



FORM ADV
Uniform Application for Investment Adviser Registration
Part 2

INSIGHT VENTURE MANAGEMENT, LLC

1114 Avenue of the Americas, 36th Floor
New York, New York 10036
contact@insightpartners.com

As of March 28, 2016

This brochure provides information about the qualifications and business practices of Insight Venture Management, LLC. If you have any questions about the contents of this brochure, please contact us at 212-230-9200 and/or contact@insightpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Insight Venture Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

Item 2 Material Changes

The most recent update to Part 2 of Insight Venture Management, LLC (“Insight”, the “Manager” or “we”) was the annual update made as of March 30, 2015.

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Item 4 Advisory Business

Insight is an investment manager of private investment funds focused primarily on investing in growth-stage software, software-enabled services and Internet companies. Insight was founded in 1995. The owners of Insight are Jeffrey Horing, Deven Parekh, Peter Sobiloff, Jeffrey Lieberman and Michael Triplett through their respective interests in Insight Holdings Group, LLC.

Insight provides discretionary investment management services to pooled investment vehicles (each, a “Fund”) in accordance with individually negotiated investment objectives, strategies and guidelines, which may include restrictions on investing in certain securities or types of securities. Investors in the Funds (each, an “Investor”) invest with Insight by purchasing interests in a Fund when the Fund is raising capital. Please refer to Items 8 and 16 for more detailed descriptions of Insight’s investment strategies and restrictions.

Insight managed \$13,659,102,465.57 of client assets on a discretionary basis (and \$0 on a non-discretionary basis) as of December 31, 2015.

Item 5 Fees and Compensation

Management Fee

Insight generally receives an annual management fee (the “Management Fee”) from each Fund with respect to each Investor in such Fund. The Management Fee rate charged differs from Fund to Fund but is generally up to 2% of such Investor’s commitment during the Fund’s investment period or until Management Fees are payable to a successor Fund. After the investment period or when Management Fees are payable to a successor Fund, the Fund generally pays a Management Fee based on each Investor’s pro rata share of the Fund’s invested capital, which generally equals the balance of the acquisition cost of the portfolio investments held by the Fund, taking into account any permanent impairments of portfolio assets and otherwise as such acquisition cost is determined under the Fund’s limited partnership agreement, which may differ from the cost basis determined under generally accepted accounting principles. Management Fees are payable quarterly generally in advance and are deducted from the account of each Fund. Funds that Insight forms to co-invest alongside a Fund in certain investments (each, a “Coinvestment Fund”) generally charge a lower or, in one case, no Management Fee and may have a sliding scale for Management Fees based on the size of Investor commitments. Older Funds may have reached a stage where they no longer pay Management Fees. While in certain older Funds, Insight was, in its sole discretion, permitted to and did waive some of its Management Fees in exchange for a profits interest in the Fund, it last did so with respect to calendar year 2014, it never waived any management fees in its 2013 vintage Fund and removed the mechanism entirely from the most recently closed Fund and its Coinvestment Fund (the “Current Fund”). In addition Insight may elect to not charge a Management Fee to certain Investors within a Fund. For example, other than with respect to some older Funds, Insight generally does not charge Management Fees for Investors who are employees or former employees of, and may not charge Management Fees for Investors who are otherwise related to Insight or its personnel. While Side-by-Side Funds (as described below in response to Item 7) pay Management Fees and Carried Interest, the Investors in such Funds are more likely to be

Investors who do not pay Management Fees and/or Carried Interest. Management Fees may be paid by a Fund from capital contributions of the Fund Investors, proceeds from Fund investments or other cash available to a Fund.

Insight does not generally charge transaction or monitoring fees with respect to the investments of the Funds, although it may receive such fees or similar fees in transactions where other fund managers or third parties leading a transaction are charging such fees, which fees are subject to offset as described below. The agreements governing such fees have and may in future contain typical terms, such as acceleration of monitoring fees upon an initial public offering or change of control. Insight personnel receive compensation from some portfolio companies for serving on the boards of directors of such companies, again, subject to offset as described below. A Fund's allocable share of any advisory fees, directors compensation, break-up fees, topping fees, investment banking fees, or other similar fees received by the Fund's general partner, Insight, or their respective affiliates related to a portfolio investment or a proposed but unconsummated investment (less certain unreimbursed expenses) will generally be offset on a prospective basis against Management Fees or in some, but not all instances where Investors do not pay Management Fees, against partnership expenses as more specifically set forth in the limited partnership agreements governing each Fund. In certain Side-by-Side Funds, allocable amounts were not required to be offset against Management Fees or partnership expenses as described for other Funds above. Insight or its affiliates also receive fees from some portfolio companies for consulting services provided by the Insight Onsite group, an in-house consulting practice operated by Insight that provides services to portfolio companies. In addition, Insight Onsite includes an additional new business unit that is expected to provide services to unaffiliated third party companies. There is no reduction in the Management Fee or partnership expenses for fees paid by portfolio companies for the services of the Insight Onsite group in a given fiscal year unless those fees exceed an aggregate dollar amount for all Insight Funds using Insight Onsite consulting services calculated according to the terms of the Funds' limited partnership agreements. Any such excess is allocated among such Funds and offset. In addition, if fees are received by the additional business unit of Insight Onsite from unaffiliated third party companies, the net fees will also be offset against Management Fees after reimbursing Insight for the operating expenses of the business unit with respect to both its services to unaffiliated third party companies and portfolio companies. Insight Onsite and the relevant calculations are discussed more fully below in response to Item 8. A Fund limited partnership agreement may provide that in the event offsetable amounts exceed Management Fees, such excess will be allocated to the Investors who elect to receive it or, with respect to older Funds, Insight may be permitted to keep such excess. The Fund limited partnership agreements prior to the Current Fund also permit employees of Insight that have been operating executives in industries in which the Funds invest to receive compensation from portfolio companies for consulting services or other assistance, including acting as an executive officer, without requiring such compensation to be offset against Management Fees. Management Fees will be reduced by any placement fees paid by a Fund and by other organizational expenses in excess of any cap set in a particular Fund's limited partnership agreement.

Carried Interest

The performance based compensation paid by a Fund (the "Carried Interest") generally is paid to an affiliate of Insight in its capacity as a general partner of the Fund ("General Partner") when

distributions are made to the Investors and is based on a “Carried Interest Percentage.” The Carried Interest Percentage may vary from Fund to Fund. The Carried Interest Percentage charged to a Fund is detailed in such Fund’s limited partnership agreement. Most typically, the Carried Interest Percentage of a Fund equals 20% of a Fund’s return on invested capital, but is subject to certain conditions and may be greater or less than 20% (or other specified Carried Interest Percentage for such Fund). The Carried Interest Percentage and the timing of its distribution may vary from Fund to Fund and is described more fully in each Fund’s limited partnership agreement. In a Coinvestment Fund, different groups of Investors may bear different Carried Interest Percentages. Each Fund’s limited partnership agreement typically contains one or more “clawback” provisions providing Investors the opportunity to recoup from the Fund’s General Partner distributions which exceed the Carried Interest Percentage. The mechanics of the clawback may vary from Fund to Fund and are more fully described in each Fund’s limited partnership agreement. In addition, Insight may waive or reduce Carried Interest with respect to certain Investors within a Fund. Insight generally waives the Carried Interest for Investors who are employees or former employees of Insight and waives or reduces Carried Interest for certain Investors in the Side-by-Side Funds including when they invest in Coinvestment Funds.

The limited partnership agreements of the Funds currently actively investing generally prohibit Insight from receiving management fees, carried interest or other compensation in connection with providing co-investment opportunities other than through Coinvestment Funds or with the consent of the applicable Fund’s limited partner advisory committee (each, an “Advisory Committee”) unless, with respect to the Current Fund, such economic interest is required for tax or other technical reasons and any profit, gains or fees are offset against the Management Fees of the Current Fund. Insight has currently established one co-investment vehicle that charges a small carried interest for this purpose. Please see the response to Item 10 below for additional information regarding co-investments.

Terminating the Investment Management Agreement

A Fund’s investment management agreement with Insight continues until the dissolution of the Fund, but either the Fund’s General Partner on behalf of the Fund or Insight may in its discretion terminate the agreement as of the last day of any month by giving notice to the other party of its election to do so on or before the first day of the month as of which it is to be terminated. Furthermore, the investment management agreement will terminate automatically without notice if Insight ceases to be an affiliate of the Fund’s General Partner. Management Fees are pro rated for partial periods and it would be Insight’s policy to rebate the fee on a pro rata basis if the investment management agreement is terminated.

Other Fees and Expenses

In addition to Management Fees and Carried Interest, Funds pay, and ultimately Investors bear, other types of fees and expenses as specified in the applicable limited partnership agreement. A Fund is typically responsible for the costs and expenses in connection with its operation and investments (other than the costs and expenses that will be the responsibility of Insight, which typically include salaries and benefits of its personnel and the cost of maintaining Insight’s place of business but which may vary from Fund to Fund as specified in each Fund’s limited partnership agreement). Expenses payable, or otherwise borne by the Funds are set forth in

detail in each Fund's limited partnership agreement, but will typically include (but are not limited to):

- (1) out-of-pocket expenses incurred in the actual or potential acquisition or disposition of any investment or the restructuring of any investment whether or not consummated, including without limitation, accounting fees, legal fees, brokerage commissions and fees and other investment costs incurred by or on behalf of the Fund, in each case to the extent not paid for by the issuer of such securities;
- (2) out-of-pocket expenses incurred in connection with holding the investments of a Fund, including, without limitation, legal, insurance, accounting, custodial and safekeeping and auditing expenses;
- (3) legal, custodial, accounting, auditing, tax advisory, banking, professional and appraisal expenses of a Fund and any expenses in connection with any borrowing of, or guarantee or other credit support provided by, a Fund;
- (4) taxes and other governmental charges, fees and duties payable by the Fund;
- (5) reimbursement of the expenses of the Advisory Committee and meetings of the Investors;
- (6) litigation-related expenses, indemnification and/or reimbursement obligations, and premiums for insurance protecting a Fund, and Insight and its affiliates and personnel, from liabilities to third persons in connection with Fund affairs;
- (7) extraordinary expenses under generally accepted accounting principles and damages; and
- (8) costs and expenses of winding up and liquidating a Fund.

In prior Funds, the limited partnership agreements generally permitted travel and related expenses of the professional and other employees of Insight in connection with a Fund to be borne by the Fund, including through reimbursement by portfolio companies, but in the Current Fund Insight has agreed that it will bear the travel and entertainment expenses of such Insight personnel, subject, in certain circumstances, to reimbursement by portfolio companies, and Insight has adopted the same approach for prior Funds, effective in 2016.

Shared expenses are allocated by Insight between Funds as provided in the limited partnership agreements of the respective Funds or, if not so provided, on a case-by-case basis pursuant to a method that Insight believes to be fair and reasonable under the circumstances which may include by relative amounts invested, relative capital commitments or relative net asset values. Insight or its affiliates will typically pay expenses attributable to one or more Funds and thereafter receive a reimbursement from the applicable Fund or Funds without interest.

From time to time Insight engages third party consultants to assist in special projects, to help source deals in specific sectors or regions and/or to assist with certain prospective or existing portfolio companies. Generally, monthly or retainer fees payable to these consultants are charged to Insight. However, when these consultants work on specific deals and receive transaction-related fees or on projects with respect to specific portfolio companies, their fees are

generally borne by the applicable Fund or the applicable portfolio company. These third party consultants are not employees of Insight (including Insight Onsite) or partners or owners of any of its affiliates and can include employees of portfolio companies. The fees paid to these consultants by a Fund or its portfolio company do not reduce the Management Fees payable by such Fund to Insight.

Funds incur brokerage and other transaction costs. Brokerage is described in more detail below in response to Item 12.

Through the interests in portfolio companies held by a Fund, the Fund (and its Investors) bear the costs of service providers to, and transaction expenses of, such portfolio companies (including the expenses enumerated above that may be paid by portfolio companies and potential portfolio companies) to the extent of the Fund's ownership interest in the company. In some investments, particularly when the Fund is a minority investor, Insight may have little or no control over these costs and expenses. In other investments, particularly when Funds have a controlling interest, Insight may be in a position to suggest or recommend service providers or portfolio companies may retain service providers as a result of their experience in transactions or otherwise through their relationship with Insight. Fees paid to such service providers by portfolio companies and costs of such transactions paid by portfolio companies are borne by the Funds through their interests in the portfolio companies and are not offset against Management Fees.

For information regarding conflicts of interest in the allocation of expenses, the activities of Insight Onsite, the retention of service providers and Insight's business relationships please see the responses to Items 10 and 11 below.

Allocation of Investment Expenses in Co-investments, including Broken Deal Expenses:

Under the limited partnership agreements of the Funds, a Fund is generally responsible for the costs and expenses incurred in connection with portfolio investments, including the out-of-pocket expenses incurred in the actual or potential acquisition, restructuring or disposition of any investment, whether or not consummated, and the out-of-pocket expenses incurred in connection with holding the investments of the Fund, to the extent not paid for by the applicable portfolio company or potential portfolio company. To the extent paid for by portfolio companies, the Fund (and its Investors) bear the expense indirectly to the extent of the Fund's interest in the portfolio company. With respect to consummated investments, such expenses, when material, are generally capitalized into the cost of the investment. When Funds co-invest, each such Fund is required to bear its proportionate share, based on the relative amounts invested, of such transaction and monitoring expenses except as otherwise provided in the applicable limited partnership agreements. In addition, the expenses incurred in connection with a transaction that is not completed are required to be allocated by the applicable General Partner in good faith, pro rata, among the participating Funds, based on the intended investment allocation in such transaction, except as otherwise provided in the applicable limited partnership agreements. However, Insight will look at many more investments as potential investments for any Fund than the Fund will actually make, and, even though expenses may have been incurred by such Fund or by Insight on behalf of such Fund with respect to such potential investments, a decision may subsequently be made not to proceed with the transaction, or circumstances may arise preventing the consummation of the transaction or making it inadvisable, before the stage

when any decision about allocations to other Funds has been made, in which case the expenses will generally be borne by the Fund that was then expected to pursue the transaction, unless otherwise provided in the relevant limited partnership agreements.

With respect to third-party co-investors, including Investors through vehicles or other arrangements which Insight is permitted to form, to the extent that transaction and monitoring expenses are paid or reimbursed by the portfolio company in completed transactions, such co-investors will bear their proportionate share of such expenses as a result of their interest in the portfolio company. Such transaction and monitoring expense are not always paid or reimbursed by the portfolio company and sometimes costs and liabilities, such as borrowing or guarantees, may be incurred in Fund investment structures in which only the Funds participate or directly by the Funds and not other investors in the portfolio company. As noted below in the response to Item 10, third party co-investors are not obligated to co-invest and their co-investments are based on arms' length negotiations between Insight and the co-investors. Typically, co-investments by co-investors are limited to the capital invested in the applicable portfolio company and do not bear the expenses associated with developing and consummating the investment opportunity or post-closing monitoring expenses, except to the extent borne or reimbursed by the portfolio company or otherwise specifically agreed with the co-investor. Co-investors often commit to the transaction late in the process of identifying and negotiating an investment, or after closing in the case of transactions that are syndicated after the initial investment by the Fund. Often third-party co-investors are unable or unwilling to bear the expenses incurred with respect to a transaction that is not, in the end, consummated, and as a result the full amount of any broken deal expenses will be borne by the applicable Funds. Insight has formed a co-investment vehicle for one Investor that will generally bear its pro rata portion of transaction and monitoring expenses of investments in which it participates, but not the expenses of any proposed co-investment that is not consummated. It is expected that any additional such vehicles with other potential co-investors may be on similar terms. Please see the response to Item 10 below for additional information regarding third-party co-investors.

Investors should carefully consult the limited partnership agreement of the relevant Fund to determine the expenses borne by and the offsets to Management Fees and other expenses for the particular Fund.

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

Insight accepts performance-based fees, as further described above in response to Item 5. Insight does not manage client accounts that are not charged a performance fee. However, Coinvestment Funds may charge lower Carried Interest and Management Fees than the Funds with which they co-invest and in the current Coinvestment Fund, which participates only in control-type transactions, the General Partner will have discretion in determining what falls within the category of a control transaction. Moreover, the allocation methodology between Funds and their coinvestment Funds can generally be changed with the consents of the Advisory Committees of the relevant Funds. Insight has established procedures to address potential conflicts in the allocation of investments between Funds and between Funds and their Coinvestment Funds and to comply with the requirements of the applicable Fund limited partnership agreements.

Item 7 Types of Clients

Insight generally limits its clients to Funds, which are pooled investment vehicles with a limited term of years. The Funds are not required to be registered with the SEC under the Investment Company Act of 1940 in reliance on an exception from the definition of an investment company under that Act, and the offering of interests in the Funds is exempt from registration under the Securities Act of 1933. Each Fund consists of a limited number of limited partnerships, which may be organized within or outside the United States and that generally will invest side-by-side in all portfolio investments on the basis of available capital. Insight also advises Coinvestment Funds, which are formed to co-invest alongside a Fund (or a Fund and its successor Fund) in certain instances whether for investments of a certain size or for certain types of investments, depending on the Fund in accordance with the limited partnership agreements of such Fund and the Coinvestment Fund, in which the amount of financing required for a particular transaction exceeds the size of the investment deemed appropriate for the Fund by its General Partner or a threshold agreed in the applicable limited partnership agreement. Interests in Funds and Coinvestment Funds are subject to restrictions on transferability and resale. Where the context requires, we may refer to any of the limited partnerships in a Fund and any Coinvestment Fund as a Fund.

Most of the capital invested in the Funds is attributable to U.S. and non-U.S. institutional Investors, including public and private pension plans, funds of funds, sovereign wealth funds, banks, insurance companies, family offices, endowments and charitable foundations. Insight and its personnel who are “qualified purchasers” or “knowledgeable employees” for purposes of the Investment Company Act of 1940 invest in the Funds (and in the Funds’ portfolio companies) through dedicated feeders into the Funds (or in older Funds through partnerships formed to invest in parallel with a specific Fund). In addition, Funds (other than Coinvestment Funds) generally include a partnership primarily for Investors who are Insight employees not eligible to invest in the other partnerships in a Fund, family members of Insight principals and employees, service providers to Insight and the Funds, including partners of counsel to Insight, current and former portfolio company executives and other individuals who have a business or personal relationship with Insight and/or its personnel (each, a “Side-by-Side Fund”). The Side-by-Side Funds participate pro rata in investments alongside the Funds with respect to which they were formed.

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

Investment Program

Insight primarily focuses on investments in growth-stage software, software-enabled services and Internet companies. Insight believes that growth-stage companies are companies that have significant opportunities to expand, either organically or through acquisition, and have potential for growth in either revenue, operating profits or frequently, both. Insight seeks to operate as management’s primary financial/strategic partner and, where possible, to be the first institutional investor. Insight will also opportunistically invest in companies that have previously raised capital with institutional investors. Insight is a flexible source of capital and has the ability to execute both minority and majority investments, and take-private transactions, including leveraged buyouts. Insight primarily focuses on companies with the following characteristics:

- Large market opportunity
- Established revenue momentum and/or strong historical sales growth
- Potential for significant profitability

Insight will also target more mature companies that are available at favorable valuations and have potential for attractive returns. Insight believes that mature, slower growth software and software-enabled services companies are appropriate targets for leveraged buyout transactions and can generate attractive risk-adjusted returns. Such companies include public companies that are candidates for take-private transactions and private equity-owned companies. Insight's industry focus enables it to identify and assess these opportunities and target high quality companies. In addition, Insight believes that acquisitions are an effective way for more mature software companies to enhance their strategic options and increase value.

Insight invests in companies that apply technology to solve business and consumer problems, typically through software, software-enabled services and the Internet. Insight also makes investments in companies in sectors outside of its primary focus for which the Internet is an important part of the business model.

Certain Funds managed by Insight have additional investment flexibility as described in the limited partnership agreement for the particular Fund.

Funds may co-invest with third parties through partnerships, joint ventures, or other entities. Funds may also from time to time lend to portfolio companies on a short-term, unsecured basis, *i.e.*, make bridge loans, in anticipation of a future issuance of equity or long-term securities. Insight may invest in companies both within and outside of the U.S.

Fund investments are typically in securities that are not publicly traded, that are subject to legal or other restrictions on transfer and that are highly illiquid. Although these investments may occasionally generate some current income, the return of capital and the realization of gain, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. Investments may require a substantial amount of time to liquidate.

Insight's deal origination team identifies and maintains contact with thousands of prospective portfolio companies to identify companies that meet a Fund's investment criteria. Complementing this effort, Insight has over time developed extensive relationships with entrepreneurs, other venture capital and private equity firms, and investment banks, which collectively generate a significant amount of deal flow. In addition, due diligence is an integral part of Insight's investment process, and provides a foundation for Insight's engagement with portfolio companies post-investment. The due diligence process helps to identify critical transactional issues, assess a potential portfolio company's strengths, weaknesses, and opportunities, and develop a view on its value and a Fund's prospective return. The Insight Onsite team plays a significant role in the diligence process – both to support Insight's investment decision and as a prelude to working with portfolio companies on their critical challenges post-investment.

All transactions are coordinated by a dedicated deal team led by at least one of Insight's Managing Directors. The deal team is responsible for due diligence and deal negotiation, and

regularly reports to Insight's "Investment Committee," which is comprised of Jeffrey Horing (the head of the Investment Committee), Deven Parekh, Peter Sobiloff and Blair Flicker, each of whom is an Insight Managing Director. The Investment Committee, after consultation with other Insight Managing Directors, senior members of the deal team and Insight's Chief Financial Officer, is primarily responsible for making investment decisions for Insight.

Insight or its affiliates may in the future form additional Funds with primary objectives and policies that are not substantially the same as those of the existing Funds.

Insight Onsite

As part of its investment strategy, Insight operates "Insight Onsite," an in-house consulting practice that provides services to the Funds' portfolio companies. Insight devotes significant internal resources to improving the strategy and execution of the portfolio companies. The Insight Onsite team is comprised of experts in various substantive areas generally including: strategy consulting, direct sales, telesales, Internet marketing, operations, technology, human resources, and mergers and acquisitions. The Insight Onsite team typically is involved with Insight's decision to invest in a particular portfolio company. For example, the Insight Onsite team plays a significant role in the diligence process. In addition, Insight Onsite includes a new business unit that is expected to also provide services to unaffiliated third party companies.

Insight Onsite often charges portfolio companies fees for its consulting services, although it may provide consulting services to non-fee paying portfolio companies that are unable to pay for Insight Onsite's services or for other reasons. Insight Onsite waives its fees in such cases because Insight believes that Insight Onsite can add significant value to those portfolio companies and thus to the investing Funds. The amounts of the fees charged to portfolio companies are determined by Insight and not through arms' length negotiations. Insight uses fees paid by portfolio companies for the services provided by Insight Onsite to recover the costs of compensation and operating expenses for Insight Onsite with respect to work associated with such portfolio companies. The fees charged by Insight Onsite to portfolio companies in each fiscal year are subject to an aggregate cap for all of the Funds using Insight Onsite services (\$3,245,291.95 for 2015) that is adjusted each year in accordance with the Consumer Price Index for All Urban Consumers, New York-Northern New Jersey. If portfolio companies of all of such Funds in the aggregate pay fees in excess of this cap, the excess will reduce the Management Fees or, in some instances when Management Fees are not paid, partnership expenses paid by the applicable Funds. Each Fund will be allocated a pro rata share of such excess based on the ratio of fees paid to Insight Onsite by the portfolio companies of such Fund to the aggregate fees paid to Insight Onsite by all portfolio companies of the Funds.

As noted above, Insight Onsite includes an additional business unit that is expected to do work for unaffiliated third party companies in addition to Fund portfolio companies. Fees received from such unaffiliated third party companies are not required to be offset against Management Fees under the Fund limited partnership agreements. Nevertheless, in order to mitigate potential or perceived conflicts (or the appearance of such) posed by such work, Insight will credit net fees received by Insight Onsite for such unit's services to unaffiliated third party companies to the Funds through the offset of Management Fees otherwise payable by such Funds that pay Management Fees, provided that Insight may retain any unaffiliated third party fees that it

determines in its discretion to be reasonably necessary to offset the expenses of operating such business unit with respect to both its services to unaffiliated third party companies and portfolio companies. Operating expenses will include, without limitation, salaries and bonuses of the executives for this additional business unit and other employees hired to work directly with them, bonuses, health insurance, dental insurance, employer payroll taxes, office space, lease expense, legal, accounting and compliance, training, travel and entertainment expenses, and any other expenses incurred by Insight to operate the business unit, including any indirect expenses as determined in the good faith discretion of Insight. The amount to be offset will be allocated among the Funds that paid Management Fees in the applicable fiscal year pro rata based on their respective net asset values for such fiscal year (calculated by averaging the quarterly net asset values for that year) and the limited partners bearing Management Fees. Insight intends to use the unaffiliated third party fees solely to cover the costs of this additional business unit and not other expenses of Onsite that Insight would otherwise have incurred. The amounts of unaffiliated third party fees retained to pay such additional unit's business expenses will not reduce the amount of the CPI-indexed cap described above or the amount of fees paid by portfolio companies to Insight Onsite that Insight is permitted to retain under that cap.

Insight Onsite is also currently testing joint procurement programs for portfolio companies, which it may in future expand. By pooling the buying power of multiple companies, joint procurement programs permit the companies to obtain volume discounts. Insight does not currently expect to charge any service fees for organizing joint procurement arrangements, although vendors may charge fees for their programs, which will be passed along to the participating portfolio companies.

Material Risks of Investment Strategy

General Investment Risks

Investing in securities involves risk of loss that clients should be prepared to bear. All investments made by Insight on behalf of the Funds risk the loss of capital. No guarantee or representation can be made that a Fund will achieve its investment objective or avoid substantial losses, including the potential to lose all invested capital. There can be no assurance that Insight will be able to choose, make and realize investments on behalf of a Fund in any particular company or portfolio of companies or that a Fund will be able to generate positive returns or that any positive returns will be commensurate with the risks of investing in the type of companies and transactions described above.

Investment Strategy Risks

Risks of Growth Equity Investing: While growth equity investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total losses. Among these risks are the general risks associated with investing in companies at an early or growth-stage of development or with little or no operating history, companies with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position and companies dependent on new or developing technology. Furthermore, companies at an early or growth-stage of development may face intense

competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. A Fund will make investments in portfolio companies which rely upon rapidly changing technologies. Therefore, technological obsolescence and other technology risks may adversely impact the performance of these portfolio companies. In all such cases, a Fund will be subject to the risks associated with the underlying businesses engaged in by portfolio companies.

Illiquid Investments: The Funds invest in assets that are subject to legal or other restrictions on transfer and which are illiquid. A Fund may not be able to sell the assets when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

Portfolio Company Leverage: A Fund may make investments, either through leveraged buyouts or otherwise, in portfolio companies that have a leveraged capital structure. To the extent that any investment is made in a company with a leveraged capital structure, such investment may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such company or its industry. In the event that such a company is unable to generate sufficient cash flow to timely meet principal and interest payments on its indebtedness, the value of a Fund's investment in such portfolio company could be significantly reduced or even eliminated. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to such assets in an insolvency event or proceeding. The use of leverage will result in costs to a Fund that may not be covered by distributions made to a Fund or appreciation of its investments.

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

Uncertainty of Financial Projections: The Funds generally use financial projections to help analyze potential investments and may use such projections to help analyze future capital raises and financing for portfolio companies or other transactions. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections.

Control Positions and Non-Controlling Interests: A Fund may assume control positions in certain of its portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. A Fund may make minority or other equity investments in portfolio companies where there is the possibility that the portfolio

companies may be controlled by persons who have economic or business interests or goals that are inconsistent with those of a Fund or may be in a position to take action contrary to a Fund's business interests. Where a Fund holds a non-controlling interest in a portfolio company, it may have a limited ability to limit or otherwise protect its position in such company.

Competitive Market: The market for investment opportunities similar to those that the Funds are focused on is competitive and involves a high degree of uncertainty. There can be no assurance that Insight's management will succeed in consistently identifying and securing investments on attractive terms. Furthermore, an ever-increasing number of funds with similar investment objectives as the Funds have been formed (and many existing funds with similar investment objectives as the Funds have grown in size) to invest in the software, software-enabled services and the Internet industries. Additional funds with similar investment objectives and/or sourcing methodologies may be formed in the future by other unrelated parties. As a result, there can be no assurance that a Fund will be able to participate and make portfolio investments that satisfy the Fund's return objectives or realize Insight's view of their potential values or that the Fund will be able to become fully invested for a significant period of time, if at all. There can be no assurance that such opportunities will continue to be available or that a Fund will be able to make any such investments.

General Business and Management Risk: Investments in portfolio companies subject a Fund to the general risks associated with the underlying businesses, including but not limited to market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. The success of a Fund's portfolio companies may depend on the development and marketing of new technologies that at any time may be rendered unattractive or obsolete by technological advances, new social trends and/or communication methods as seen in the emergence of social networking tools and platforms. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases the General Partner will monitor portfolio company management, management of each portfolio company will have day-to-day responsibility of such portfolio company.

Sector Risk: Adverse economic conditions in the United States and other countries could have a material adverse effect on consumer and business spending in the information technology sector, which could limit or cause a substantial reduction in the revenues, profitability and/or continued viability of the portfolio companies in which a Fund invests. The information technology sector (including software, software-enabled services and Internet companies) could be adversely affected by overall economic conditions, short product cycles, rapid obsolescence of products, competition, and government regulation. There can be no assurance that any portfolio company will continue or improve its historical or expected levels and direction of growth, revenues or profitability even if general economic conditions in the United States and/or other countries improves or if economic conditions in the information technology sector improve.

Third Party Investments: A Fund may co-invest with third parties through partnerships, joint ventures, or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party co-venturer or partner

may at any time have economic or business interests or goals that are inconsistent with those of a Fund, or may be in a position to take action contrary to a Fund's business interests.

Lack of Diversification: A Fund may be permitted to invest up to a specified percentage of its aggregate capital commitments in the securities of one issuer at the time of investment. If a Fund is provided with only a limited number of investment opportunities or is provided with investment opportunities in companies that are similar to the other Fund investments, a Fund's portfolio may not be diversified. In addition, to the extent Insight concentrates a Fund's investments in a small number of issuers, issuers within one industry or within one geographical area or country (including in a country other than the United States), a Fund's portfolio may become even more concentrated, non-diversified and consequently more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting such issuers, industry and/or geographical region. Coinvestment Funds are likely to be concentrated in fewer investments than other Funds.

Insufficient Capital for Follow-On Investments: Following its initial investment in a portfolio company, a Fund may have the opportunity to increase its investment in successful operations or may be asked to provide additional funds to such portfolio company. There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient resources to, or be permitted to, make such investments. Any decision not to make follow-on investments, or a Fund's inability to make them, may have a substantial negative impact on a portfolio company in need of such an investment, may result in missed opportunities for a Fund, or may result in dilution of a Fund's investment.

Third Party Litigation: Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. A Fund may be engaged in litigation both as a plaintiff and as a defendant. A Fund's investment activities subject it to relatively increased third-party litigation risk in those instances in which the Fund exercises control or significant influence over a portfolio investment, including as a result of board participation. Such litigation can arise as a result of acquisition or disposition transactions (whether consummated or not), portfolio company defaults, portfolio company bankruptcies and/or other reasons. In certain cases, such portfolio companies or their constituents or other third parties may bring claims and/or counterclaims against a Fund, a General Partner, Insight and/or their respective principals and affiliates alleging violations of securities laws and corporate, contractual and other typical claims and counterclaims seeking significant damages. To the extent that (i) a Fund has not been able to protect itself through insurance, indemnification or other rights against the portfolio companies, (ii) a Fund is not entitled to such protections, or (iii) the portfolio company is not solvent, the expense of defending against claims made against a Fund by third parties and paying any amounts pursuant to settlements or judgments would be borne by a Fund and reduce net assets. In connection with such actions, the Fund would be obligated to bear defense, settlement and other costs, and the General Partner, Insight and others would generally be entitled to indemnification by the Fund, subject to certain conditions. Such costs and indemnification could adversely affect the applicable Fund's rate of return.

Board Participation: A Fund may be represented on the boards of directors of certain of its portfolio companies or may have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to a Fund's

investment strategy and may enhance a General Partner's and Insight's ability to manage the investments, they may also have the effect of impairing a General Partner's ability to sell the related securities when, and upon the terms, it may otherwise desire and may subject the General Partner, Insight, and the Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, a Fund will indemnify the General Partner and Insight from such claims.

Bridge Financings: From time to time, a Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term securities. Such bridge loans will typically be convertible into a more permanent, long-term security. It is possible, however, for reasons not always in a Fund's control, that such equity or long-term securities may not be issued 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 a Fund.

Foreign Investments: A Fund may be permitted to invest up to a specified percentage of its aggregate capital commitments in the securities of issuers located outside of the United States. Foreign securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: (1) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (2) inflation matters, including rapid fluctuations in inflation rates; (3) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (4) economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability or armed conflict or the possibility of sanctions imposed by the United States or other jurisdictions and the possibility of expropriation or confiscatory taxation; and (5) the possible imposition of foreign taxes on income and gains recognized with respect to such securities.

Investments in Emerging Markets: A Fund may be permitted to invest in securities of issuers located in emerging markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other, more established economies or markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war or terrorism; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and

custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of a Fund's investments with non-U.S. custodians.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. A Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the Fund or gains from the disposition of such financial instruments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. A Fund may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

Risk of Early-Stage/Start-up Investments: While the Funds are focused primarily on growth-stage companies and may also invest in more mature companies, one or more Funds may have exposure to new and emerging early-stage/start-up investments (collectively, "early-stage investments"). While such investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including from companies with greater financial resources, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Financial Fraud: Instances of fraud and other deceptive practices committed by senior management of certain companies in which a Fund may invest may undermine the ability of Insight to conduct effective due diligence on, or successfully exit such companies. In addition, financial fraud may contribute to overall market volatility, which can negatively impact a Fund's investment program.

Risks Arising From Dispositions 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 the portfolio company, or may be responsible as a selling stockholder for the contents of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchasers of such investments or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. If the assets of a Fund are insufficient to pay such indemnification obligations, the Investors may be required to return distributions received by them to pay such obligations subject to certain limitations described in the applicable Fund's limited partnership agreement.

Cyber Security Breaches. Many of the Fund portfolio companies provide products and services that are dependent on the Internet. The information and technology systems that portfolio companies and Insight use or rely on may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, portfolio companies may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data of the portfolio companies or Insight, including personal or proprietary information, and, with respect to Insight, information regarding Investors. Such a failure could harm such entity's reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance.

The material risks of Insight's investment strategy set out in this Item 8 do not represent all of the material and other risks associated with a Fund. Each Fund's confidential private placement memorandum sets out additional risks associated with the Fund.

Item 9 Disciplinary Information

Neither Insight nor its management persons have been subject to legal or disciplinary events that are material to Insight's advisory business or that would be material to existing or prospective clients' evaluation of Insight's advisory business or the integrity of its management persons.

Item 10 Other Financial Industry Activities and Affiliations

Affiliates of Insight serve as the General Partners of the Funds. A Fund may be subject to various conflicts of interest arising from its relationship with Insight and its affiliates including other Funds. Generally, Insight only makes new investments for its most recently raised Fund and, as applicable, such recent Fund's companion Coinvestment Fund at any given time. A new successor Fund is generally not formed and will not make investments until the predecessor Fund is substantially fully invested or committed without the consent of the Advisory Committee of the predecessor Fund. Generally, the limited partnership agreements governing the Funds provide for a six month transition period during which certain "pipeline" investments may be allocated to the predecessor Fund. A Fund may co-invest with its predecessor Fund in such pipeline transactions. After the transition period, new investments will generally be made by the successor Fund and, as applicable, its companion Coinvestment Fund. A follow-on investment

opportunity in a portfolio company is generally reserved for the Fund that originally invested in such portfolio company, subject to the guidelines and restrictions of the Fund's limited partnership agreements and/or approval of the Fund's Advisory Committee and available capital in the Fund. A Fund may on occasion invest in a portfolio company of another Fund or co-invest with another Fund (a Coinvestment Fund would generally invest alongside its companion Fund in the applicable portfolio companies). As more fully described below, such transactions are generally subject to requirements agreed by the Investors and set out in the applicable limited partnership agreement, which may include a requirement to obtain the consent of the Advisory Committee of the applicable Funds.

Co-Investment Opportunities

Fund investments include investments in which the General Partner will seek co-investors. As the growth-stage software, software-enabled and Internet industries have grown, so too have the size of the companies in the industry. Including co-investors increases the ability of a Fund to invest in larger companies while managing concentration risks. Co-investors may bring to a transaction relevant knowledge, due diligence skills, management experience and capital, both for the initial investment as well as for future financings. The ability to involve co-investors enables a Fund to make investments that it would otherwise not have the capacity to do. A General Partner of a Fund may, but will be under no obligation to, offer co-investment opportunities to any persons consisting of the portion of an investment opportunity that exceeds the amount that the General Partner determines is appropriate for the Fund. The General Partner of a Fund may, but is under no obligation to, also offer co-investment opportunities to third party strategic investors the portion of an investment opportunity that the General Partner determines to be appropriate. Which third parties will co-invest depends largely on the nature and dynamics of a particular deal. Third-party co-investors (including Investors) have no obligation to participate in a particular deal and they will typically negotiate the terms of their participation. In selecting co-investors to approach with a potential investment, Insight will take into account various facts and circumstances it deems relevant and, at a minimum, a co-investor must be legally eligible to invest in the portfolio company, confirm that it has the ability and willingness to move quickly in making and implementing a decision to invest, and Insight must believe that it will have a good working relationship with the co-investor during the investment. Co-investors may include one or more Investors, however, the allocation of co-investment opportunities is entirely discretionary and there is no guarantee for any Investor that has expressed an interest in co-investment opportunities that it will see such opportunities. Co-investment opportunities are by their nature limited because, given the swift pace of many deals in which the General Partner determines that co-investors are desirable, and the need to negotiate the co-investments as well as all other aspects of the transaction, it is simply not practical to involve large numbers of co-investors. Moreover, because the co-investors must rapidly devote sometimes significant resources to evaluating whether to invest, they may need a minimum investment to warrant the effort. In Insight's experience, certain Investors and other third parties have consistently been in a position to commit the amounts required and on the schedule dictated by larger transactions, and a General Partner may turn to such co-investors in new deals due to prior good experience with these co-investors enabling Funds to win and close investments and/or to smoothly syndicate investments after closing.

The General Partner of a Fund and/or Insight may create limited partnerships, limited liability companies or similar vehicles or arrangements to accommodate investments by portfolio company management or strategic or other investors, including one or more Investors of such Fund, in connection with a deal-by-deal determination of any co-investment participation, or may cooperate with specific Investors to create vehicles to enable such co-investments, and may serve as the general partner, the investment manager or in a similar capacity with respect to such vehicles or arrangements. The existence of such vehicles or arrangements could result in fewer co-investment opportunities being made available to other Investors. Generally neither a General Partner nor Insight will receive any management fee or carried interest from or invest in such vehicles or arrangements without Advisory Committee consent, and if for tax or other technical reasons a General Partner or Insight have such an economic interest in vehicles or arrangements through which co-investors consummate co-investment opportunities that are offered to them, the benefits of any such economic interest will be offset against the Management Fees or partnership expenses of the relevant Funds. Co-investors will often participate in Fund investments when the Fund initially invests in a portfolio company. However there may be circumstances, including due to the timing requirements of a transaction, where co-investors will subsequently purchase their investments from the Fund. The selection of co-investors may involve conflicts of interest and, while Insight has adopted policies and procedures with regard to the selection of co-investors intended to mitigate such conflicts, there can be no guarantee that such policies will prevent actions that are detrimental to a Fund.

Transactions Between Insight Funds

On occasion, Insight may determine that it is in the best interests of a Fund and another Insight Fund or Funds that the Fund should invest, or otherwise acquire an interest, in an existing portfolio company of such other Funds. Generally such transactions would be subject to the approval of the Advisory Committees of the relevant Funds unless a non-affiliated sophisticated financial investor who is not a strategic investor participates in such investment on substantially the same terms as the Fund, the investment of such non-affiliated investor is substantial and certain other conditions are met. Also, in accordance with the applicable limited partnership agreement, certain Funds may transfer certain investments to its successor Fund or to its Coinvestment Fund. Certain Funds may, with the consent of their respective Advisory Committees, make bridge co-investments alongside or in their successor Funds or other future Insight Funds, that such Funds expect to syndicate to third party co-investors within a specific period of time.

Allocation of Expenses

Potential Conflicts in Calculation and Allocation of Certain Costs and Expenses

The limited partnership agreements of the Funds provide that each Fund will be responsible for all costs and expenses in connection with its operation, other than the costs and expenses that will be the responsibility of the Manager. Third-party expenses incurred in connection with unconsummated transactions will generally be borne by the Funds based on the expected allocation of the investment to such Funds. A potential conflict of interest exists in Insight's determination whether certain costs or expenses that are incurred in connection with the operation of a Fund meet the definition of Fund operational expenses for which the Fund is

responsible, or whether such expenses should be borne by Insight. Any Fund will be reliant on the determinations of Insight in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as between the Funds and any other Insight affiliates, including how the expenses of proposed but unconsummated transactions are allocated among the Funds and what the allocation of a co-investment that is never completed might have been.

While Insight will endeavor to allocate expenses in a manner it believes to be equitable and consistent with the relevant limited partnership agreements, there can be no assurance that errors will not arise in such allocations or that other methods of allocation would not produce a result that is more favorable to one or other of the Funds or to Insight.

The Funds will also be reliant on Insight to determine the fees that Insight Onsite charges to portfolio companies since these fees are determined by Insight and not negotiated at arm's length. Although Insight believes that such fees are reasonable for the services provided, and that the Funds benefit from having Insight Onsite's experienced business development team readily available to them, there can be no assurance that such services (or better services) may not be available from third parties at less expense. In addition, a potential conflict of interest exists in the methodology used by Insight to allocate the excess of Insight Onsite fees over the CPI adjusted cap because Insight both sets the fees for services to be provided to portfolio companies and determines which portfolio company such services are provided to. The Funds will also be reliant on Insight to determine what expenses are allocable to the Insight Onsite business unit that provides services to unaffiliated third party companies for purposes of calculating the net amount of fees for such services (after deduction of operating expenses) that will be offset against Management Fees, which may give rise to conflicts of interests.

Additional information regarding how Insight addresses conflicts of interest is provided in Item 11 below.

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

Insight's Compliance Manual includes a Code of Ethics ("Code") that applies to each of its partners, members, owners, principals, directors, officers and employees ("Covered Persons"). The Code requires compliance with all applicable laws and regulations, including federal securities laws; acting in the best interests of the firm's clients at all times; avoiding actual and potential conflicts of interests; complying with certain restrictions on personal trading and prompt reporting of violations of the Code. The Code requires Covered Persons to safeguard confidential information entrusted to Insight by its clients, Investors or related parties, information regarding Insight's businesses and activities, or information about other Covered Persons. The Code also prohibits insider trading and tipping and addresses anti-money laundering and certain potential conflicts of interest. The Code requires Insight to monitor the personal securities trading of Covered Persons for evidence of insider trading or suspicious trades. A copy of the Insight Code of Ethics will be provided to a client or prospective client upon request.

Like other asset management firms, as part of Insight's business, Insight and its employees have developed many significant relationships with third parties, including, but not limited to, placement agents, investment bankers, counsel, consultants, private equity and venture capital investors, Investors in Funds, co-investors, current and former directors, officers and employees of current and former portfolio companies, and former directors, officers and employees of Insight, including those who have or may form funds that engage in investment activities similar to those of a Fund. Certain of such third parties may: introduce investment opportunities to Insight; arrange for, or facilitate financing in, the purchase or recapitalization of potential portfolio companies; introduce portfolio companies to potential acquisition or merger candidates; introduce Insight to potential buyers of portfolio company securities; facilitate the disposition of portfolio company securities; provide investment banking, consulting or advisory services to Insight, the Funds, portfolio companies and potential portfolio companies; invest in Funds; co-invest in portfolio companies; perform investment banking services for issuers of private securities held by Insight personnel or their friends and family members; introduce or recommend private investment opportunities to Insight personnel or their friends and family members; or provide other significant business or investment services to Insight, the Funds, portfolio companies, potential portfolio companies, Insight personnel, and friends and family of Insight personnel. Such third parties may receive direct commercial compensation from the portfolio company, potential portfolio company or individual for providing these services (including, with respect to portfolio companies, equity or other interests) and/or, with respect to transactions in connection with the Funds or their portfolio companies or potential portfolio companies, may receive compensation from Insight or a General Partner in the form of a cash payment from Insight or a General Partner or a participation in the management fees or carried interest Insight and the General Partners, respectively, receive from the Funds. As a result of the business relationships Insight has developed, it may, as noted above, particularly where Funds have a controlling interest, be in a position to suggest or recommend service providers to portfolio companies with whom Insight or its employees have had a previous relationship or experience or portfolio companies may retain service providers as a result of their experience in transactions or otherwise through their relationships with Insight. While Insight selects, if it is retaining a service provider, or suggests or recommends service providers who it believes will be effective and enhance a transaction or portfolio company operations or performance, there can be no assurance that other service providers would not be more qualified or lower cost. Insight has compliance policies and procedures designed to monitor and, as necessary, mediate significant relationships such as the foregoing, but no guarantee can be made that such policies and procedures will prevent actions which are to the detriment of a Fund.

Service providers to the Funds, their portfolio companies and the portfolio companies' directors, officers and employees, including placement agents and their principals, may be investors in a Fund. This could present a conflict of interest to a General Partner in deciding whether to utilize the services of such service providers, or to pay such service providers higher fees out of the Fund's assets in return for such service providers' willingness to invest in the Fund, which could result in additional fees for Insight.

A portfolio company in which one Fund invests may from time to time use the services of another portfolio company in which a different Fund invests. Insight may also from time to time encourage portfolio companies to consider using in their business the technologies, products or services provided by other portfolio companies even if the potentially transacting companies are

owned by different Funds. It is Insight's policy, however, to avoid participating in any resulting negotiations between or among the transacting portfolio companies except in accordance with procedures intended to address potential conflicts.

Conflicts of Interest may arise due to Insight Onsite providing certain services to unaffiliated third party companies. Under Insight's policies, Insight Onsite will not knowingly undertake an engagement for an unaffiliated third party client if such engagement would be in conflict with the best interests of any Fund portfolio company. However, there can be no guarantee that Insight's policies and procedures will eliminate conflicts that may arise in providing services to such third parties.

Conflicts of interest may also arise in circumstances where Insight may consider an investment by a Fund in a company in which an Investor or another person with a significant relationship to Insight is already an investor or a sale of a portfolio company to such persons since Insight may wish to maintain a good relationship with the Investor or such significant relationship. While Insight has policies and procedures for such situations, there can be no guarantee that such policies and procedures will prevent actions which are to the detriment of a Fund. It is expected that third-party consultants and advisers will also provide services to other enterprises, including competitors of Insight or any of Insight's portfolio companies.

The existence of the Carried Interest may create an incentive for a General Partner to make more speculative investments on behalf of a Fund that it would otherwise make in the absence of such performance-based compensation. In addition, the clawback obligations of the General Partners may create an incentive to defer the disposition of investments that would result in a realized loss or the completion of the liquidation of a Fund where a clawback obligation would be owed.

Personal investment by investment professionals and other personnel of Insight can present potential conflicts of interest for Insight and its personnel. Insight's members, owners, principals, directors, officers, and employees, certain family members of those persons, certain directors, officers, or employees of Insight's portfolio companies, and certain individuals employed by or associated with certain service providers of Insight or its portfolio companies have invested, and may continue to invest in the future, in Side-by-Side Funds that will make investments at the same time and on the same terms as the Fund and/or through an entity that invests into such Fund. Each such entity is a related person of Insight. Each Fund has a General Partner which is a related person of Insight. The General Partner of each Fund agrees that the General Partner, Insight, and/or employees, partners or members of the General Partner and Insight will make capital commitments to such Fund. The amount of this sponsor capital commitment varies from Fund to Fund. The sponsor capital commitment generally is satisfied by capital commitments from Insight and its Managing Directors.

Generally, a Fund may enter into contracts and transactions with its General Partner, affiliates of its General Partner, or certain key Insight personnel not authorized, addressed or expressly contemplated by the limited partnership agreement, if, in the good faith judgment of the Fund's General Partner, the terms of such contract or transaction are no more favorable to the General Partner, affiliate or key Insight personnel than could be obtained in arm's length negotiations with unrelated third parties and the material terms of such contract or transaction have been approved by the Fund's Advisory Committee.

The directors, officers and employees of Insight generally may, subject to certain restrictions, buy and sell securities or other investments for their own accounts (including through investment funds managed by Insight). As a result of differing investment strategies or constraints, or for other reasons, positions may be taken by Insight personnel that are the same as, different from or made at different times than positions taken for a Fund. For the same reasons, directors, officers and employees of Insight may invest in public or private companies, private equity funds, private venture capital funds, hedge funds, real estate funds, mutual funds and other investments. Insight has established policies and procedures requiring certain approvals for investments in private companies and private funds by employees of Insight and most personal securities transactions by Insight personnel. However, the potential exists for personal securities transactions by Insight personnel, including those which have been pre-cleared or approved in advance, to generate significantly higher investment returns to such personnel than any of a Fund's investment transactions generate for its own investors. Insight has also established policies and procedures for circumstances where a company identified as a potential investment opportunity for a Fund is determined not to be suitable or appropriate for the Fund. The potential exists for Insight personnel, other co-investors or competitors of Insight to invest in such company and realize significantly higher investment returns than any of a Fund's investment transactions generate for its own investors.

In the event of a conflict of interest that is not otherwise addressed by the applicable limited partnership agreement, each of the applicable General Partner and Insight will be guided by its fiduciary responsibilities, compliance policies and procedures and good faith judgment as to the best interests of the Fund and may seek or, depending on the Fund and the materiality of the conflict, may be required to obtain, pursuant to the limited partnership agreement of the Fund, guidance from the Advisory Committee of the Fund.

Item 12 Brokerage Practices

Insight has discretionary authority over the Funds' accounts including the buying and selling of securities and the amount of securities to be bought or sold. Most of the securities transactions of the Funds involve private companies and privately-negotiated purchases and sales that do not make use of a broker-dealer. However, Insight may employ the services of a broker-dealer to acquire or dispose of interests in certain portfolio companies, typically for securities acquired via an initial public offering or publicly traded securities received as consideration in the sale of a portfolio company. Trades involving such securities are often complex for a variety of reasons, including selling thinly-traded stock, large blocks of stock or restricted shares, or selling on a non-United States exchange. Insight will also generally use a broker-dealer to execute distributions in kind of publicly traded securities to Investors. Insight is responsible for evaluating and selecting broker-dealers for the Funds, and Insight determines the commission rates to be paid through negotiation with the broker-dealers.

In selecting broker-dealers through which orders for Funds are to be executed, Insight considers various factors. As a fiduciary, Insight must execute securities transactions in such a manner that a Fund's total cost or proceeds in each transaction is the most favorable under the circumstances. The determinative factor is whether the transaction represents the best qualitative execution for the account and not whether the lowest possible commission cost was obtained, including the broker-dealer's experience in the kinds of complex, non-routine trades that Insight executes on

behalf of the Funds. Thus, Insight will consider the full range and quality of the broker-dealer's service in selecting a broker-dealer to meet best execution obligations, and may not pay the lowest commission rate available.

Insight generally manages the assets of the limited partnerships within a Fund in lockstep fashion. Each Fund, however, generally has a limited period during which it is permitted to make new investments. Generally speaking, once that open investment period ends, the Fund is restricted to making follow-on investments in portfolio companies and generally may not make new investments in other companies, subject to provisions in the applicable limited partnership agreement. Insight manages its Funds in a manner that generally avoids the circumstance where Funds from different vintage years have open investment periods at the same time, other than in the case of a Fund and its companion Coinvestment Fund, which would have investment periods that partially or completely overlap. The following procedures apply in situations when multiple Funds have the opportunity to invest in the same portfolio company.

- *Suitability Determination.* After the Investment Committee identifies an investment opportunity, it will determine if the investment opportunity is suitable and appropriate for one or more Funds.
- *Fair and Equitable Allocation.* If the Investment Committee determines that it is in the best interests of more than one Fund to take advantage of the investment opportunity, Insight will aggregate the investments of the participating Funds and allocate the resulting securities among them, in each case in a fair and equitable manner as determined by the Investment Committee taking into consideration any differences in investment guidelines, asset diversification needs, risk profile, uncalled capital commitments and other sources of liquidity, and any other relevant facts and circumstances that apply. Unless the Investment Committee determines otherwise, participating Funds with similar vintage years are, subject to requirements of the applicable limited partnership agreement, generally expected to participate in the same investment opportunity in lockstep fashion.

In addition, such transactions are governed by the applicable Funds' limited partnership agreements and may require the consent of the Funds' Advisory Committees.

Item 13 Review of Accounts

Insight's Managing Directors generally meet weekly to evaluate prospective investments. Insight monitors and reviews the performance of each portfolio company investment. Insight's senior deal team conducts quarterly reviews of the performance and outlook for each portfolio company. Insight's internal Finance Group monitors all cash inflows and outflows from Insight's Funds.

Insight holds annual meetings at which Insight's Managing Directors provide Investors in the Funds with reviews of the performance of the Funds and portfolio companies. In addition, the financial statements of the Funds are audited annually.

Insight may review a client account on other than a periodic basis upon the occurrence of material events that, based on the reasonable business judgment of the responsible Managing

Director, require consideration by the Investment Committee or the senior deal team before the next scheduled meeting of the Investment Committee.

Insight provides such reports (and at such frequency) as will be required by the applicable limited partnership agreements for each Fund. As a result, in general, each quarter Insight issues an unaudited quarterly capital account statement to Investors. Insight also issues a quarterly report for each Fund. The quarterly report typically includes the following: a summary of portfolio holdings; distributions; unaudited financial statements, including a balance sheet, statement of changes in Investors' capital, and statement of operations; and a description of some or all of the Fund's portfolio companies. Investors receive audited financial statements within 120 days of the end of each fiscal year. Insight or its affiliates may by agreement or on request provide additional information or reports to certain Investors.

Each Fund has an Advisory Committee that meets quarterly to receive additional reports about portfolio companies from Insight.

Item 14 Client Referrals and Other Compensation

Insight or its affiliates may use one or more placement agents in connection with Fund offerings. For a number of Funds, Sparring Partners Capital LLC, a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, was retained by a General Partner as placement agent ("Sparring Partners") to certain prospective Investors. Insight has also retained other placement agents to certain prospective Investors outside the United States.

Sparring Partners generally receives a placement fee with respect to the Investors it solicits and that invest, consisting of a cash fee and, with respect to certain Funds, a participation in the General Partner's Carried Interest. The other placement agents Insight has retained have been paid cash placement fees. Such placement fees paid to Sparring Partners or other placement agents may be paid by the Fund but will reduce Management Fees payable to Insight. The receipt of compensation by a placement agent may affect its recommendations as to the desirability of an investment in the Funds.

Various potential and actual conflicts of interest may exist or arise from Sparring Partners' or other placement agents' business activities and relationships with its clients, investors whom it solicits for Funds and portfolio companies of the Funds or other funds not affiliated with Insight. Sparring Partners has provided, and may continue to provide, a number of services to Insight, the Funds, and certain portfolio companies, has a number of relationships with Insight, the Funds and certain of the portfolio companies, and may have various relationships with potential portfolio companies. In particular, Warren Spar, the principal of Sparring Partners, is a limited partner in certain of the Funds; Warren Spar is a co-investor in certain Fund portfolio companies; Sparring Partners has provided investment banking services to a number of Fund portfolio companies; and Sparring Partners may provide investment banking services to portfolio companies in which a Fund may in the future invest. The other placement agents had not provided other services to Insight when they were retained and did not acquire interests in any of the Funds in connection with placing Fund interests, however they or future placement agents may provide other services to Insight, or to the Funds and/or portfolio companies and make investments therein.

Please refer to Item 11 for a discussion of how we address conflicts of interest that arise in the context of business relationships.

Item 15 Custody

Pursuant to applicable regulation, Insight is considered to have custody of its Funds' cash and securities. Insight maintains the Funds' cash and certificated securities with independent qualified custodians to the extent required under the U.S. Investment Advisers Act of 1940, as amended, and rules promulgated thereunder. Insight arranges for each Fund's financial statements to be prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited at least annually by an independent public accountant that is registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by, the Public Company Accounting Oversight Board in accordance with its rules. Insight makes those audited financial statements available to all Investors in the Fund within 120 days of the end of the Fund's fiscal year. Upon liquidation of a Fund, Insight will distribute its audited financial statements prepared in accordance with GAAP to all Investors in a Fund promptly after the completion of such audit. Because Insight's clients are the Funds and the Funds are subject to the foregoing audits, a qualified custodian is not required to send account statements to clients or Investors.

Item 16 Investment Discretion

Insight accepts discretionary authority to manage securities accounts on behalf of a Fund pursuant to its limited partnership agreement, subject to limitations set forth therein. Each limited partnership agreement is subject to negotiation with Investors and typically, for example and without limitation, establishes the Fund's investment objective, policies, strategies and limitations. Examples of such limitations include limitations on the amount of capital that may be invested in any one portfolio company, geographical limitations and limitations on borrowing by a Fund. In addition, the General Partners of the Funds have entered and may in the future enter into side letters or other similar agreements with particular Investors in connection with their admission to a Fund without the approval of any other Investors, which letters have and will in the future have the effect of establishing rights under or altering the terms of the applicable Fund partnership agreement with respect to such Investor in a manner more favorable to such Investor than those applicable to other Investors. Such rights or terms in any such side letter or other similar agreement may include opt-out rights of an Investor applicable to particular investments (which may increase the percentage interest of other Investors in, and contribution obligations of other Investors with respect to, such investments).

Item 17 Voting Client Securities

Insight votes all proxies in the best interests of Insight's clients unless under the facts and circumstances the responsible Insight Investment Team Managing Director determines that voting is not reasonably practicable (such as, but not limited to, where English language translations of proxy materials are not available). Insight believes that this means a Fund's best economic interests over the long-term – that is, the interest of a Fund in seeing the value of its investment increase over time. Insight does not take investment positions outside of the Funds it manages and therefore does not anticipate a situation where there would be a conflict between

maximizing long-term investment returns for Funds and interests of Insight. If such a situation should arise involving a public security, Insight's Compliance Committee will independently review and evaluate the proxy proposal and the circumstances surrounding the conflict to determine how to vote the proxy in the best interest of the Fund. The Compliance Committee may also determine whether the conflict of interest involving the public security will be disclosed to the Funds (and/or Investors) and whether to obtain consent prior to voting.

Insight's General Counsel and Chief Compliance Officer are responsible for voting proxies. In deciding how to vote a proxy, these officers are generally expected to consult with the Investment Team Managing Director responsible for covering the portfolio company which is soliciting the proxy vote. They may also consult with Insight's Chief Financial Officer and such other persons as they deem advisable. Clients may obtain a copy of our proxy voting policies and procedures upon request.

Item 18 Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. We have not been the subject of a bankruptcy petition within the preceding ten years.