of the amount of capital invested in and/or committed to such portfolio entity, amounts charged by other providers for comparable services and/or a percentage of cash flows from such portfolio entity. Additionally, providers of Affiliated Services may be provided opportunities to co-invest in one or more portfolio entities or a Fund, without the payment of management fees and carried interest. Providers of Affiliated Services also may have a limited partner or profit interest in a Fund or other HPC Funds. In addition, a Fund or portfolio entities have the potential to pay certain additional compensation (including in the form of equity interests) to providers of Affiliated Services. Any such compensation will not offset or otherwise reduce the Management Fee as described in the relevant Governing Documents. Providers of Affiliated Services may also receive a portion of a General Partner's carried interest as compensation. To the extent such providers of Affiliated Services are involved in a Fund's investments, their carried interest may create an incentive to seek that the Fund make riskier or more speculative investments, to sell an investment sooner or to hold an investment longer than otherwise would be the case if a longer-than-three-year holding period requirement did not exist for favorable tax treatment of carried interest under U.S. tax law.

HPC also expects to engage certain other consultants on behalf of a Fund to assist HPC in sourcing, analyzing and executing investments and performing other services. Compensation, expenses, fees and other amounts received by the foregoing, including amounts received by such consultants from portfolio entities and/or from a Fund will not result in an offset of the applicable Management Fee.

Although HPC believes that the Underlying Managers, Underlying Manager funds and/or Underlying Manager portfolio companies and the relevant Fund will benefit from such services and will provide or seek such services with a view toward reducing costs to and/or improving performance of the Underlying Managers, Underlying Manager funds and/or Underlying Manager portfolio companies and the Fund, the Affiliated Services Fees and Expenses subject the relevant General Partner and HPC to conflicts of interest. For example, a General Partner has an incentive to maximize the frequency of such services. In addition, HPC will face a conflict of interest in determining what constitutes an Affiliated Service as such determinations will directly benefit HPC. HPC believes that such conflicts are reduced by the anticipated cost savings to the Underlying Managers, Underlying Manager funds and/or Underlying Manager portfolio companies and a Fund that will result if the value of the services provided to the Underlying

Managers, Underlying Manager funds and/or Underlying Manager portfolio companies is greater relative to relevant market alternatives. However, there can be no assurance that amounts charged for the relevant services ultimately will approximate then-current market rates, that no other service provider is more qualified to provide the services or could provide such services at a more competitive cost, or that the provision of such services will not result in a net benefit to a General Partner, HPC, or their affiliates over the life of a Fund.

HPC may also direct the provision of Affiliated Services with a view to benefitting both the investment of a Fund and another HPC Fund holding an interest in such Underlying Managers, Underlying Manager funds and/or Underlying Manager portfolio companies or as a feature for encouraging such Underlying Managers, Underlying Manager funds and/or Underlying Manager portfolio companies to accept an investment from another HPC Fund. There can be no assurance that the benefits of Affiliated Services will accrue equally to a Fund and such other HPC Fund, and certain components of Affiliated Services may disproportionately favor the investment thesis or performance of an investment made by one HPC Fund in such Underlying Manager, Underlying Manager fund and/or Underlying Manager portfolio company, notwithstanding the fact that, in many cases, the Affiliated Services Fees and Expenses are borne by such Underlying Manager, Underlying Manager fund and/or Underlying Manager portfolio company and not specifically allocated among the investors therein.

HPC's procurement business is a group purchasing organization that provides purchasing services to member companies, which includes portfolio entities owned, in whole or in part, by certain HPC-managed funds, Underlying Manager funds and third-parties. HPC's procurement business is expected to provide the option of group purchasing services to the Funds, their portfolio entities, the Underlying Managers, Underlying Manager funds, Underlying Manager portfolio companies, and HPC. Generally, HPC's procurement business is expected to generate revenue in a number of ways, including from portfolio companies and/or vendors based on a percentage of the amount of products or services purchased by its member companies and benefit plans maintained by its member companies, a percentage of revenue or recurring revenue (including subscription fees), a percentage of the savings experienced by the member company, an annual or quarterly rebate based on predetermined spend amounts under the relevant contract, one time fees related to the implementation of a program or service, basis points on net charge volume of a member company spend, transaction-based fees or sponsorship fees paid by vendors for appearances at conferences or events hosted by HPC. HPC's procurement business is owned by HPC, and accordingly, HPC will receive any profit generated through any participation by portfolio entities, Underlying Managers, Underlying Manager funds or Underlying Manager portfolio companies in the procurement business by such entities.

As HPC's procurement business is owned by HPC, potential and actual conflicts of interest will exist in connection with HPC's operation of the procurement business, including that HPC will have a financial incentive to negotiate purchasing, vendor or similar arrangements on terms favorable to HPC's procurement business, which could result in less favorable terms or discounts for program participants. In addition, while participation in the procurement business by the Underlying Managers, Underlying Manager funds and Underlying Manager portfolio companies will be a voluntary decision made by such participants, HPC will have an incentive to recommend that such entities participate in such programs, including where program discounts may not represent the most favorable terms or participating vendors or service providers may not represent

the best providers available to such program participants (e.g., where such participants may be able to obtain better pricing and/or services from vendors or service providers outside of the program). HPC believes the potential for conflicts relating to such arrangements will generally be mitigated by the anticipated cost savings to portfolio entities, Underlying Managers, Underlying Manager funds and Underlying Manager portfolio companies (which would be expected to benefit the relevant Funds) that would result if the negotiated rates for goods and services were discounted relative to those widely available in the market.

As described above, HPC's procurement business is expected to institute one or more programs under which portfolio entities owned by a Fund and Underlying Managers, Underlying Manager funds and Underlying Manager portfolio companies would be given the option to participate in purchasing, vendor or similar arrangements with HPC, its affiliates and/or other portfolio entities. Program participants would expect to receive discounts negotiated with various vendors and service providers on a group-wide basis, though, in some cases, the amount and level of such discounts would vary from participant to participant and it is possible that certain program participants would not receive a discount with respect to a particular group program. When providing the option of participation in the purchasing program to the portfolio entities, Underlying Managers, Underlying Manager funds and Underlying Manager portfolio companies, HPC will include any fees charged by the procurement business in the total pricing to be charged to any such participant. The costs for participation in such program will be borne by the relevant participants in such program, including, as applicable, the Underlying Managers, Underlying Manager funds and Underlying Manager portfolio companies. To the extent that HPC and its affiliates also were to participate in such a program, they would bear an allocable portion of such costs and receive similar benefits and discounts as a Fund and its respective portfolio entities participating therein. No amounts paid by any discount program participant would result in additional offsets to the Management Fee of a Fund.

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

HPC and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by HPC and/or its affiliates; conversely, former personnel or executives of HPC and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by HPC. Similarly, HPC, its affiliates and/or personnel maintain

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

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

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

or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

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

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

HPC has and expects in the future to have strategic relationships with certain investors that will make significant capital commitments to the Funds (the “**Anchor Investors**”). The interests of the Anchor Investors differ substantially from the interests of other investors. In particular, the Anchor Investors will be entitled to receive a portion of the economics received by HPC and/or its affiliates in connection with the Funds (and certain future funds or accounts managed or advised by HPC), including a portion of the net proceeds from management fee and any carried interest distributions. The Anchor Investors generally will also receive a discount on management fees as well as preferential access to potential co-investment opportunities. The Anchor Investors will also receive certain informational, participation and other rights generally not offered to other investors in the Funds. In addition, one of the Anchor Investors is expected to provide informational and other services to HPC and the Funds in its capacity as a strategic partner of HPC (as defined below).

The role of the Anchor Investors creates conflicts of interest as HPC has an incentive to favor the interests of the Anchor Investors and/or their applicable investment vehicles and the Anchor Investors have an economic interest in HPC (and are expected to have an interest in future funds and accounts managed or advised by HPC or its affiliates) and therefore have an incentive to favor the interests of HPC as well as their own economic interests in certain matters submitted to a advisory Committee.

HPC and/or its affiliates reserve the right to, and has, enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Adviser's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, right to serve on a Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic, procedural and other terms and strategic relationships under which an investor agrees to make Commitments to multiple Funds, many of which will not be subject to the “most-favored nation” provisions of a Fund's Governing Documents. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or

different rights and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

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

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

There is not expected to be an actively traded market for most of the securities owned by a Fund. When estimating fair value, the relevant General Partner will apply a methodology it

determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner gives rise to certain conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.

In addition, such Underlying Managers may engage in other transactions with affiliated parties on terms and conditions not determined through arm's-length negotiations. The relevant General Partner will often not be in position to monitor these sorts of conflicts of interest and such conflicts of interest may diminish returns to the limited partners.

HPC has entered into a customized arrangement with Nasdaq Private Market, LLC in connection with its online platform designed to conduct auctions of unregistered securities. HPC expects that limited partners in one or more Funds will have the opportunity to seek to transfer their interests in the Fund to qualifying buyers on a periodic basis and on particular terms as set forth in the Governing Documents. HPC expects that transfers will occur pursuant to an auction process operated by the rules applicable to the platform, which are subject to change from time to time. Access to such auctions will be subject to limitations as necessary to comply with federal securities laws, rules, regulations, applicable tax rules and regulations and other restrictions. Such limitations will generally relate to timing, size, and eligibility of participants in such transfers. Potential buyers will be limited to those meeting certain eligibility criteria as determined in the General Partner's sole discretion and, accordingly, there is no assurance that sufficient demand will exist for a given auction (which also may depend on the existence of favorable market conditions). Secondary trading through the platform may result in the Fund's interests being purchased or sold at a price substantially above or substantially below the Fund's last calculated net asset value, and a limited partner selling their Fund interests at a price below the limited partner's aggregate capital contributions may lose money on their investment in the Fund.

The aggregate amount of Fund interests that can be transferred in any year will be limited by applicable law (including tax law) and by demand from qualified buyers. The General Partner reserves the right to permit or deny any transfer of Fund interests (and to allocate the opportunity to transfer Fund interests among the limited partners in circumstances where there is a limited availability to transfer Fund interests) in its sole and absolute discretion. The General Partner also reserves the right in its sole discretion to establish and/or waive minimum holding periods with respect to Fund interests. The General Partner will face a conflicts of interest in making such determinations as it will have an incentive to permit or deny transfers (or allocate the opportunity to transfer) in a manner that could benefit the General Partner and/or its affiliates. Although the Governing Documents generally contain broad exculpation and indemnification provisions, the Adviser will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by the Adviser are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the

Governing Documents regardless of whether the liability and/or indemnity standards in the Adviser's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects HPC and/or its affiliates to potential conflicts of interest. HPC attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by HPC's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, HPC will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, HPC consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

## **DISCIPLINARY INFORMATION**

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

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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

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

HPC has adopted the HPC Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of HPC principals and personnel and addresses conflicts that arise from personal trading. The Code requires certain HPC personnel to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits HPC personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the HPC Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to David Prael, the HPC Chief Compliance Officer, at [Compliance@hunterpointcapital.com](mailto:Compliance@hunterpointcapital.com). Personal securities transactions by personnel who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

HPC and its affiliated persons expect, to come into of material, non- public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, HPC and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of HPC.

Accordingly, should HPC or any of its affiliated persons come into possession of material non-public or other confidential information with respect to any public and non-public company, HPC generally would be prohibited from communicating such information to clients, and HPC will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of HPC personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and personnel of HPC and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of HPC, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company’s structure. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

HPC and its affiliates, principals and personnel expect to carry on investment activities for their own account, for personal or employee investment vehicles and,

potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which is similar to different from advice given to, or securities recommended or bought for, any Fund, even if their investment objectives are the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

Each General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, the Adviser or an affiliate is authorized to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto (except with respect to members of such General Partner who have direct or indirect partnership interests in the relevant Fund), including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

## **BROKERAGE PRACTICES**

HPC focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, HPC reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although HPC does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If HPC sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by HPC. In such event, HPC will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, HPC reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

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

Consistent with HPC seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although HPC generally does not make use of such services at the current time and has not made use of such services since its inception.

## **REVIEW OF ACCOUNTS**

The investments made by the Funds generally are private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, HPC monitors companies in which the Funds invest, and the HPC Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives. More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios or the investments within them, including changes in the financial market and activity in the political or economic environment.

Each Fund generally will provide to its limited partners (i) annual GAAP audited and quarterly unaudited financial statements and (ii) annual tax information necessary for each limited partner's tax return.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

HPC and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services.

The Adviser utilizes placement agents. As described in the Adviser's written service agreement with the placement agent, the placement agent receives compensation on all capital commitments raised and accepted by the Fund from referred or solicited investors. Any fees payable to any such placement agents generally will be borne by the Adviser indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). Due to the agreement the Adviser has with the placement agent, the placement agent has an incentive to recommend the Adviser, resulting in a material conflict of interest.

## **CUSTODY**

As HPC and its affiliates are deemed to have custody of a certain client's, the relevant Funds will comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the pooled vehicle annual audit provision and HPC will maintain custody of assets held in the name of the Funds with a qualified custodian who will provide periodic account statements. Clients should review these financial statements carefully.

## **INVESTMENT DISCRETION**

HPC has discretionary authority to manage investments on behalf of each Fund. As a general policy, HPC does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, HPC and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. HPC assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund.

## VOTING CLIENT SECURITIES

HPC has adopted the HPC Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Fund’s portfolio investments. The Proxy Policy seeks to ensure that HPC votes proxies (or similar instruments) in the best interest of the Fund including where there may be material conflicts of interest in voting proxies. HPC generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that HPC is permitted to address the conflict using several alternatives or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board is authorized to approve HPC’s vote in a particular solicitation. HPC does not consider service on portfolio company boards by HPC personnel or HPC’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by HPC when voting proxies on behalf of a Fund. Clients or investors that would like a copy of HPC’s complete Proxy Policy or information regarding how HPC voted proxies for particular portfolio companies may contact David Prael, the HPC Chief Compliance Officer, at [Compliance@hunterpointcapital.com](mailto:Compliance@hunterpointcapital.com), and it will be provided at no charge.

## **FINANCIAL INFORMATION**

HPC does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.