

# TEN COVES CAPITAL

Ten Coves Capital, LP  
Part 2A of Form ADV  
Investment Adviser Brochure

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This brochure (this “**Brochure**”) provides information about the qualifications and business practices of Ten Coves Capital, LP (referred to herein as “**Ten Coves Capital**”). If you have any questions about the contents of this Brochure, please contact Ten Coves Capital at (203) 983-3239 or via e-mail at [tanu.suneja@tencoves.com](mailto:tanu.suneja@tencoves.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Glossary of Terms to Form ADV.

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

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT TEN COVES CAPITAL OR ANY OF THE FOUNDING PARTNERS OR EMPLOYEES OF TEN COVES CAPITAL POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.

**Item 2 - Material Changes**

Since the last annual amendment to this Brochure filed March 2023, there have been no material changes.

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#### Item 4 - Advisory Business

Ten Coves Capital provides discretionary investment advice to Ten Coves Capital I, LP (“**Fund I**”), Ten Coves Capital II, LP (“**Fund II**”), Ten Coves Capital II Co-Invest, LP (“**Fund II Co-Invest**”), Ten Coves Capital III, LP (“**Fund III**”), and Ten Coves Capital IV, LP (“**Fund IV**”) and together with Fund I, Fund II, Fund II Co-Invest, Fund III, and any successor private investment funds and each of their related co-investment vehicles and special purpose vehicle, the “**Funds**” and individually, each a “**Fund**”). Ten Coves Capital also manages several single purpose vehicles (collectively, the “**SPVs**”, and together with the Funds, the “**clients**”) each of which are formed to typically invest in a single portfolio company. In the future, Ten Coves Capital may form additional funds, including feeder and parallel funds, co-investment vehicles and special purpose vehicles. Ten Coves Capital is led by Steven Piaker, Daniel Kittredge and Edwin May (together the “**Managing Partners**”), who are supported by a team of Ten Coves Capital professionals with investment, finance, and compliance experience. The Funds seek long-term capital appreciation through private investments, utilizing a disciplined investment strategy that leverages the experience of the Managing Partners and the broader team. The general partner of Ten Coves Capital is Ten Coves Management, LLC, which is co-owned by the Managing Partners and Manu Rana, Founding Partner and Senior Advisor.

Ten Coves Capital is a private investment firm co-founded by the Managing Partners following a spin out from Napier Park Global Capital (collectively with its affiliates, “**Napier Park**”), a global credit asset manager, in December 2020. Ten Coves Capital assumed management of Funds I and II from Napier Park, and Fund III was raised subsequent to the formation of Ten Coves Capital. Today, Ten Coves Capital operates as a fully independent firm, and the Managing Partners are responsible for managing all aspects of the Firm and the Ten Coves Capital funds, including all operating and investment management functions.

Generally, a person that is under common control with Ten Coves Capital (a “**Related Person**”) acts as the general partner of each Fund, and Ten Coves Capital (directly or indirectly through a wholly-owned subsidiary) serves as the investment adviser to each Fund. References to “Ten Coves Capital” in this Brochure include, as the context requires, affiliates through which Ten Coves Capital provides investment advisory services or that act in any capacity referenced in the previous sentence. References to “General Partners” in this Brochure include the general partner entities of the applicable Funds, and for any General Partner that is itself a limited partnership, to the general partner thereof.

Ten Coves Capital deploys a disciplined strategy of investing in high growth business-to-business (“B2B”) software companies across the financial technology ecosystem, with a focus on companies solving industry pain points, enabling workflows, and providing critical infrastructure for customers ranging from the largest financial institutions down to small and medium-sized businesses (“SMBs”). Ten Coves Capital typically makes minority growth equity investments, initially investing as a lead or co-lead investor and seeking board representation and structural protections that serve to establish shared control with management and co-investors.

Ten Coves Capital tailors its advisory services to the specific investment objectives and restrictions of each Fund set forth in such Fund’s limited partnership agreement. Investors and prospective investors of each client should refer to the confidential private placement memorandum (if any), limited partnership agreement, subscription agreement and/or other governing documents (collectively, the “**Governing Documents**”) of the applicable client for complete information on the investment objectives and investment restrictions with respect to such client. There is no assurance that any of the client’s investment objectives will be achieved.

Consistent with industry practices, the Funds and/or the General Partner have entered into side letter agreements or similar agreements (“**Side Letters**”) with certain investors pursuant to which the General Partner grants the investor specific rights, benefits, or privileges (including economic rights, benefits and

privileges) that, except as set forth in the Governing Documents, are not required to be made available or disclosed to investors generally.

Ten Coves Capital manages all client assets on a discretionary basis in accordance with the terms and conditions of each client's Governing Documents. As of December 31, 2023, Ten Coves Capital manages approximately \$990,475,890 in assets on a discretionary basis. This includes the committed capital that may be called by the Funds from their respective limited partners.

## **Item 5 - Fees and Compensation**

### ***Compensation and Fee Schedules***

As compensation for investment advisory services rendered to the Funds, Ten Coves Capital typically receives a management fee (each, a “**Management Fee**”) from each such Fund. All investors and prospective investors should review the Governing Documents of each Fund in conjunction with this Brochure for complete information on the fees and compensation payable in connection with a particular Fund. Different Funds may be subject to different Management Fees and performance-based compensation arrangements. The Management Fees payable to Ten Coves Capital in respect of individual investors in a Fund may be negotiable and/or waived. Investors and prospective investors in each Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. All advisory clients (i.e., the Funds) are expected to be “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Consequently, Ten Coves Capital is not required to include specific fee information in this Brochure relating to the Funds. Ten Coves Capital generally is not entitled to receive any Management Fee with respect to the SPVs or Fund II Affiliates.

### ***Deduction of Fees; Timing of Payments; Termination***

As a general matter, Ten Coves Capital charges and deducts Management Fees directly from the Funds pursuant to the terms of the Governing Documents. Payment of Management Fees is generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Funds for complete information on the timing of Management Fee payments. Upon termination of any investment management agreement, any prepaid, unearned fees will be promptly refunded (determined on a *pro rata* basis based on the number of days elapsed in the applicable payment period), and any earned, unpaid fees will be due and payable.

### ***Service-Related Fees***

Ten Coves Capital and its affiliated entities may perform consulting, management, advisory, monitoring, integration, transaction-related, financial advisory and other services (“**Related Services**”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds (“**Portfolio Company Remuneration**”). The Management Fee with respect to each calendar quarter of each applicable Fund will be reduced by all or a portion of such Fund's share of Portfolio Company Remuneration. The definition of and calculation of the amount of such Portfolio Company Remuneration that is used to offset the Management Fees and Fund expenses is described in the applicable Fund's Governing Documents. For a discussion of material conflicts of interest created by the receipt of such Portfolio Company Remuneration in connection with Related Services, please see Item 11 below.

The amount of Management Fees, Fund expenses, and the amount of Portfolio Company Remuneration may differ from one Fund to another, as well as among investors in the same Fund. Some Funds may not pay Management Fees. The Management Fees may also be subject to waiver or reduction by Ten Coves Capital, in its sole discretion, both voluntarily and on a negotiated basis with its investors. For example, Ten Coves Capital and certain of its current Founding Partners and employees have invested, and are expected to continue to invest, directly or indirectly in the Funds, and Management Fees with respect to such investments are usually waived.

## ***Expenses***

Ten Coves Capital is responsible for paying its normal overhead and operating expenses attributable to the activities of Ten Coves Capital, including all routine, recurring expenses incident to its activities; compensation and expenses of the employees of Ten Coves Capital, including salaries of the members of Ten Coves Capital; expenses of Ten Coves Capital related to its registration and compliance as an investment adviser with the SEC; internal compliance expenses of Ten Coves Capital related solely to internal business of Ten Coves Capital, its affiliates and unrelated to the affairs and activities of the Funds; expenses relating to any litigation, investigation, audit or other proceeding, and any threatened litigation, investigation, audit or other proceeding related solely to internal business of Ten Coves Capital, its affiliates and unrelated to the affairs and activities of the Funds; and fees and expenses for administrative, clerical and related support services, office space and facilities, utilities, telephone and all other normal overhead and expenses attributable to its activities.

The permissible operational and other expenses may vary among the Funds. Consistent with the Governing Documents of the Funds, in addition to the Management Fees and performance-based compensation payable to Ten Coves Capital, each Fund (and indirectly, the investors thereof, and including any subsidiaries, certain alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, “*AIVs*”) or other vehicles through which they will make investments) is generally responsible for all costs and expenses incident to conducting the affairs of the Funds and their related entities to the extent not reimbursed by a portfolio company or another third party, including but not limited to: all costs and expenses pertaining to the offering and sale of limited partner interests to prospective limited partners and the organization of the Funds and their General Partners; fees and expenses of placement agents; the Management Fee; all costs and expenses incurred in connection with the business, affairs and operations of the Funds (including, but not limited to, software, subscriptions, and technology used in the origination and monitoring of actual or prospective portfolio investments), including sourcing, identifying, originating, investigating, developing, negotiating, structuring, acquiring, trading, selling, monitoring, tracking, holding and disposing of any actual or prospective portfolio investments (whether or not consummated and including any “broken deal” expenses), any brokerage, placement, corporate finance, merger, underwriting and registration fees and commissions, prime brokerage fees, custodial expenses, agent bank and other bank service fees, fees and expenses associated with legal, tax, consulting and accounting services and reasonable travel expenses (including accommodations, meals and business class commercial travel or, if only two classes are available, first class commercial travel) in connection therewith; costs and expenses of third-party appraisals of prospective portfolio investments (whether or not consummated); expenses related to meetings and reasonable business related entertainment with prospective portfolio company personnel and their prospective strategic partners; payments to legal counsel, tax advisors, auditors, accountants, administrators, custodians, consultants and other outside advisors, including all costs and expenses in connection with the Funds’ compliance with U.S. federal, state, local, non-U.S. or other laws and regulations applicable to the Funds (including, by way of example only, Form PF obligations under the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”), foreign account reporting regimes (including FATCA and the Common Reporting Standard), cross border activity tracking (e.g., TIC and BEA forms), the European Alternative Investment Fund Managers Directive, applicable anti-money laundering and “know your client” laws and requirements, filings under Section 13 or Section 16 of the Securities Exchange Act of 1934, as amended, filings with the Committee on Foreign Investment in the United States (“*CFIUS*”) and other matters related to the Defense Production Act of 1950 or CFIUS in connection with the Funds’ investments or proposed investments, regardless of the reason that any such filing is made, each as applicable and as may be amended from time to time, and the preparation and administration of any reports, disclosures, filings or notifications prepared in accordance with the foregoing (but excluding, for the avoidance of doubt, any compliance or related expenses of Ten Coves Capital related to its registration as an investment adviser with the SEC); any co-investment broken deal expenses; all expenses incurred in connection with the managed distribution of marketable securities; expenses of any Advisory Committee attributable to the Funds, including legal fees for outside counsel to the Advisory

Committee and insurance for the benefit of the members of the Advisory Committee and any limited partner represented by any such member; litigation, director and officer liability and other insurance with respect to persons serving in such capacity at the request of the Funds; market data costs and other research-related expenses, including, without limitation, news and quotation equipment, software and services (including expert networks); indemnification obligations and other extraordinary expenses or liabilities relating to the affairs of the Funds, including the costs prosecuting or defending any legal, regulatory or administrative action or investigation, litigation or threatened litigation relating to the business or activities of the Funds, their General Partners, Ten Coves Capital or their affiliates related to the business activities of the Funds or their General Partners; all expenses incurred in connection with securing financing, including but not limited to the arranging, negotiation, structuring, entering into, amending and all other documentation of agreements with one or more lenders and all principal and interest on, and fees and expenses arising out of, all permitted borrowings and guarantees made by the Funds; all expenses related to hedging activities undertaken by the Funds; taxes, fees or government charges that may be levied or assessed against the Funds; any expense of the Funds, including fees and expenses associated with any tax or other audit, investigation, settlement or review of the Funds, their General Partners or Ten Coves Capital related to the business activities of the Funds or their General Partners; all expenses incurred in connection with the formation of special purpose vehicles, including any AIVs (including related to the presence of the Funds or any AIV or other special purpose vehicle in jurisdictions in which such entities or their subsidiaries maintain such a presence, including, for example, rent, domiciliation fees, director's fees and other similar costs); all dissolution, liquidation and winding-up expenses of the Funds; all expenses incurred in connection with any restructuring or amendments to the constituent documents of the Funds and their affiliates, including their General Partners; reasonable expenses of annual and special meetings of the limited partners and the Advisory Committee, including meals (in each case, whether individually or as a group, and, in the case of the Advisory Committee and industry experts in attendance at such meetings, accommodations and travel); all accounting, administrative, reporting, tax and audit costs and expenses of the Funds and their General Partners, including in connection with the preparation, printing and distribution of all communications, reports (including financial and tax reports), portfolio valuations and tax returns of the Funds and their General Partners (including the costs and fees of maintaining any internet-based portal or website from which such items are made available); and all other expenses properly chargeable to the activities of the Funds. To the extent any such costs or expenses are paid by Ten Coves Capital, the general partners or their affiliates, as the case may be, the applicable party shall be reimbursed by the Funds.

### ***Timing of Payments***

Please refer to the subsection entitled “*Deduction of Fees; Timing of Payments; Termination*” described above.

### ***Transaction-Based Compensation***

Ten Coves Capital does not receive any compensation as broker or agent for the sale of securities or other investment products to any Fund. Please refer to the subsections titled “*Service-Related Fees*” above and “*Economic Benefits Received from Third Parties*” below for information on other types of compensation that Ten Coves Capital may receive with respect to investments by the Funds.

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

### ***Performance-Based Fees***

Carried interest is a share of the net profits realized on the disposition of investments that is paid to the Funds' general partners as an incentive to maximize performance of the Funds. The carried interest percentage is negotiated at the time each Fund is formed and is calculated and distributed in accordance with the specific provisions outlined in each Fund's Governing Documents. The fact that a significant portion of Ten Coves Capital's potential compensation is directly computed on the basis of profits generated

by the sale/disposition of Fund assets may create an incentive for Ten Coves Capital to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. The existence of a capital commitment by each General Partner to the Funds may reduce this incentive. Additionally, each General Partner is subject to a “clawback” of carried interest previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to such General Partner by such Fund as carried interest, applied on an aggregate basis covering all transactions of the applicable Fund.

### ***Side-by-Side Management***

Funds with similar investment strategies may, in the future, be subject to different performance-based compensation arrangements. If Ten Coves Capital or a Related Person is entitled to receive a higher percentage of the net profits of the account of one Fund than the percentage that Ten Coves Capital or a Related Person receives from another Fund with a similar investment strategy, then Ten Coves Capital may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Fund that is subject to the higher percentage.

To mitigate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each Fund are made by Ten Coves Capital with respect to all Funds in accordance with their Governing Documents and Ten Coves Capital’s investment allocation policy. Please refer to the Governing Documents of each Fund for complete information on the specific “performance-based fee” arrangements of each Fund.

## **Item 7 - Types of Clients**

### ***Types of Clients and Investment Vehicles***

Ten Coves Capital provides discretionary investment management services to the Funds. The eligibility and suitability requirements for each Fund are described in the applicable Governing Documents. The Funds only admit sophisticated investors that (a) (1) are “qualified clients” within the meaning of Rule 205-3 of the Advisers Act and (2) the General Partner reasonably believes to be (i) “accredited investors” within the meaning of the Securities Act and (ii) “qualified purchasers” as such term is defined in Section 2(a)(51) of the Investment Company Act, or (b) are not “U.S. Persons” within the meaning of Rules 901 through 905 under the Securities Act (“**Regulation S**”) and outside the United States at the time of such offer in offshore transactions in compliance with Regulation S.

Ten Coves Capital and/or its affiliates may establish AIVs for the purpose of addressing tax, regulatory and/or structural issues, and/or facilitating certain investments by one or more Funds and/or investors. Prospective investors are requested to refer to the Governing Documents of the applicable Fund for complete details on any feeder fund that may be established by such Fund and such Fund’s ability to make investments through AIVs.

### ***Minimum Investment Requirements***

In general, the minimum investment commitment required of an institutional limited partner to participate in a Fund is set forth in the Governing Documents for such Fund. Notwithstanding the foregoing, the General Partner of each Fund has discretion to increase or reduce the minimum investment commitment. Investors are requested to refer to the Governing Documents of each Fund for complete information on minimum investment requirements for participation in a particular Fund.

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

### ***Investment Strategies***

Ten Coves Capital utilizes a disciplined strategy of making growth equity investments in the financial services industry and related business or information services markets, including entities that provide service and technology-enabled solutions to the financial services industry. The Funds invest broadly across financial services and financial technology industries subsectors with a particular focus on high-growth businesses that provide or support the delivery of financial products or services to industry leading companies. Through its sector-focused approach, Ten Coves Capital applies industry expertise, proprietary research and analysis, and well-established networks to identify and target companies that possess strong fundamentals and visible growth prospects. This sector-specific strategy and a focus on lower middle market companies has enabled the Founding Partners (prior to the Transition), to consistently identify investment opportunities and position Ten Coves Capital as a knowledgeable investor and preferred partner for management teams and co-investors. As an active investor, Ten Coves Capital seeks to guide key portfolio company strategic decisions helping to drive and accelerate value creation.

### ***Methods of Analysis***

Ten Coves Capital continues the Founding Partners' strategy of pursuing high-growth lower middle market investment opportunities in the financial services and financial technology industries. The Funds make primarily equity investments to construct a diversified portfolio of companies. Ten Coves Capital employs a differentiated and tightly integrated investment and portfolio company management strategy.

Ten Coves Capital focuses on growth equity investments in the lower middle market where it believes there is less competition than in other market segments and is further competitively-advantaged through a specialized focus on investments in the financial services and financial technology industries. Growth equity entails investing in established businesses achieving attractive organic growth, and emphasizes providing equity capital primarily to increase sales and marketing and finance acquisitions, and only secondarily, if at all, to provide shareholder liquidity.

The Founding Partners have, for virtually the entirety of their investing careers, pursued growth equity investment opportunities in lower middle market companies in the financial services and financial technology industries. Ten Coves Capital seeks to continue this successful strategy of generating returns by applying specialized industry expertise to create value principally from successful company operations (including margin expansion through increased sales achievement) rather than through financial leverage. As targeted by the Founding Partners, growth company characteristics at time of initial investment have included: (i) proven business model, as evidenced generally by revenues from \$5 million to \$30 million; (ii) substantial organic revenue growth, 35% or better than broader market; (iii) recurring or persistent revenues; (iv) high gross margins and attractive unlevered unit economics; and (v) ability to self-fund if necessary.

### ***Material Risks***

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Ten Coves Capital will be able to choose, and each Fund will be able to make and/or realize, any particular investment or that each Fund will be able to generate returns for their investors. In addition, there can be no assurance that any investor will receive any distributions from a Fund. Investing in each Fund involves a risk of loss that investors should be prepared to bear. Investors in each Fund are requested to refer to the Governing Documents of the applicable Fund for complete information on investment strategies employed by such Fund and the corresponding risks associated with such investment strategies. Investors in each Fund should carefully consider, among other factors, the following material risks involved with each Fund's investment strategies.

### ***Risks Associated with Portfolio Investments***

Identifying and participating in attractive investment opportunities and assisting in the building of successful growth companies is difficult. There is no assurance that each Fund's investments will be profitable and there is a substantial risk that any Fund's losses and expenses will exceed its income and gains. Any return on investment to the limited partners will depend upon successful investments made on behalf of each Fund by the General Partner. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by the General Partner will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources, and the General Partner often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify.

### ***Competition***

The growth equity business is highly competitive, and has become more so in recent years due to a substantially increased flow of capital into venture capital, growth equity and private equity funds and similar investment organizations. Each Fund and the General Partner competes with other established funds and investment organizations with substantial resources and experience. Moreover, the volume of attractive investment opportunities varies greatly from period to period. There can be no assurance that each Fund will be able to make investments on attractive terms, and it is possible that a Fund's term will expire before such Fund has invested all of its available capital.

### ***Concentration of Investments***

Each Fund's portfolio may become concentrated in a limited number of companies in the financial services and related sectors, increasing the vulnerability of the portfolio as compared to a portfolio that is more diversified. In certain cases, a Fund may acquire majority or greater interests in portfolio companies, which could further increase the vulnerability of the portfolio.

### ***Long-Term Investment; Limited Transferability of Interests; Withdrawals***

An investment in a Fund is a long-term commitment, and there is no assurance of any distribution to the limited partners. The Governing Documents and applicable securities laws impose substantial restrictions upon the transferability of interests in the Funds. There is no public or other market for the interests in the Funds, and it is not expected that such a market will develop. Withdrawal of limited partners from each Fund generally is not permitted, although the Governing Documents may specify certain circumstances under which a limited partner may be entitled, or required, to withdraw from a Fund. A withdrawn limited partner may not be entitled to immediate payment for its interest in a Fund. Any withdrawal of a limited partner may reduce the amount of a Fund's capital available for investment or other activities.

### ***Bridge Financings***

From time to time, a Fund may lend to portfolio companies, including on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in such Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by such Fund.

### ***Leverage***

Although each Fund itself does not intend to borrow except on a short-term basis, and the investment strategy of each Fund does not generally employ high portfolio company financial leverage, portfolio companies in which each Fund invests may borrow without limitation, subject to certain threshold blocking rights Ten Coves negotiates on a company-by-company basis. While leverage presents opportunities to increase a Fund's total return, it has the effect of potentially increasing losses as well. If the income of such portfolio companies is less than the required interest payments on the borrowings, the value of the portfolio

companies, and thus of a Fund's net assets, may decrease or, in extreme cases, the lender could foreclose on the portfolio company and a Fund could suffer a total loss.

### ***Changes in Environment***

Each Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory and technology environment within which each Fund operates is expected to undergo substantial changes, some of which may be adverse to a Fund. The General Partner will have the exclusive right and authority (within limitations set forth in the Governing Documents) to determine the manner in which each Fund shall respond to such changes, and limited partners generally will have no right to withdraw from each Fund or to demand specific modifications to each Fund's operations in consequence thereof.

### ***Changes in Financial Regulation***

Certain industry segments in which a Fund intends to invest, including various segments of the financial services industry, 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. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the financial services industry, 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, could have a material adverse effect on the operations and/or financial performance of the companies in which each Fund invests.

### ***Custody Risk***

If a bank has custody of Fund assets and the bank goes into receivership, the receivership could adversely impact the safekeeping of those assets and the ability to retrieve and secure such assets, and a Fund may experience delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets. To mitigate this risk, Ten Coves Capital tries to select custodians with a strong balance sheet and significant capital base by conducting due diligence on financial stability including a review of the bank's financial statements, credit ratings, and any other information regarding the bank's financial health. Ten Coves Capital will also, to the extent possible, diversify custodian risk by using multiple custodians to reduce the impact of a single custodian's failure.

### ***Risk of Access to Fund Subscription Lines or Other Working Capital Facilities***

If a bank provides a Fund with a so-called subscription line or other working capital facility and the bank goes into receivership, the availability of funds under that line or facility could be adversely affected, which could in turn adversely impact the Fund's ability to consummate investments or pay Fund expenses in a timely manner. Ten Coves Capital believes it can mitigate this risk by doing business with banks that have strong balance sheets and, if it has concerns at any time that accessing such bank lines may be restricted, it can instead call capital from its limited partners.

### ***Reliance on Individual Members or Partners of the General Partner***

Each Fund is particularly dependent upon the efforts, experience, contacts and skills of the individual members or partners of the General Partner. The loss of any such individual could have a material, adverse effect on a Fund, and such loss could occur at any time due to death, disability, resignation or other reasons. The limited partners will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the General Partner in making decisions. Except as specifically provided in the Governing Documents, the General Partner will have the exclusive right and power to manage each Fund's business and affairs.

### ***Reliance on Third Parties***

The General Partner and each Fund will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents. Failure by any of these third parties to perform their duties or otherwise satisfy their obligations to each Fund could have a material adverse effect upon a Fund.

### ***Limited Partner Defaults***

Limited Partners that fail to satisfy capital calls in a timely manner generally will be subject to significant penalties as described elsewhere in the Governing Documents. Any failure by limited partners to make timely capital contributions in respect of their capital commitments may impair the ability of a Fund to pursue its investment program, force a Fund to borrow, or cause other damage.

### ***Reserves***

In managing each Fund, the General Partner will establish reserves for follow-on investments in portfolio companies, operating expenses (including management fees payable to the General Partner or an affiliate), Fund liabilities and other matters. Estimating the amount necessary for such reserves will be difficult, particularly because follow-on investment opportunities will be directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the limited partners.

### ***Dilution***

Following a Fund's initial closing, the General Partner will be authorized to admit additional limited partners (or accept increased capital commitments from existing limited partners) for a period of one year (the "Open Window Period"). In consequence, additional limited partners (or existing limited partners that increase their capital commitments) may effectively "buy into" a Fund during the Open Window Period at a price that does not necessarily reflect changes in the value of a Fund's assets subsequent to the initial closing.

### ***Side Agreements***

In accordance with common industry practice, the General Partners have and will continue to enter into one or more Side Letters with certain limited partners. As a result of such Side Letters, certain limited partners may receive additional benefits that other limited partners will not receive, including, without limitation, the circumstances under which exclusion from certain investments or involuntary withdrawals from a Fund may be required; "most favored nation" rights (i.e., the right to receive favorable rights or other arrangements that may be afforded to other limited partners); rights or terms necessary in light of particular legal, regulatory or policies of a limited partner; and the right to receive reports from a Fund on a more frequent basis or to receive reports that include information not provided to other limited partners. Such agreements will be disclosed only to those actual or potential limited partners that have separately negotiated with the General Partner for the right to review such agreements.

### ***Capital Calls***

Capital calls will be issued by each Fund from time to time at the discretion of the General Partner, based upon the General Partner's assessment of the needs and opportunities of each Fund. To satisfy such calls, limited partners may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash.

### ***Distributions in Kind***

A Fund may, from time to time, distribute portfolio company securities to the limited partners. Except as specifically provided in the Governing Documents, such distributions will be made solely at the discretion of the General Partner. Distributed securities may be subject to a variety of legal or practical limitations on sale.

### ***Freedom of Information/Sunshine Laws***

Under “freedom of information,” “sunshine,” “public records” and similar laws, certain governmental or other regulated entities, such as state universities and pension funds, may be required to publicly disclose confidential information regarding a Fund or its portfolio companies, notwithstanding contractual obligations (such as those contained in the Governing Documents) to the contrary. Any such disclosure could have a material adverse effect upon a Fund or its portfolio companies, and could even expose a Fund, the General Partner or the members of the General Partner to claims for damages brought by portfolio companies or other persons related thereto.

### ***No Assurance of Confidentiality***

Limited partners will provide significant amounts of information about themselves to the General Partner and each Fund. Under the terms of the Governing Documents as well as applicable laws, such information may be made available to other limited partners, third parties that have dealings with each Fund, and governmental authorities (including by means of securities law-required information statements that are open to public inspection).

### ***Functional Currency***

The functional currency of each Fund will be United States dollars. An investor whose functional currency is not United States dollars will bear risks associated with fluctuating currency exchange rates, particularly with regard to capital contributions that may not become due for several years.

### ***Non-United States Investments***

A Fund may invest in securities of non-United States portfolio companies. Such investments may present a variety of risks not presented by investments in United States portfolio companies, including risks associated with: (i) fluctuating currency exchange rates; (ii) limitations on currency exchange or the transfer of capital/profits across international boundaries; (iii) different accounting standards; (iv) different legal protections for investors; (v) unusual regulatory burdens; (vi) political instability; and (vii) multiple taxing jurisdictions.

### ***Portfolio Company Management***

Notwithstanding any rights a Fund may obtain with respect to participation on any portfolio company’s board of directors, each portfolio company’s management will be responsible for the operations of that company on a day-to-day basis. Although it is the intent of each Fund to invest in companies with operationally strong management with a successful track record, there can be no assurance that any existing management team, or any new one, will be able to successfully operate any such portfolio company.

### ***Service on Boards of Directors, Material Non-Public Information, etc.***

Individual members of the General Partner will serve as directors of portfolio companies. In their capacity as directors (or even simply by virtue of a Fund’s status as a significant shareholder of a portfolio company), such individuals may become subject to fiduciary or other duties that adversely affect a Fund.

### ***Litigation Risks***

Each Fund will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more portfolio companies will face financial or other difficulties during the term of a Fund’s investment. Beyond direct costs, such disputes may adversely affect a Fund in a variety of ways, including by distracting the General Partner and harming relationships between a Fund and its portfolio companies or other investors in such portfolio companies. To the extent set forth in the Governing Documents, limited partners may be required to return distributions previously received by them from a Fund, including for purposes of enabling a Fund to make indemnification payments to the General Partner, its members or other indemnified persons.

### ***Regulatory Concerns***

Each Fund will be subject to a variety of securities laws and other types of governmental regulation in the United States and other jurisdictions that may limit the scope of its operations or impose material compliance costs and other burdens.

### ***European Alternative Investment Fund Managers Directive***

The European Alternative Investment Fund Managers Directive (the “***Directive***”) came into force in July 2011. The Directive could have an adverse effect on Ten Coves Capital and each Fund by, among other things, imposing extensive disclosure obligations significantly restricting marketing activities within European Economic Area (“***EEA***”), increasing the regulatory burden and costs of doing business in EEA Member States, potentially requiring Ten Coves Capital to change its compensation structures for key personnel, thereby affecting Ten Coves Capital’s ability to recruit and retain these personnel, and disadvantaging a Fund as bidders for and potential owners of private companies located in EEA Member States when compared to non-alternative investment funds / alternative investment fund manager competitors which may not be subject to the requirements of the Directive, thereby potentially restricting a Fund’s ability to make investments in such companies. The Directive could also limit Ten Coves Capital’s operating flexibility and each Fund’s investment opportunities, as well as expose Ten Coves Capital and/or a Fund to conflicting regulatory requirements in the United States (and elsewhere) and the EEA.

### ***Government Plan Partners***

The Governing Documents and Side Letters may provide certain investors such as state or local entities, including investments by public retirement plans with certain rights related to such matters (including, without limitation, certain excuse and withdrawal rights) that are not available to other limited partners and which may, under certain circumstances, be contrary to the best interests of a Fund.

### ***Limited Access to Information***

The rights of limited partners to information regarding each Fund and its portfolio companies will be specified, and strictly limited, in the Governing Documents. Information regarding portfolio companies (e.g., via members of the General Partner serving as directors of portfolio companies) that is material to determining the value of securities issued by such portfolio companies may be withheld from limited partners in order to comply with duties to such portfolio companies or otherwise to protect the interests of such portfolio companies or a Fund itself.

### ***Projections***

Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company’s management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, the inaccuracy of certain assumptions, general economic conditions and other factors, which are not predictable, can have a material impact on the reliability of projections.

### ***Exculpation and Indemnification***

The Partnership Agreement will contain provisions that relieve the General Partner and its members of liability for certain improper acts or omissions. Under certain circumstances, a Fund may even indemnify the General Partner and its members against liability to third parties resulting from such improper acts or omissions.

### ***Contingent Liabilities on Disposition of Investments***

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection

with the sale of a business. A Fund may also be required to indemnify the purchasers of such company to the extent that any such representations or representations made by the portfolio company are inaccurate. These arrangements may result in the incurrence of contingent liabilities, which might ultimately have to be funded by limited partners to the extent of their unpaid capital commitments to a Fund or through the return of certain prior distributions.

### ***Controlled Group Risks***

Under the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), members of certain “controlled groups” of “trades or businesses” may be jointly and severally liable for contributions required under any member’s tax-qualified defined benefit pension plan and under certain other benefit plans. Further, if any member’s tax-qualified defined benefit pension plan were to terminate, underfunding at termination would be the joint and several responsibility of all controlled group members, including members whose employees did not participate in the terminated plan. Similarly, joint and several liability may be imposed for certain pension plan related obligations in connection with the complete or partial withdrawal by an employer from a multiemployer pension plan. Depending on a number of factors, including the level of ownership held by a Fund and other co-investors in a particular portfolio company, a Fund may be considered to be a member of one or more portfolio company’s “controlled group” for this purpose.

### ***Each Fund as a Potential Party in Interest to Investing ERISA Plans***

If a Fund were to become a 10% or more shareholder (directly or indirectly) or a 10% or more (directly or indirectly in capital or profits) partner or joint venturer of a person that provides services to a retirement plan subject to ERISA (an “ERISA Plan”) that invests in the Fund, the Fund could then be considered to be a party in interest with respect to such ERISA Plan. In such a case, certain transactions between the Fund and such ERISA Plan may be subject to the prohibited transaction provisions of ERISA. Each prospective investor that is an ERISA Plan should consult with its own legal counsel to confirm that its purchase and holding of an interest in a Fund will not constitute or result in a non-exempt “prohibited transaction” under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended.

### ***Taxation***

Prospective investors are urged to consult their own tax advisors with respect to their own tax situations and the effects of an investment in each Fund.

### ***Legal Counsel***

Legal counsel to each Fund will represent the interests solely of the General Partner and each Fund, and will not represent the interests of any investor. Moreover, under the Governing Documents, each investor may be required to waive certain actual or potential conflicts of interest with respect to legal counsel to each Fund. Legal counsel has not undertaken to monitor the compliance of the General Partner or any Fund with any laws, regulations, agreements or other matters.

### ***Factual Statements/Track Record Information***

Certain of the factual statements made with respect to each Fund, the General Partner and Ten Coves Capital are based upon information from various sources believed by the General Partner to be reliable. However, neither legal counsel nor any other party has been engaged to verify any statements relating to the experience, track record, skills, contacts or other attributes of the members of the General Partner, Ten Coves Capital or to the anticipated future performance of any Fund.

Discussions of the Founding Partners’ prior investment portfolio in the materials distributed to investors refer to investment results achieved during such individuals’ time at Napier Park and/or during their time at other firms. Performance information contained has been supplied for informational purposes only, in order to illustrate the background and experience of the Founding Partners. Such information is not intended to be, and nor shall it be, regarded or construed as the performance track record of Napier Park. In addition,

included for informational purposes only are investments in certain portfolio companies that were led by the Founding Partners while at other firms. Other investment professionals participated in the investment process, including with respect to sourcing, negotiating, monitoring and realizing investments.

### ***Industry Specific Terminology***

Investors are cautioned that certain terms and phrases of common usage within the private equity industry may be misleading to those unfamiliar with such usage. With respect to all matters involving industry specific terminology, prospective investors are urged to consult with their own legal and other advisors.

### ***Diverse Limited Partner Group***

The Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in each Fund. In selecting and structuring investments appropriate for a Fund, the General Partner will consider the investment and tax objectives of each Fund and the Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

### ***Parallel Funds***

The General Partner may establish parallel limited partnerships to address the needs of certain limited partners or to address other tax or regulatory issues, including compliance with the Investment Company Act. A Fund may exit an investment in an investment by a sale or disposition of the securities of such investment while a parallel limited partnership may exit an investment in the same investment by a sale or other disposition of securities of a “blocker” corporation that holds the securities of such investment. Moreover, a parallel limited partnership may, in certain circumstances pursuant to its investors’ written policies or guidelines, be required to sell all or a portion of its interest in an investment prior to a Fund’s disposition of such investment. Any such early disposition by a parallel limited partnership could have an adverse effect on the investment and a Fund’s interest in such investment.

### ***Time and Devotion of Founding Partners***

The Founding Partners will devote a portion of their time to the business of concurrently managing multiple Funds. Conflicts may arise in the allocation of the Founding Partners’ time among a particular Fund and other such investment partnerships. In addition, Manu Rana will continue to devote a portion of his time to certain funds affiliated with Napier Park following the Transition.

### ***Formation of New Funds***

Pursuant to the terms of the Governing Documents, the General Partner may establish additional investment funds which may be competitive with then-existing Funds, and there can be no assurance that the creation of such additional investment funds will not give rise to conflicts of interest between the investors of the respective Funds.

### ***Investment Opportunities***

Conflicts of interest may arise in allocating investment opportunities amongst a Fund and other investment vehicles formed, managed or advised by Ten Coves Capital, regardless of whether such investment vehicles are currently existing, fundraising or contemplated. The strategy of each Fund and the other investment funds formed, managed or advised from time to time by Ten Coves Capital will overlap to some degree, and thus, an investment may in the first instance be allocated to another investment vehicle even though it may otherwise be an eligible investment for a Fund, or a Fund may not be able to acquire the entire amount of such investment opportunity. Allocation of investment opportunities will be made in good faith by the General Partner. There can be no assurance that the allocation of investment opportunities by the General Partner will not give rise to conflicts of interest between the investors of the respective Funds.

### ***Transactions between Portfolio Companies of the Funds***

Portfolio companies of any one Fund or of different Funds may engage in commercial transactions with

one another from time to time as they determine to be appropriate in their business judgment.

### ***Fees from Portfolio Companies***

The General Partner, Ten Coves Capital, certain entities owned and controlled by one or more of the partners of the General Partner and their respective employees, consultants, advisors and affiliates may receive fees (whether in cash or in the form of options, restricted stock, warrants or other similar rights) from portfolio companies in connection with the purchase, monitoring or disposition of a Fund's investments or in connection with unconsummated transactions or in connection with providing services to such portfolio companies as directors, consultants or otherwise (e.g., commitment fees, directors' fees, monitoring fees, success fees, and breakup fees). The treatment of such fees is set forth in the Governing Documents of each Fund.

### ***Material Non-Public Information***

From time to time, the General Partner, Ten Coves Capital, their affiliates and/or their directors, officers, employees, advisors and consultants may come into possession of material non-public information concerning specific companies. Under applicable securities laws, this may limit the General Partner's or Ten Coves Capital's flexibility to buy or sell portfolio securities issued by such companies. A Fund's investment flexibility may be constrained as a consequence of the General Partner's or Ten Coves Capital's inability to use such information for investment purposes. Alternatively, each of the General Partner and Ten Coves Capital and the foregoing persons may decline to receive material non-public information, which it is entitled to receive in order to avoid investment restrictions even though access to such information might have been advantageous to a Fund and other market participants are in possession of such information.

### ***Certain Advisory Committee Approvals***

Each Fund has formed, or will form, a committee which is made up of members appointed by the General Partner, each of whom shall be associated with a Fund investor (an "***Advisory Committee***" also referred to as the advisory board). The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with a Fund's investments, valuations, potential conflicts of interest, and other Fund matters.

The Governing Documents will contain certain protections for limited partners against conflicts of interest faced by the General Partner, Ten Coves Capital and the Founding Partners, but will not purport to address all types of conflicts that may arise. Under the Governing Documents, certain transactions that involve conflicts of interest between the General Partner, Ten Coves Capital or the Founding Partners, on the one hand, and a Fund, on the other hand, may be submitted to the Fund's Advisory Committee for resolution. However, the Advisory Committee will not represent the interests of all the limited partners, each member of the Advisory Committee may act in the interests of the limited partner with which it is associated, and the members of the Advisory Committee may themselves be subject to various conflicts of interest. In general, the limited partners will not be entitled to control the selection of members of the Advisory Committee or to review the actions or deliberations of the Advisory Committee. Furthermore, some or all of the members of the Advisory Committee may also be on the advisory committee of other Ten Coves Capital Funds with which there is a potential conflict or may represent investors that have an interest in one or more particular Fund(s) and such other Ten Coves Capital fund(s). Such Advisory Committee members will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve potential conflict of interests.

### ***Control Liability***

A Fund may own a controlling percentage of the equity of its portfolio companies. A Fund will generally appoint one or more representatives to the board of directors of the companies in which it invests. Significant or controlling ownership and serving on the board of directors of a portfolio company exposes

a Fund's representatives, and ultimately a Fund itself, to potential liability because a Fund or its representatives may in certain cases be thought to control, participate in the management of, or influence the conduct of such portfolio company.

### ***Limited Number of Investments***

Although restrictions with respect to the amount that a Fund may invest in any single portfolio company and affiliated portfolio companies are generally contained in the applicable Governing Documents for such Fund, diversification is not an objective of a Fund. Each Fund's portfolio may include a small number of large positions. Furthermore, to the extent that the capital raised for a Fund is less than the targeted amount, such Fund may invest in fewer portfolio companies and thus be less diversified. If a Fund's investments are concentrated in a few portfolio companies, affiliated portfolio companies or industries, any adverse change in one or more portfolio companies or industries could have a material adverse effect on such Fund's investments. Therefore, while this portfolio concentration may enhance total returns to a Fund's limited partners, if any large position has a material loss, returns to limited partners may be lower than if they had invested in a more diversified portfolio.

### ***Bankruptcy of Portfolio Companies***

A Fund may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. There are a number of risks inherent in the bankruptcy process, including, for example, the effects of litigation between the creditors and debtor, the duration of the bankruptcy proceedings and the tangible and intangible costs to the portfolio company. Further, various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of a Fund. There is also a risk that a court may subordinate a Fund's investments to other creditors or require a Fund to return amounts previously paid to it by a portfolio company that has become insolvent or filed for bankruptcy, a risk that could increase if a Fund has management rights in such portfolio company.

### ***Follow-On Investments***

Following its initial investment in a given portfolio company, a Fund may decide to provide additional capital to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There can be no assurance that a Fund will wish to make such follow-on investments or that a Fund will have sufficient capital to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish a Fund's proportionate ownership in such portfolio company and thus its ability to influence such portfolio company's future development.

### ***Investments with Third Parties***

Each Fund generally will be permitted to partner with third parties to make investments through joint ventures or other entities, including with private equity vehicles sponsored by others, strategic partners, and co-investments with limited partners. The commitment to a portfolio company in an investment with partners may be substantial. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a partner alongside a Fund in an investment may experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of such Fund, may take a different view from the applicable Fund's general partner as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to such Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third-party investment partner. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties with whom a Fund may partner may have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments may differ from the terms upon which such Fund invests in

such portfolio companies. In addition, such arrangements are likely to involve additional restrictions on the resale of a Fund's interest in any such portfolio company.

### ***Investments Longer than Term***

A Fund may make investments that may not be advantageously disposed of prior to the date on which such Fund will be wound-up and dissolved, either by expiration of such Fund's term or otherwise. Although the general partner for each Fund generally expects to extend, or seek an extension to, each Fund's term pursuant to the applicable partnership agreement if such an extension would be in the best interests of such Fund, and generally expects that investments will be either realized prior to dissolution or suitable for in-kind distribution at dissolution, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution, particularly with respect to an early dissolution of a Fund as provided in the applicable partnership agreement.

### ***Valuation of Assets***

There is no actively traded market for most of the securities owned by each Fund. When estimating fair value, Ten Coves Capital will apply a methodology set forth in the Governing Documents of the applicable Fund and based on its best judgment that is appropriate in light of the nature, facts and circumstances of the 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 may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to each Fund, the exercise of discretion in valuation by Ten Coves Capital may give rise to conflicts of interest, as the performance allocation in certain Funds may be calculated based, in part, on these valuations.

### ***Cybersecurity Risks***

Each Fund's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Fund and its limited partners, despite the efforts of Ten Coves Capital and each Fund's service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Fund and its limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of Ten Coves Capital, a Fund's service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Ten Coves Capital's systems to disclose sensitive information in order to gain access to Ten Coves Capital's data or that of a Fund's limited partners. A successful penetration or circumvention of the security of Ten Coves Capital's systems could result in the loss or theft of a limited partner's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause a Fund, Ten Coves Capital or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the underlying portfolio companies in which a Fund would invest, which could have material adverse consequences for such Fund, and may cause each Fund's investments to lose value.

### ***Pay-to-Play Laws, Regulations and Policies***

A number of states and municipalities have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state or local entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser

from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If Ten Coves Capital, the General Partner or their applicable employees or affiliates fail to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on a Fund by, for example, providing the basis for the affected government plan investor to withdraw from such Fund or cease to make capital contributions.

#### ***Service Provider Discounts***

In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Ten Coves Capital or its affiliates as compared to services provided to a Fund, and its portfolio companies, which may result in more favorable rates or arrangements than those payable by such Fund, or its portfolio companies, due to the varying types of services provided to each.

#### ***Increased Regulatory Scrutiny and Uncertainty With Regard To Expense Allocations***

While Ten Coves Capital and its Related Persons will allocate the expenses of each Fund in good faith and in accordance with the terms of the relevant Governing Documents and Ten Coves Capital's expense allocation policy in effect from time to time, due to continued regulatory scrutiny of expense allocation policies in the private investment funds realm, there is no guarantee that Ten Coves Capital's policies and practices will not be challenged by Ten Coves Capital's supervising regulatory bodies. If Ten Coves Capital's supervising regulators were to determine that Ten Coves Capital had improperly allocated such expenses, Ten Coves Capital could be subject to regulatory censure, litigation from a Fund's limited partners, or reputational harm, each of which could have a material adverse effect on Ten Coves Capital's financial condition.

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

Neither Ten Coves Capital nor its Founding Partners have been the subject of any disciplinary event or material legal proceeding required to be disclosed in response to this item.

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

##### ***Registered Broker-Dealers***

Neither Ten Coves Capital nor any of its Founding Partners is registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Ten Coves Capital and its Founding Partners are not affiliated with any broker-dealer.

##### ***Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors***

Neither Ten Coves Capital nor any of its Founding Partners is registered, or has an application pending to register, as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

##### ***Relationships with Related Persons***

As discussed in the subsection titled "*Participation or Interest in Client Transactions and Personal Trading*," Ten Coves Capital and its Related Persons and Founding Partners generally serve, directly or indirectly, as the general partners, limited partners and/or managing members of the general partner of each Fund. Ten Coves Capital and its Related Persons manage multiple Funds. This can create conflicts in the allocation of time, resources and investment opportunities among the Funds concurrently managed. Please refer to the Governing Documents of the relevant Fund for complete information on the requisite time

commitments (if any) of Ten Coves Capital and its Related Persons and Founding Partners to the Fund and the allocation of investment opportunities among the Funds.

Employees of Ten Coves Capital and its affiliates generally serve as officers, advisors, directors or in comparable management functions for portfolio companies in which a Fund may invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. In connection with such activities, employees of Ten Coves Capital are generally given access to confidential information relating to companies in which a Fund may invest or generally otherwise be subject to legal or contractual restrictions on their ability to effect transactions for a Fund. As a result, a Fund may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies; such prohibition may have an adverse effect on the Fund. The above individuals spend a substantial portion of their time with these related management activities.

From time to time, certain Funds may hold or may acquire positions in portfolio companies in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which a Fund and one or more other Funds have invested may not necessarily be *pro rata* based on existing ownership in such companies. The Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies. To the extent that multiple Funds hold an interest in the same company, disposition opportunities with respect to that investment shall, to the extent practicable, be allocated among such Funds on a basis that is fair and equitable to each Fund as determined by Ten Coves Capital and taking into account all relevant facts and circumstances.

#### ***Selection or Recommendation of Other Advisers***

Ten Coves Capital does not recommend or select other investment advisers for its clients. Ten Coves Capital does not have business relationships with other advisers that create a material conflict of interest in relation to Ten Coves Capital's clients.

#### ***Related General Partners***

Various limited liability companies or limited partnerships serve as general partners of the Funds, and the Founding Partners of Ten Coves Capital are the members or partners of one or more of the general partners. For a description of material conflicts of interest created by the relationship among Ten Coves Capital and the general partners, please see Item 11 below.

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

#### ***Code of Ethics***

Ten Coves Capital maintains a written Code of Ethics ("***Code***") which is included as a part of its Compliance Manual and which is provided to each supervised person. The Code requires all supervised persons to (i) act with competence, dignity, integrity and in an ethical manner, (ii) use reasonable care and exercise independent professional judgment in the execution of their duties, and (iii) avoid actions or relationships that might materially conflict, or appear to materially conflict, with job responsibilities or the interests of Ten Coves Capital and its clients. The Code also contains policies and procedures that ensure that all personal securities trading by supervised persons is conducted in such a manner as to avoid actual or potential material conflicts of interest or any abuse of an individual's position of trust and responsibility. Ten Coves Capital prohibits personal trading by "access persons" on certain securities or instruments; requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement); and requires periodic reporting of supervised persons' personal securities transactions and all holdings.

Supervised persons are required to certify to their compliance with the Code on an annual basis. Supervised persons of Ten Coves Capital who violate the Code may be subject to remedial actions, including, but not

limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report to Ten Coves Capital any violations of the Code of which they become aware.

Ten Coves Capital will provide a copy of the Code to any investor or prospective investor upon request.

### ***Participation or Interest in Client Transactions; Personal Trading***

Ten Coves Capital, and an affiliated entity, serve as the investment adviser and General Partner, respectively, to each of the Funds. Each General Partner of the Funds has an investment in such Fund. Therefore, Ten Coves Capital may be considered to participate indirectly in transactions effected for those clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Funds' Governing Documents.

As discussed above in *Service-Related Fees*, Ten Coves Capital and its affiliates may receive certain transaction, consulting, advisory and other similar fees associated with investments or proposed investments or commitments made by the Funds in accordance with the Governing Documents. All or a portion of such fees generally offset the management fee otherwise payable by the Funds. Any co-investors may receive their *pro rata* portion of the fee offset to the extent that such investors are subject to management fee; otherwise their *pro rata* portion will be retained by Ten Coves Capital.

Moreover, in certain situations, Related Persons of Ten Coves Capital may purchase interests in the same portfolio investments held by one or more Funds. All such transactions will be subject to compliance with Ten Coves Capital's Code as described above and the Governing Documents of the applicable Funds. Any Ten Coves Capital "access person" who has or acquires ownership of an issuer through a private placement following approval by Ten Coves Capital as described above (excluding any indirect investment in an issuer via a direct or indirect interest in a Fund) must affirmatively disclose that interest to Ten Coves Capital if such access person is involved in considering or determining any subsequent investment decision regarding an investment by a Fund in any security of that issuer or one of its affiliates.

Ten Coves Capital and/or certain Related Persons of Ten Coves Capital may, on rare occasions, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Funds in connection with certain "warehousing" transactions or more generally in connection with Ten Coves Capital's management of the Funds, provided that the sale is consistent with Ten Coves Capital's fiduciary obligations to the Funds. Such transactions will be fully disclosed and the written consent of the appropriate Fund (which, in certain circumstances, may be provided by the applicable Fund's Advisory Committee) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute "principal transactions" under Section 206(3).

Moreover, Ten Coves Capital may, in limited instances, cause a Fund to engage in "cross transactions" via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund, provided that the transfer is consistent with Ten Coves Capital's fiduciary obligations to each Fund participating in the cross transaction.

While Ten Coves Capital endeavors at all times to act in the best interests of the Funds, investors should be aware that such transactions create a potential conflict of interest.

### ***Conflicts of Interest***

Ten Coves Capital and its affiliates engage in a broad range of activities, including investment activities for their own account and for the account of each Fund and provide transaction related, advisory, management and other services to operating companies, including portfolio companies of the Funds. Ten Coves Capital describes below various conflicts of interest that may arise in respect of its business, as well as how it addresses such conflicts. The discussion below does not cover all potential conflicts that may arise.

### ***Allocation of Investment Opportunities***

See Item 6, above, “Side-by-Side Management.”

### ***Allocation of Fees and Expenses***

The appropriate allocation between a Fund, its investors, Ten Coves Capital and third parties of expenses and fees generated in the course of evaluating and making investments (including expenses and fees incurred in transactions which are not consummated), such as out-of-pocket fees associated with due diligence, attorney’s fees and the fees of other professionals, are determined by Ten Coves Capital and its affiliates in their sole discretion, in each case using good faith and their best judgment, consistent with the Governing Documents of the Funds, as applicable.

### ***Providers of Operational Support***

Ten Coves Capital and Fund portfolio companies will from time to time retain other companies or individuals, which may be affiliates of Ten Coves Capital; employees of such affiliates or portfolio companies of a Fund; third-party consultants including individual consultants, consulting firms, and Ten Coves Capital Operating Advisors (collectively “***Special Consultants***”). The Special Consultants may be engaged to provide services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and/or disposition of such portfolio companies, including operational aspects of such companies (“***Services***”). Pursuant to the applicable Governing Documents, fees and expenses associated with the Services (collectively “***Consulting Fees and Expenses***”) may be paid and/or reimbursed by applicable portfolio companies and/or the Funds. Consulting fees and expenses may, at the discretion of Ten Coves Capital, include a profits or equity interest in a portfolio company or other incentive-based compensation to the Special Consultant as a result of Services provided by such Special Consultant.

### ***Fee Structure***

Because Management Fees are, at certain times during the life of a Fund, based upon capital invested by the Fund, this fee structure may create an incentive to deploy capital when Ten Coves Capital may not otherwise have done so. Additionally, as discussed above in Item 6, the General Partners are entitled to carried interest under the terms of the Governing Documents of such Funds. Such General Partners are affiliates of Ten Coves Capital. The existence of the General Partners’ carried interest may create an incentive for Ten Coves Capital to cause such Funds to make riskier or more speculative investments than they would otherwise make in the absence of such performance-based compensation.

### ***Related Services***

As described in Item 5 above, Ten Coves Capital will generally perform Related Services for, and may receive Portfolio Company Remuneration. Such Portfolio Company Remuneration, to the extent that they do not offset Management Fees payable by a Fund, will be for the benefit of Ten Coves Capital and received in addition to any Management Fees or carried interest paid by such Fund to Ten Coves Capital. In addition, Ten Coves Capital will generally incur, and a portfolio company will generally reimburse Ten Coves Capital for, expenses (including, without limitation, travel-related expenses) incurred by Ten Coves Capital in connection with its performance of services for such portfolio company – while a Fund and its investors will not have to contribute capital to pay for any such expenses, such expense payments or reimbursements will not offset any Management Fees and it is possible that some of such expenses would not otherwise constitute expenses that would be payable by a Fund. This may create a conflict of interest between Ten Coves Capital and its affiliates, on the one hand, and one or more Funds and their respective investors, on the other hand, because the amounts of these fees may be substantial and one or more Funds and their respective investors generally have only the benefit of a percentage (which may be zero) of these fees. Ten Coves Capital will determine the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or

lenders to portfolio companies, and/or third-party co-investors in its transactions, and the amount of such fees and reimbursements may not be immediately apparent to investors in the Funds. Ten Coves Capital and its affiliates will in some circumstances offset Management Fees paid by the applicable Fund against a percentage (which may be zero) of such Fund's share of Portfolio Company Remuneration. The amount and nature of this reduction may vary among Funds and is set forth in the Governing Documents of the applicable Fund. Entities other than the Funds that participate in investments alongside the Funds (such as entities through which Ten Coves Capital and certain employees and affiliates of Ten Coves Capital invest alongside the Funds) may have a right to share in such Portfolio Company Remuneration, and Management Fees will generally not be reduced in connection with the receipt of such entities' share of such Portfolio Company Remuneration. As some Funds may not pay Management Fees, any such reduction may not benefit such Funds and may be retained by Ten Coves Capital solely for its own benefit. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such Portfolio Company Remuneration and other related terms in the applicable agreement with the portfolio company.

### ***Other Conflicts***

Ten Coves Capital and its affiliates (including on behalf of the Funds) will generally engage common legal counsel and other advisers in connection with Ten Coves Capital, Fund and transactional matters, including matters in which there may be conflicts of interest. Such counsel and other service providers will not represent the investors in any Fund. Additionally, Ten Coves Capital and one or more Funds will generally engage other common service providers. In such circumstances, there may be a conflict of interest between Ten Coves Capital and the Funds in determining whether to engage such service providers, including the possibility that Ten Coves Capital may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds.

## **Item 12 - Brokerage Practices**

### ***Discretionary Brokerage***

Ten Coves Capital does not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Funds because the securities that are typically purchased and sold on behalf of the Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions.

From time to time, Ten Coves Capital may use a broker to effect transactions in public securities resulting from, or in connection with portfolio investments. In those instances, Ten Coves Capital will have full discretionary authority with respect to the selection of, and the commissions paid to, brokers. If Ten Coves Capital determines to engage a broker, Ten Coves Capital will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility, responsiveness, and the value of research provided, if any.

### ***Research and Soft Dollar Benefits***

Ten Coves Capital does not currently have any soft dollar arrangements or investor referrals from broker-dealers in connection with transactions on behalf of the Funds.

### ***Brokerage and Client Referrals***

Ten Coves Capital does not consider referrals of investors to the Funds in determining its selection of broker-dealers or other third parties.

### ***Trade Aggregation***

In order to minimize execution costs and obtain best execution for all Funds, Ten Coves Capital may aggregate orders for multiple Funds, provided that aggregating would be in the best interests of each participating Fund.

## **Item 13 - Review of Accounts**

### ***Review of Client Accounts***

The investment portfolios of each Fund is typically private, illiquid and long-term in nature and accordingly, Ten Coves Capital's review of them is not directed toward a short-term decision to dispose of securities. Ten Coves Capital closely monitors the portfolio companies of the Funds and maintains an ongoing oversight position in such portfolio companies. A team of investment professionals reviews each Fund's portfolios on an ongoing basis. These reviews include, without limitation, sales trends, margins, profitability, debt-to-equity ratios, material business developments, competitive landscape and management. The team generally includes the Founding Partners, principals and other investment professionals of Ten Coves Capital.

### ***Reports to Clients***

The General Partners of each Fund distributes quarterly and annual written reports to their respective limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year, certain descriptive investment information relating to the applicable Fund's investments and the audited financial statements of the applicable Fund. The quarterly reports generally contain unaudited financial statements and individual capital account statements of the applicable Fund for the fiscal quarter and certain descriptive investment information relating to the applicable Fund's investments.

Investors are requested to refer to the Governing Documents of each Fund for further information on the reports provided by a particular Fund to its investors.

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

### ***Economic Benefits Received from Third Parties***

For details regarding economic benefits provided to Ten Coves Capital by non-clients, including a description of the related material conflicts of interest and how they are addressed, please see Items 5 ("*Service-Related Fees*") and 11 ("*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*") above. Investors should refer to the Governing Documents of a Fund for complete information on the additional compensation received by Ten Coves Capital or its affiliates or supervised persons in connection with a particular Fund's investments and the amount of the applicable Fees Subject to Offset.

### ***Third Party Compensation for Client Referrals***

Ten Coves Capital and related entities of Ten Coves Capital have entered into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing prospective investors to a Fund. In accordance with the terms of the relevant Fund's Governing Documents, any sales charge associated therewith will ultimately be payable by Ten Coves Capital and/or its related entities, either directly or through an offset of the Management Fee payable by the relevant Fund to Ten Coves Capital. An investor will not bear any sales charges as a result of an introduction through a placement agent or other unaffiliated third party.

Ten Coves Capital endeavors at all times to put the interests of each Fund first as part of Ten Coves Capital's fiduciary duty. Nevertheless, the receipt of compensation by the placement agents creates a

potential conflict of interest, and may affect the judgment of placement agents when making referrals to Ten Coves Capital and a Fund.

#### **Item 15 - Custody**

Ten Coves Capital does not have physical possession of any assets of the Funds (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, Ten Coves Capital will generally be deemed to have custody of the assets of each Fund as a result of its position as an affiliate of the general partner of each Fund it manages.

It is Ten Coves Capital's policy to cause each Fund with assets over which Ten Coves Capital is deemed to have "custody" to be audited annually by a PCAOB registered and inspected independent public accountant and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**"), to investors within 120 days after the close of each fiscal year. In addition, upon the final liquidation of any such Fund, Ten Coves Capital will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

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

Subject to the investment objectives, policies and restrictions of each Fund as set forth in the Governing Documents of such Fund, Ten Coves Capital provides discretionary investment advice to the Funds pursuant to an investment management agreement with each Fund. Each such investment management agreement, together with the management authority granted to the General Partners of the Funds pursuant to the Funds' Governing Documents, provides Ten Coves Capital with full discretion to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Fund. Limitations on investment discretion are set forth in the investment management agreements with, and the Governing Documents of, the Funds.

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

Ten Coves Capital has the authority to vote client proxy statements on behalf of the Funds. The majority of "proxies" received by Ten Coves Capital are written shareholder consents or similar instruments for private companies owned by the Funds. Ten Coves Capital has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6 (the "**Proxy Voting Policies and Procedures**") that are designed to ensure that Ten Coves Capital complies with the requirements of the Advisers Act and reflect Ten Coves Capital's commitment to vote all client proxies for which it exercises voting authority in a manner consistent with the best interest of each Fund it may manage. Ten Coves Capital's Proxy Voting Policies and Procedures seek to ensure that it votes proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies.

When exercising its proxy voting authority, Ten Coves Capital considers all relevant information, evaluates other issues that could have an impact on the value of the security and generally votes with a view toward maximizing overall value. Ten Coves Capital seeks to vote all proxies in a prudent manner, considering the prevailing circumstances at such time and in a manner consistent with the Proxy Voting Policies and Procedures and Ten Coves Capital's fiduciary duties to each Fund it may manage.

Ten Coves Capital reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Fund. As a result, depending on the Fund's particular circumstances, Ten Coves Capital may vote one Fund's securities differently than it votes those of another Fund, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Ten Coves Capital may determine that it is in a Fund's best interest for Ten Coves Capital to "abstain" from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, Ten Coves Capital, in consultation with outside counsel as appropriate, will review the relevant facts and determine whether or not a material conflict of interest may arise due to business, personal or family relationships of Ten Coves Capital, its owners, its employees or its Related Persons, with persons having an interest in the outcome of the vote. In the event that there is or may be a material conflict of interest in voting proxies, Ten Coves Capital may, at its discretion, (a) seek the advice of the applicable Advisory Committee in voting such security (if any); (b) disclose the conflict of interest to the limited partners of a Fund and defer to the Fund's voting recommendation; (c) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (d) take such other action in good faith (in consultation with Ten Coves Capital's outside counsel) which would serve the best interest of a Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Investors in the Funds cannot direct how Ten Coves Capital votes proxies nor is Ten Coves Capital required to seek investor approval or direction when voting proxies. Ten Coves Capital will deliver to each limited partner of a Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the Fund.

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

Ten Coves Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and Ten Coves Capital has not been the subject of a bankruptcy proceeding.

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

Item 19 is not applicable to Ten Coves Capital.