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PLATINUM EQUITY ADVISORS, LLC
Form ADV PART 2A - Brochure
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This brochure (this “Brochure”) provides information about the qualifications and business practices of Platinum Equity Advisors, LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Mary Ann Sigler, at (310) 228-9597. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Additional information about Platinum Equity Advisors, LLC is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

This Brochure contains no material changes since Platinum Equity Advisors, LLC (“Advisors”) filed its last brochure on September 29, 2017, except as pertains to changes in the equity ownership of Advisors as described in sections titled “Advisory Business” (Item 4) and “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” (Item 11). We encourage all recipients of this Brochure to read it carefully in its entirety.

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Advisory Business

Platinum Equity, LLC (“Platinum Equity” and together with Advisors, “Platinum”) was founded in 1995 by its Chairman and Chief Executive Officer, Tom Gores. In 2003, Platinum Equity sponsored its first investment fund and formed Advisors, an affiliate of Platinum Equity, to serve as the investment adviser to the investment funds described herein. In addition, affiliates of Platinum Equity manage and serve as the general partner or senior managing member of each of the Investment Funds (as defined below) described herein (collectively, the “General Partners”). References to “we” or “us” herein refer to Advisors.

Advisors is principally owned and controlled by Tom Gores and his affiliates: Platinum Equity, Platinum Equity Investment Holdings, LLC, Platinum Equity Advisors Holdings, LLC, and the Gores 2003 Investment Trust. In addition, investment funds affiliated with Dyal Capital Partners (“Dyal”), a division of Neuberger Berman, hold a passive non-voting minority interest in Advisors. Dyal does not have any authority over the day-to-day operations or investment decisions of Advisors as they relate to the Investment Funds, but it does have certain customary minority protections with respect to its ownership interest in Advisors. Dyal does not have representation on the investment committees of the General Partners or any of their affiliates.

Advisors provides advisory services to private investment funds, including Platinum Equity Capital Partners L.P. (together with its Parallel Funds (as defined below) and alternative investment vehicles, “Fund I”), Platinum Equity Capital Partners II, L.P. (together with its Parallel Funds and alternative

investment vehicles, “Fund II”), Platinum Equity Capital Partners III, L.P. (together with its Parallel Funds and alternative investment vehicles, “Fund III”), Platinum Equity Capital Partners IV, L.P. (together with its Parallel Funds and alternative investment vehicles, “Fund IV” and together with Fund I, Fund II and Fund III, the “Platinum Funds”), certain other private investment vehicles that co-invest in each portfolio investment made by the Platinum Funds whose investors are limited to the Platinum Co-Investors (as defined below) (each such vehicle, a “Platinum Co-Invest Vehicle”) and certain other investment vehicles established to facilitate Third Party Co-Investments (as defined below) (each such vehicle, a “Third Party Co-Invest Vehicle,” each Third Party Co-Invest Vehicle and Platinum Co-Invest Vehicle, a “Co-Invest Vehicle,” and the Co-Invest Vehicles with the Platinum Funds, the “Investment Funds” and each such vehicle individually, an “Investment Fund”), each of which make private equity investments in underperforming or undermanaged companies that we believe can benefit from our operational expertise. Limited partners or other investors within a particular Investment Fund are referred to herein as “Investors.”

As of March 16, 2017, we had approximately \$13.14 billion of assets under management on a discretionary basis.¹ Our investment objective is to generate significant capital appreciation for the Investors investing in the Investment Funds for which we provide investment advisory services. The Investment Funds seek to achieve this objective primarily by making private investments in equity, equity-oriented or debt securities which offer equity-like returns of underperforming companies. When advising the Investment Funds, we may consider a broad range of transactions, including without limitation management and leveraged buyouts, recapitalizations, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, and growth equity investments.

Generally, the Investment Funds do not invest in other private investment funds. The Platinum Funds are prohibited from investing in other private investment funds that would result in a net increase in the management fee or carried interest paid by Investors. Accordingly, in those rare instances where a Platinum Fund has invested in another private investment fund, the Platinum Fund does not pay any management fees or carried interest to the private investment fund or its general partner.

Certain affiliates of Platinum and the General Partners may receive opportunities to co-invest in the portfolio investments of the Platinum Funds. The applicable General Partner is required to cause the General Partners, Platinum, and/or the partners, members, shareholders, officers, directors, executives, operating advisors and employees of Platinum, Advisors, the General Partners and their respective affiliates (and, in certain cases, estate planning vehicles, friends and family of the foregoing persons) (collectively, the “Platinum Co-Investors”) to co-invest, via a Co-Invest Vehicle, in each portfolio investment of the Platinum Funds on the same economic terms and conditions as any Platinum Fund making such investment (“Platinum Co-Investments”). The amount of such Platinum Co-Investment is determined as a percentage (“Co-Investment Percentage”) of the total investment opportunity. The Co-Investment Percentage for transactions of greater than \$10 million is set by the relevant General Partner annually in advance. The terms of certain Platinum Funds require a fixed Co-Investment Percentage for transactions of \$10 million or less, equal to 50% of the total investment opportunity available. All co-investments, regardless of size, are also subject to a maximum limit (the “Co-Investment Cap”), which is set by the relevant General Partner annually in advance. Platinum Co-Investment opportunities (including the Co-Investment Percentage and the Co-Investment Cap) are subject in all cases to the terms of the relevant Platinum Fund’s Governing Agreement (as defined below).

¹ Assets under management is calculated as the sum of (i) the estimated fair value of cash and securities of the Investment Funds and (ii) any unfunded capital commitments for the Investment Funds, each as of December 31, 2016 (adjusted for subsequent material transactions through March 16, 2017).

In addition to the required Platinum Co-Investment, other co-investment opportunities, in particular, investments in the portfolio investments of the Platinum Funds, may be offered, and have been offered, to certain Investors and other third parties (“Third Party Co-Investments”), generally in the sole and absolute discretion of the General Partners (except in certain cases where we may be contractually obligated to offer a co-investment opportunity to an Investor that has already been offered to other Investors), taking into account the applicable Platinum Fund’s investment limitations, the size of the investment opportunity and the demand among potential co-investors and provided that the General Partners believe in good faith that any strategic investor to whom such co-investment opportunity is offered will provide business benefits to the respective Platinum Fund, including with respect to sourcing, consummating, managing or exiting the portfolio investment or otherwise. The terms of any such investment, including the fees and carried interest applicable to such co-investment, if any, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion; provided, that without the prior approval of the relevant LP Advisory Committee, such General Partner will not enter into any co-investment arrangement that has economic terms (including management fees or carried interest) that are more favorable to such General Partner and Advisors than those provided for in the Governing Agreements of the relevant Platinum Fund.

The relevant General Partner manages the assets of each Investment Fund in accordance with its particular investment guidelines and the terms of the applicable governing documents of each Investment Fund (the “Governing Agreement”). Further details concerning each Investment Fund’s investment guidelines are set forth in their respective Governing Agreements. When providing these services to the Investment Funds, the General Partners and Advisors direct and manage the investment of each Investment Fund’s assets and provide reports to investors as described below under “Review of Accounts.” Investment advice is provided directly to each Investment Fund and not individually to the Investors.

Interests in the Investment Funds are not registered under the U.S. Securities Act of 1933, as amended, and the Investment Funds are not registered under the U.S. Investment Company Act of 1940, as amended. Accordingly, interests in the Investment Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

Fees and Compensation

The compensation we are eligible to receive comprises a management fee (“Management Fee”) based on a percentage of assets under management; performance-based incentive allocations (“Carried Interest”); and other fees detailed below. The Management Fees and Carried Interest set forth below were negotiated at the time of the initial organization of each Platinum Fund; however, such fees are no longer negotiable after a Platinum Fund has concluded its fundraising.

Management Fees

Fund I is subject to a Management Fee of up to 2% of capital contributions for investments that have not been the subject of a disposition or writedown. We will receive this Management Fee during the remaining term of Fund I. Fund II is subject to a Management Fee of up to 1.5% of capital contributions for investments that have not been the subject of a disposition or writedown. We will receive this Management Fee during the remaining term of Fund II. Fund III is subject to a Management Fee of up to 1.5% of capital contributions for investments that have not been the subject of a disposition or writedown. We will receive this Management Fee during the remaining term of Fund III. Fund IV is subject to a Management Fee of up to 1.65% of committed capital until the earlier of the end of the “Commitment Period” (as defined in Fund IV’s Governing Agreement) and the date on which a

Successor Fund (as defined below) makes its initial investment, and, thereafter (for the remaining term of Fund IV), is subject to a Management Fee of up to 1.4% of capital contributions for investments that have not been the subject of a disposition or writedown. Certain strategic Investors, including those participating through Parallel Funds, may pay lower aggregate Management Fees than those stated above or pay Management Fees on a different schedule than other Investors. Management Fees are generally paid to Advisors quarterly in advance and are pro-rated based on the number of days elapsed in such period. In the case of the last period in which Management Fees are paid to Advisors with respect to a particular Platinum Fund, Advisors will refund the amount of Management Fees allocable to that portion of the quarter which is subsequent to the term of the applicable Platinum Fund. Platinum Co-Invest Vehicles are not charged any Management Fees. The terms of a Third Party Co-Invest Vehicle, including Management Fees paid by such Third Party Co-Invest Vehicle, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion; provided, that without the prior approval of the relevant LP Advisory Committee, such General Partner will not enter into any co-investment arrangement that has economic terms (including management fees) that are more favorable to such General Partner and Advisors than those provided for in the Governing Agreements of the relevant Platinum Fund.

The Management Fee is subject to offset by a certain portion of Monitoring Fees and Other Fees (defined below) received by Advisors pursuant to an offset formula defined in the Governing Agreements. Details concerning Management Fee arrangements for each Investment Fund are set forth in its Governing Agreement. We may, in our discretion, waive all or a portion of the Management Fees in connection with a particular Platinum Fund.

Carried Interest

Unless indicated otherwise herein, a portion of each Platinum Fund's net investment proceeds may be distributed to its General Partner as Carried Interest. The manner of calculation of any Carried Interest is disclosed in the relevant Governing Agreement. Generally, however, 20% of the investment profits of the Platinum Funds are allocated as Carried Interest to such Platinum Fund's General Partner, subject to a preferred return of 8% per annum to the Investors and the General Partner's clawback obligations as provided for in the relevant Governing Agreement. Platinum Co-Invest Vehicles are not charged any Carried Interest. The terms of a Third Party Co-Invest Vehicle, including Carried Interest paid by such Third Party Co-Invest Vehicle, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion; provided, that without the prior approval of the relevant LP Advisory Committee, such General Partner will not enter into any co-investment arrangement that has economic terms (including carried interest) that are more favorable to such General Partner and Advisors than those provided for in the Governing Agreements of the relevant Platinum Fund.

Organizational and Partnership Expenses

In addition to Management Fees and Carried Interest, the General Partners and Investors bear certain operating and organizational expenses of the Investment Funds. These fees and expenses vary but typically include all reasonable legal, accounting, filing, capital raising (including travel and entertainment), and other organizational and offering expenses incurred in the formation of each Investment Fund and related entities ("Organizational Expenses"). Organizational Expenses in excess of a negotiated cap are paid by the Investment Funds but, in the case of the Platinum Funds, reduce the Management Fees otherwise payable by the Investors by an identical amount. Other Investment Fund fees and expenses can also include (i) all fees, costs and expenses of tax advisors, legal counsel, auditors, consultants, investment and other bankers and other professionals and service providers (including the cost of third-party fund administrators); (ii) all out-of-pocket fees, costs and expenses incurred in

developing, negotiating, structuring, marketing and disposing of portfolio investments, including financing, legal, accounting, tax, audit, advisory and consulting expenses; (iii) 100% of all out-of-pocket fees, costs and expenses, if any, incurred in sourcing, developing, investigating, negotiating and structuring prospective portfolio investments and prospective portfolio investments or co-investments that are not ultimately made, including (a) any legal, accounting, advisory, market research, consulting or other third-party expenses in connection therewith and any travel and accommodation expenses, (b) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources, and (c) any deposits or down payments of cash or other property which are forfeited in connection with a proposed portfolio investment or co-investment, in each case, to the extent not reimbursed by an entity in which the Investment Fund has invested or proposes to invest or by other third parties or capitalized as part of the acquisition of a transaction (collectively, “Broken Deal Expenses”); (iv) brokerage commissions, issue and transfer taxes (to the extent payable by the Investment Fund) and custodial expenses; (v) principal of, interest on and fees and expenses related to, or arising out of, all indebtedness incurred by the Investment Fund; (vi) cost of any litigation, directors’ and officers’ liability insurance, errors and omission or other insurance, indemnification obligations or extraordinary expense; (vii) expenses of liquidating the Investment Fund; (viii) any taxes, fees or other governmental charges levied against the Investment Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Investment Fund; (ix) the expenses of the applicable LP Advisory Committee; (x) research and software expenses, subscription fees, Bloomberg fees, license fees and other expenses incurred in connection with data services providing market data, news feeds, securities and company information and company fundamental data and allocated to the Investment Fund in accordance with the Advisor’s expense allocation policies and procedures; (xi) travel and communications expenses (which includes private air transportation charged at first-class equivalent rates in accordance with Advisors’ expense allocation policy and the cost of cellular telephones and other such devices used by employees of Advisors) allocated to the Investment Fund in accordance with the Advisor’s expense allocation policies and procedures; (xii) all expenses and costs associated with reporting to and meetings of the Partners; (xiii) legal, custodial and accounting expenses, including expenses associated with the procurement and operation of accounting systems and related maintenance and licensing fees, the preparation of financial statements, tax returns, Schedule K-1s and various other U.S. and non-U.S. tax withholding and treaty forms and the representation of the Investment Fund or the Partners by the tax matters partner, allocated to the Investment Fund in accordance with the Advisor’s expense allocation policies and procedures; (xiv) expenses related to organizing entities through or in which investments may be made, including any Alternative Vehicles and any other subsidiaries of the Investment Fund; and (xv) costs and expenses that are classified as extraordinary expenses under United States generally accepted accounting principles.

All Broken Deal Expenses are allocated to the Platinum Funds, including those Broken Deal Expenses attributable to the portion of a deal that would have been allocated to Co-Invest Vehicles (except that Broken Deal Expenses incurred by a Portfolio Company with respect to a broken deal that would have been an add-on acquisition for such Portfolio Company are allocated 100% to such Portfolio Company). The respective Governing Agreements set forth the specific arrangements regarding operating and organizational expenses for each such Investment Fund. Prospective Investors are encouraged, to the extent practicable, to inquire about and review all fees and expenses to be paid by the Investment Funds and, indirectly, their Investors.

Monitoring Fees and Other Fees

We may charge our Portfolio Companies (defined below) a monitoring fee of up to \$5 million per Portfolio Company per year (the “Monitoring Fees”). We may also receive certain cash and non-cash net directors’, advisory, break-up, and topping fees which vary by investment (“Other Fees”). As described above in Management Fees, a portion of the Monitoring Fees and Other Fees are subject to caps, and

amounts above such caps offset or reduce the Management Fees paid by Investors pursuant to a formula set forth in each of the Platinum Fund Governing Agreements. In addition, we and our affiliates may receive fees from companies that are not portfolio companies of the Platinum Funds or their affiliates and from those companies involved in the Platinum Funds' unconsummated transactions, and such fees do not offset Management Fees.

Placement Fees

To the extent a Platinum Fund incurs fees and expenses of a placement agent or other person hired by its General Partner to solicit investors ("Placement Fees"), the Platinum Fund generally bears such Placement Fees, and its Investors' shares of the Management Fees (to the extent Placement Fees are paid by the Platinum Fund with respect to such Investors' respective investments in the Platinum Fund) are reduced on a dollar-for-dollar basis. Certain Investors who are prohibited by law or policy from directly or indirectly paying Placement Fees do not pay any share of a Platinum Fund's Placement Fees and thus do not receive any corresponding reduction of their Management Fees.

Performance-Based Fees and Side-by-Side Management

Carried Interest is a performance-based fee based on a share of profits from the assets of a Platinum Fund or Third Party Co-Invest Vehicle. As described above, a portion of each Platinum Fund's net investment proceeds may be distributed to its General Partner as Carried Interest. The Platinum Funds are generally subject to a Carried Interest of 20% of the investment profits, subject to a preferred return of 8% per annum to the Investors and the applicable General Partner's clawback obligations as provided for in the relevant Governing Agreement. As described above, Platinum Co-Invest Vehicles are not charged any Carried Interest, and the terms of Third Party Co-Invest Vehicles, including performance-based fees such as Carried Interest, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion.

Platinum believes it does not have an incentive to favor a Co-Invest Vehicle or Third Party Co-Investments over a Platinum Fund because none of the Platinum Co-Invest Vehicles are subject to a Management Fee or Carried Interest and Third Party Co-Investments are prohibited by the Governing Agreements of the Platinum Funds from being subject to Management Fees or Carried Interests at rates higher than those governing the Platinum Funds. Consequently, we believe that no such conflict exists. The fact that the General Partners are compensated based on a share of investment profits from a Platinum Fund or Third Party Co-Invest Vehicle may create an incentive for the General Partners to have the Platinum Funds and Third Party Co-Invest Vehicles make investments that are riskier or more speculative than would be the case in the absence of such compensation. Platinum manages this potential conflict of interest by ensuring that no single person makes material investment decisions for the Platinum Funds and Third Party Co-Invest Vehicles that pay performance-based compensation; instead, investment decisions are made by the investment committee of each General Partner. In addition, Platinum and its affiliates maintain interests in each portfolio investment in connection with the Platinum Co-Investment and on the same basis as outside investors; this also serves to alleviate the incentive to engage in riskier or more speculative investments. The fact that a portion of each portfolio investment is allocated to a Platinum Co-Investment vehicle mitigates any incentive for Platinum to disfavor such vehicles because they are not subject to carried interest.

Additionally, in order to mitigate and opine upon potential conflicts of interest, each of the Platinum Funds has a limited partner advisory committee (each, an "LP Advisory Committee"). Each respective LP Advisory Committee consists of Investors unaffiliated with Platinum who have been selected by the General Partner as representatives of such Platinum Fund's limited partners. The purpose of the LP Advisory Committee primarily is to: (i) review and approve any potential material conflicts of interest in

any transaction between the Platinum Fund and the General Partner or its employees or affiliates presented to the LP Advisory Committee by the General Partner; (ii) give consents required of the “clients” under the Advisers Act, to the extent the General Partner presents any such matter to the LP Advisory Committee for approval; and (iii) provide advice and counsel on other issues requested by the General Partner or required pursuant to the Governing Agreement in connection with other potential conflicts of interest, valuation matters, additional fees received by the General Partner and other matters relating to the Platinum Fund. No fees are paid to the members of an LP Advisory Committee, but the members may be reimbursed for reasonable expenses incurred in connection with attending meetings of an LP Advisory Committee. In addition, the Platinum Fund may, in the absence of fraud or willful misconduct on the part of members of the LP Advisory Committee, indemnify and hold harmless each member of an LP Advisory Committee against losses, damages or expenses actually incurred by such member in connection with any action, suit or proceeding by reason of any actions or omissions or alleged acts or omissions arising out of such member’s activities in connection with serving on such LP Advisory Committee, to the fullest extent permitted by law.

A number of affiliated investment vehicles have been created within a fund’s structure for various legal, tax, investment or other reasons:

Parallel Funds

For certain Platinum Funds, one or more parallel funds (the “Parallel Funds”) have been organized by Platinum for legal, regulatory, tax or other reasons. The Parallel Funds generally invest on a side-by-side basis with the Platinum Fund pro rata in all applicable Platinum Fund investments. The terms of each Parallel Fund can vary from those of the Platinum Fund to which such Parallel Fund relates and each such Parallel Fund can contain certain special economic (including reduced Management Fees) and/or other terms. Certain of these changes are driven by laws, rules, regulations and policies applicable to certain investors which generally are not applicable to other investors. Other changes, including special economic terms, may be granted to investors primarily because each of their capital commitments is significantly higher than the capital commitment of other investors in the applicable Platinum Fund. The terms of the Parallel Funds that differ from those of the related Platinum Fund have included, but are not limited to: (i) lower Management Fees, Carried Interest and other performance-based fee terms and, in certain cases, different payment schedules or arrangements for offsetting or reducing such fees, (ii) different holdback, reserve and/or escrow arrangements, (iii) increased liability of certain guarantors of the General Partner’s obligations (up to a specified cap), (iv) restrictions on transfers, (v) limitation on indemnity, (vi) covenants regarding the incurrence of commercial activity income, (vii) specific excuse rights, (viii) restrictions on the admission of other limited partners to a Parallel Fund, (ix) different arrangements with respect to expenses, (x) access to portfolio information content and frequency of reports, (xi) co-investment rights (including MFN rights with respect to any co-investment arrangements), (xii) LP Advisory Committee membership, and (xiii) additional investment restrictions in respect of such Parallel Fund(s), including, without limitation, restrictions intended to comply with the interpretation of legal requirements, tax liability, religious principles or investment policies applicable to the investor(s) in such Parallel Fund(s). Any investments made by a Parallel Fund are divested on the same terms and at the same time as the related Platinum Fund’s divestments, subject to applicable legal, tax, regulatory and other similar considerations.

Third Party Co-Investment

Where appropriate, Platinum may determine with respect to a particular investment, and Platinum has made such determination with respect to one investment opportunity in 2016, to offer Third Party Co-Investments, taking into account the particular investment opportunity, the third-party investors to whom such co-investment opportunity is offered (whether pursuant to contractual obligations to such investors

or otherwise), the investment capacity of the Platinum Fund making such investment, the ability of such third-party investors to comply with the process and timeline of such co-investment opportunity, the willingness of such third-party investors to pay management fees and carried interest, whether such third-party investors have informed Platinum of their interest in co-investing and any contractual obligation of such Platinum Fund or Platinum to offer such co-investment opportunities to Investors (including in side letters) or other third parties. For example, Platinum has entered into side letters with investors to acknowledge their interest in co-investment opportunities, and, in connection with one investor's investment in Fund IV, to the extent Fund IV's General Partner determines to offer co-investment opportunities in a particular investment, Platinum has agreed to offer such investor an opportunity to co-invest in such portfolio investment through a Third Party Co-Invest Vehicle pursuant to the terms of such investor's letter agreement.

Platinum allocates the available investment among the relevant Platinum Fund, the applicable Platinum Co-Invest Vehicle, any Third Party Co-Invest Vehicle and any other third parties, as it may in its sole discretion determine, and any such investments are divested on the same terms and at the same time as the Platinum Fund's divestments, subject to applicable legal, tax, regulatory and other similar considerations.

Platinum Co-Investment

A Platinum Co-Invest Vehicle invests in each Platinum Fund investment on a side-by-side basis outside of such Platinum Fund in an amount equal to the applicable Co-Investment Percentage of the total investment opportunity subject to the Co-Investment Cap. The relevant Co-Investment Percentage and Co-Investment Cap are generally determined on an annual basis pursuant to the applicable Governing Agreement, except the Co-Investment Percentage for transactions of \$10 million or less entered into by a Platinum Fund is fixed under the terms of their respective Governing Agreements. Co-Investment Percentages vary depending on the size of the investment opportunity, with smaller deals generally involving a higher co-investment percentage. Participants in such Platinum Co-Invest Vehicles may include members, officers, directors, executives, operating advisors and employees of Platinum, Advisors and their respective affiliates (and, in certain cases, estate planning vehicles, friends and family of the foregoing persons), in order to allow such persons to invest in one or more particular portfolio investments made by a Platinum Fund. Any such investments made by a Platinum Co-Invest Vehicle is divested on the same terms and at the same time as such Platinum Fund's divestments, subject to applicable legal, tax, regulatory and other similar considerations.

Successor Funds

Platinum, the General Partners, and their affiliates will not close on a private equity fund whose principal investment objective is acquiring controlling stakes in underperforming companies (a "Successor Fund") until at least 75% of the capital commitments in existing Platinum Funds have been invested, committed or reserved for investments, management fees, indebtedness of the Platinum Funds, partnership expenses or organizational expenses or until the end of the applicable investment period. If a Successor Fund is closed after at least 75% of the capital commitments in existing Platinum Funds are invested, committed or reserved, then until the earlier of the end of the investment period or 85% of the capital commitments in the existing Platinum Funds are invested, committed or reserved, a Successor Fund may also co-invest alongside the applicable Platinum Fund on the same terms and conditions in all material respects. In this case, the investment opportunity is generally allocated 75% to the Platinum Funds and 25% to the Successor Fund, unless the General Partners determine in good faith that an alternative allocation is fair and reasonable, the investment by the Platinum Funds is legally or contractually prohibited or, as a result of the application of law, the investment could have a material adverse effect on the Platinum Funds or the General Partners.

Alternative Investment Vehicles

Alternative investment vehicles are used whenever a General Partner determines in good faith that for legal, tax, regulatory or other reasons it is in the best interests of any or all of the Investors of a Platinum Fund that all or any portion of a particular investment be made through an investment structure outside of the Platinum Fund. Participants in such investments are generally required to make all or a portion of their investments through such alternative investment vehicle, which invests on a parallel basis with or in lieu of the Platinum Fund, and are required to make capital contributions directly to each such alternative investment vehicle to the same extent, for the same purposes and on the same terms and conditions as Investors are typically required to make capital contributions to the applicable Platinum Fund. Each such Investor has the same economic interest in all material respects in the investment made through an alternative investment vehicle as such Investor would have if such investment had been made solely by the Platinum Fund, and the other terms of such alternative investment vehicle are generally substantially identical in all material respects to those of the Platinum Fund, to the extent applicable.

In the future and subject to the terms and conditions of the Governing Agreements, we may modify the fund structures discussed above, and we may use other structures to address legal, tax, regulatory or other investment considerations.

Types of Clients

We provide advisory services to the Investment Funds, as described under “Advisory Business” above.

Investors in the Platinum Funds and Third Party Co-Investment vehicles, to the extent applicable, consist primarily of high net worth individuals and related trusts, corporate and public pension plans, pooled investment vehicles (e.g., funds of funds), school trusts, charitable foundations and endowments, sovereign wealth funds, banks and investment banks, and insurance companies. Investors in the Platinum Co-Invest Vehicles consist of the applicable General Partner, Platinum, and/or the partners, members, shareholders, officers, directors, executives, operating advisors and employees of Platinum, Advisors, the applicable General Partner and their respective affiliates (and, in certain cases, estate planning vehicles, friends and family of the foregoing persons). The minimum capital commitment for an Investor of a Platinum Fund is outlined in such Platinum Fund’s private placement memorandum, although the relevant General Partner typically has the authority to waive such minimum.

In the applicable subscription documents, investors are required to make certain representations when investing in an Investment Fund, including, but not limited to, that: (i) they are acquiring an interest for their own account; (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment; and (iii) they have the ability to bear the economic risk of an investment in the Investment Fund. Each investor will be furnished with a copy of the applicable Governing Agreement.

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy and Analysis

Platinum’s investment strategy is to invest primarily in undervalued, underperforming or undermanaged businesses and apply operational improvements to those businesses to create value that generates attractive investment returns.

To that end, we opportunistically target companies that are experiencing operational difficulty but exhibit strong underlying business characteristics, including: (i) long-term customer relationships; (ii) products

and services or other elements that make the customer base and associated revenues “sticky” and predictable; (iii) established brands; (iv) sizable market shares and (v) value locked in the balance sheet. Because of our comprehensive operations focus and capabilities, we believe we are able to identify and acquire non-core or underperforming assets of large companies whose value is being negatively impacted by operating challenges, establish those assets as improved standalone businesses, and create and extract value by improving the companies’ operations and integrating add-on acquisitions. The Investment Funds make private investments in equity, equity-oriented, or debt securities or other instruments (including preferred equity, bank loans and participations purchased in connection with or with a view toward making equity investments) that offer equity-like returns of underperforming companies. The Investment Funds consider a broad range of transactions, including without limitation management and leveraged buyouts, recapitalizations, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, and growth equity investments.

The Platinum Funds invest primarily in North America and Western Europe but also take advantage of investment opportunities in other geographies. Platinum’s approach is not industry-specific.

Platinum utilizes a disciplined approach that it has used to create meaningful enterprise value and generate attractive returns since its inception. We use what we call our M&A&O[®] process to execute a unique strategy that focuses on (i) transacting with strategic sellers who have a strong impetus to divest to a capable operating partner; (ii) acquiring companies that are underperforming operationally but have strong underlying business characteristics; (iii) emphasizing downside protection and limiting financial risk in executing transactions; and (iv) effecting operational change that stabilizes and improves the underlying business and puts it on a path to being a market leader.

Post-acquisition, Platinum implements a process-oriented transition that prioritizes the stabilization and strengthening of the portfolio investment’s operating company (“Portfolio Company”). A team of transition and operations specialists work together with a company’s existing management to integrate a transition plan, focus on profitable growth, reduce costs, improve working capital positions and strengthen business processes. During some transitions, members of Platinum’s operations team take on interim leadership positions at a Portfolio Company. In addition to providing resources, the team imbues Portfolio Companies with Platinum’s values of fiscally conservative operations and creation of sustainable value.

Senior members of Platinum’s M&A&O execution teams are responsible for managing the full lifecycle of a Portfolio Company under Platinum’s ownership, including the platform acquisition, carve-out and transition, growth through both organic initiatives and add-on acquisitions, and ultimate exit.

Risk of Loss

Acquiring an interest in any Investment Fund involves a number of risks. An investment in an Investment Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in an Investment Fund. No guarantee or representation is made that any Investment Fund will achieve its investment objective or that Investors will receive a return of their capital.

All investing involves a risk of loss and the investments we make based on the strategies we offer could lose money over short or even long periods. The description contained below is a brief overview of some of the different market risks related to our investment strategies. Investors should review in detail the Investment Fund’s Governing Agreement prior to making an investment in such Investment Fund. A more complete description of applicable risks is also available in the private placement memorandum for

each Platinum Fund.

General Business and Management Risk. Investments in Portfolio Companies subject the Investment Funds to the general risks associated with the underlying businesses, including 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. 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 Advisors will monitor Portfolio Company management, management of each Portfolio Company will have day-to-day responsibility of such Portfolio Company.

Reliance on General Partner and Advisors. Decisions with respect to the management of the Investment Funds will be made by the General Partners and Advisors. The General Partners and Advisors will have exclusive responsibility for the Investment Funds' activities, and other than as expressly set forth in the applicable Governing Agreement, Investors will not be able to make investment or other decisions in the management of the applicable Investment Fund. The success of each Investment Fund will depend on the skill and ability of Platinum to identify and consummate suitable investments, to improve the operating performance of investments and to dispose of investments of the Investment Fund at a profit. The loss of the services of one or more of Advisors' senior investment professionals could have an adverse impact on such Investment Fund's ability to realize its investment objectives. There can be no assurance that each of the senior investment professionals will continue to be affiliated with such Investment Fund throughout its anticipated term.

Other Activities. The senior investment professionals and other employees of Advisors will devote only such portion of their time to the affairs of a specific Investment Fund as they in good faith consider necessary for the proper performance of their duties. Other investment activities of Advisors, including ongoing obligations to the other Investment Funds, any other investment fund or account advised by Platinum and its portfolio companies, and any companies owned, directly or indirectly, by Tom Gores as an individual, are likely to require those individuals to devote substantial amounts of their time to matters unrelated to the business of any particular Investment Fund, including Platinum's existing portfolio of investments, which may pose conflicts in the allocation of management resources. Such investment activities may expand in the future and consequently demand more of those individuals' time. No particular Investment Fund will have any interest in these other activities.

Liquidity Issues. The Investment Funds will make investments where there is likely to be no actively traded market. Moreover, many of the Investment Funds' investments may be held by relatively few other investors. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer or of the asset, the Investment Funds may find it more difficult to sell such instruments when Advisors believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the Investment Funds may be further limited. Finally, dispositions of investments may be subject to contractual and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms obtainable upon a disposition.

Use of Leverage. The Investment Funds' portfolio investments are expected to include investments in companies whose capital structures have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The Investment Funds' investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in the industries targeted by the Investment Funds) may have a more pronounced effect on

the profitability or survival of such companies. Moreover, rising interest rates may significantly increase Portfolio Companies' interest expense, causing losses and/or the inability to service debt levels. If a Portfolio Company cannot generate adequate cash flow to meet debt obligations, the Investment Funds may suffer a partial or total loss of capital invested in the Portfolio Company. In addition, borrowings by the Investment Funds may be secured by the Investors' capital commitments as well as by the Investment Funds' assets. In circumstances and in other transactions where the General Partners intend to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of an Investment Fund having an unintended long-term investment as to a portion of the amount invested.

Highly Competitive Market for Investment Opportunities. The activity of identifying, acquiring and successfully disposing of Portfolio Companies is highly competitive and involves a high degree of uncertainty. The Investment Funds expect to encounter competition from other entities having similar investment objectives. The availability of investment opportunities generally will also be subject to market conditions. In particular, in light of changes in such conditions, including changes in the availability and cost of debt financing, certain types of investments may not be available to an Investment Fund on terms that are as attractive as the terms on which opportunities were available to predecessor funds. Potential competitors include strategic industry acquirers, other investment partnerships and corporations, business development companies and other financial investors. In recent years, an increasing number of private equity funds and hedge funds have been formed (and many such existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the General Partners, the Investment Funds, Advisors and our affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to an Investment Fund and adversely affecting the terms upon which portfolio investments can be made. There can be no assurance that a General Partner will be able to identify or consummate portfolio investments satisfying the Investment Fund's investment criteria or that such investments will satisfy such Investment Fund's rate of return objectives. Likewise, there can be no assurance that such Investment Fund will be able to realize upon the values of its investments or that it will be able to invest its committed capital. To the extent that such Investment Fund encounters competition for investments, returns to Investors may decrease.

Risk of Fewer, Larger Investments. The Platinum Funds may participate in a limited number of portfolio investments and, in addition, certain of these investments may require equity investments that are larger than were required in the funds' historical transactions. As a consequence, the aggregate returns of the Platinum Funds may be substantially adversely affected by the unfavorable performance of any single portfolio investment. Investors have no assurance as to the degree of diversification of the Platinum Funds' investments, either by geographic region, asset type or sector. Each Co-Invest Vehicle will only invest in a single Portfolio Company, and so the investment performance of such Co-Invest Vehicle will be totally dependent on the performance of that Portfolio Company.

Minority Investments. The Investment Funds may invest in minority positions in companies over which an Investment Fund has no right to exert significant influence. In such cases, such Investment Fund will be heavily reliant on the existing management and board of directors, which may include representatives of other investors with whom such Investment Fund is not affiliated and whose interests may conflict with the interests of such Investment Fund.

Contingent Liabilities Upon Disposition. In connection with the disposition of a portfolio investment, an Investment Fund may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business or asset and may be responsible for the content of disclosure documents under applicable securities laws. It may also be

required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities that will be borne by the Investment Fund, and Investors may be required to return amounts distributed to them to pay for the Investment Fund's obligations, including indemnity obligations, subject to certain limitations set forth in the Governing Agreement. Furthermore, under the Delaware Revised Uniform Limited Partnership Act (the "Partnership Act"), the law under which most of the Investment Funds are formed, each Investor that receives a distribution in violation of the Partnership Act will, under certain circumstances, be obligated to recontribute such distribution to the Investment Fund.

Asset Valuations. Generally, there will be no readily available markets for a substantial number of the portfolio investments made by the Investment Funds; hence, many of the portfolio investments will be difficult to value. Valuations of the portfolio investments will be determined primarily by the General Partner, subject in some cases to review by the LP Advisory Committee, and generally will be final and conclusive. Valuations are only estimates of future results that are based upon assumptions made at the time that the valuations are developed. There can be no assurances that the projected results will be obtained, and actual results may vary significantly from the valuations. General economic, political, regulatory and market conditions and the actual operations of the Portfolio Companies, which are not predictable, can have a material impact on the reliability and accuracy of such valuations.

Hedging Policies/Risks. In connection with the financing of certain portfolio investments, the Investment Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Investment Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in poorer overall performance for any Investment Fund than if it had not entered into such hedging transactions.

Material, Non-Public Information. By reason of their responsibilities in connection with their other activities, Platinum, the General Partners, their affiliates or their employees may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Due to these restrictions, the Investment Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Disciplinary Information

On September 21, 2017, we consented to an order relating to past disclosure of our allocation methodology for broken deal expenses. The SEC alleged that our historic disclosure of the allocation methodology was inadequate (but did not contend that the methodology itself was improper, or that we engaged in intentional misconduct). The SEC further alleged that our approach to allocating broken deal expenses was not adequately spelled out in our written policies and procedures. Without admitting or denying the SEC's findings, we agreed to a settlement that included payment of approximately \$1.9 million, including interest, to certain impacted clients and a \$1.5 million civil penalty. We have also substantially enhanced the relevant disclosures.

There are no other legal or disciplinary events with respect to us or our management that are material to a client's or prospective client's evaluation of us or the integrity of our management.

Other Financial Industry Activities and Affiliations

Neither Advisors nor any of its management persons are registered, or have an application pending to

register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Advisors nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associate person of the foregoing entities.

Platinum organizes and sponsors the Investment Funds, which are private investment companies. These pooled investment vehicles managed by Advisors are controlled by the General Partners. The General Partners will be responsible for all ultimate decisions regarding transactions of the Investment Funds and have full discretion over the management of the Investment Funds' investment activities. The General Partners are not separately registered as investment advisers with the SEC; Advisors will provide all investment advisory services to the Investment Funds subject to the Advisers Act and the rules thereunder. In addition, persons acting on behalf of the General Partners are subject to the supervision and control of Advisors. Thus, the General Partners and all of the persons acting on their behalf are "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the General Partners.

The General Partners are affiliates of Platinum. As such, there may be occasions when the General Partners and their affiliates may encounter potential conflicts of interest in connection with the Investment Funds. If any matter arises that the General Partners determine in their good faith judgment constitutes an actual conflict of interest, the General Partners may take such actions as they determine in good faith may be necessary or appropriate to ameliorate the conflict (and upon taking such actions the General Partners will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied their fiduciary duties related thereto to the fullest extent permitted by law). These actions include (i) refraining from investing in or disposing of the investment giving rise to the conflict of interest, (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest, or (iii) consulting with the LP Advisory Committee regarding the conflict of interest and either obtaining a waiver from the LP Advisory Committee of such conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the LP Advisory Committee with respect to such conflict of interest.

There can be no assurance that Platinum will resolve all conflicts of interest in a manner that is favorable to the Investment Funds. In addition, Investors should note that the Governing Agreements contain provisions that, subject to applicable law, (i) reduce or eliminate the duties, including fiduciary and other duties, to the Investment Fund and the Investors to which the relevant General Partner would otherwise be subject, (ii) waive duties or consent to the conduct of each General Partner that might not otherwise be permitted pursuant to such duties, and (iii) limit the remedies of Investors with respect to breaches of such duties.

Advisors receives certain fees from Portfolio Companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions or as compensation for consulting, advisory, management, investment banking and other services (e.g., directors', advisory, break-up, topping fees and Monitoring Fees). Except for certain exclusions set forth in the Governing Agreements, the Investors receive no benefit from such fees. See "Fees and Compensation—Monitoring Fees and Other Fees" above. Further, conflicts of interest may arise as a result of senior principals of Platinum having investments in multiple Investment Funds, as well as other investments both public and private. The General Partner will endeavor to make sure that conflicts of interest do not work to the detriment of the Investment Funds in question. To the extent that conflicts of interest arise, they will in our discretion be presented to the relevant LP Advisory Committee(s) for review.

The Investment Funds may invest in the debt securities of companies in which it or another Investment

Fund holds a significant equity interest. An Investment Fund will not make an investment in any company in which any other Investment Fund (other than related Co-Invest Vehicles) holds an investment in a class of such company's equity securities (or a different class of such company's debt securities) unless, at the time of investment by such Investment Fund, the applicable General Partner determines that (a) such investment is in the best interests of such Investment Fund and (b)(i) the possibility of a conflict between the interests of such different classes is remote, (ii) neither the potential investment by such Investment Fund nor the investment of such other Investment Fund is large enough to control any actions taken by the collective holders of securities of such company, or (iii) in light of the particular circumstances, the General Partner believes such investment is appropriate for such Investment Fund, notwithstanding the potential for conflict. In addition, to address and mitigate potential conflicts of interest, Platinum has established guidelines intended to create clear parameters regarding its course of conduct with respect to investments in debt securities issued by portfolio companies of other Investment Funds. Abiding by such parameters may require that Platinum take certain actions or fail to take certain actions that have a negative impact on the Investment Fund.

The Investment Funds may acquire non-controlling interests in certain Portfolio Companies. The Investment Funds may not have control over these companies and, therefore, may have a limited ability to protect their positions therein. In addition, the Investment Funds may in certain circumstances be liable for the actions of their third party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve Carried Interests and/or other fees payable to such third-party partners or co-investors.

In connection with any Investor's subscription for interests in an Investment Fund, the General Partner of such Investment Fund may enter into a side letter or other similar agreement with such Investor with respect to such Investment Fund which has the effect of establishing special economic terms (including reduced Management Fees) or rights under, or altering or supplementing the terms of, the Governing Agreement with respect to such Investor in a manner more favorable to such Investor than those applicable to other Investors. Such terms or rights in any such side letter or other similar agreement may include, without limitation, (i) excuse rights 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); (ii) the General Partner's agreement to extend certain information rights or additional reporting to such Investor, including, without limitation, to accommodate special regulatory or other circumstances of such Investor; (iii) modification of confidentiality obligations of such Investor; (iv) the General Partner's agreement to consent to certain transfers by such Investor or other exercises by the General Partner of its discretionary authority under the Governing Agreement for the benefit of such Investor; (v) restrictions on, or special rights of such Investor with respect to, the activities of the General Partner; (vi) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such Investor; (vii) additional obligations and restrictions of the Investment Fund with respect to the structuring of Portfolio Companies (including with respect to alternative investment vehicles); or (viii) adjustments with respect to certain economic provisions. Any rights or terms so established in a side letter with an Investor govern solely with respect to such Investor and do not require the approval of any other Investor.

Advisors does not recommend or select other investment advisers for the Investment Funds.

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

We have adopted a written Code of Ethics (the "Code") designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the "Rule").

The Rule requires us to adopt a code of ethics that sets forth a standard of business conduct and

compliance with federal securities laws by all of our employees. The Code contains policies and procedures that ensure that all personal securities trading by employees are conducted in such a manner as to avoid conflicts of interest or any abuse of an individual's position of trust and responsibility.

The Code requires, among other things, that employees and certain other individuals designated by our Chief Compliance Officer or General Counsel:

- Act with integrity, competence, dignity, integrity, and in an ethical manner with the public, investors, the public, prospects, third-party service providers, employers and fellow employees;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting Advisors' services and engaging in other professional activities;
- Adhere to the highest standards with respect to any potential conflicts of interest with the Investment Funds;
- Act in the Investment Funds' best interests;
- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- To the extent practicable, avoid or disclose any conflicts of interest that are material to the Investment Funds; and
- Conduct all personal securities transactions in a manner consistent with the Code.

The Code prohibits employees from engaging in insider trading, as well as buying or selling certain securities placed on an internal "restricted" list because Platinum has received material non-public information related to the issuer of the securities. Our policy requires employees to: (i) pre-clear certain personal securities transactions; (ii) report personal securities transactions on at least a quarterly basis; and (iii) provide us with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

A copy of the Code will be provided to any Investor or prospective Investor upon request.

We serve, directly or indirectly, as the manager or investment adviser and the General Partners, respectively, to the Investment Funds. Employees of Platinum may have a material investment in the investments of the Investment Funds. Therefore, we are considered to participate in transactions effected for the Investment Funds. We do not believe this arrangement presents any material conflicts of interest because our interests and our employees' interests are aligned with the interest of Investors in the Investment Funds.

In one instance, certain Investment Funds invested in another private investment fund that has a general partner and investment advisor in which certain affiliates of Platinum own a minority interest. We mitigated the conflict inherent in this arrangement by having the LP Advisory Committee approve the investment by the Investment Funds in advance, having the Investment Funds not pay any fees or carried interest to the private investment fund or its general partner, and ensuring that the investment in the private investment fund was subject to the standard review of the Investment Funds' investment

committee.

From time to time, a Portfolio Company may elect to transact business with operating companies directly owned by Platinum Equity. Platinum is not involved in the day to day management of such operating companies and does not direct such operating companies to pursue Portfolio Companies as potential customers. The respective management teams of the Portfolio Company and such operating companies independently make their own determinations with regard to any business transacted between them. Moreover, any such business is on arms-length terms consistent with pricing that such operating companies charge their non-Platinum affiliated customers.

Dyal and certain of its affiliates will, subject to certain conditions, make investment commitments to certain future Investment Funds on the same terms and conditions as those applicable to executives of Advisors. In connection with each such commitment, the General Partner of each such Investment Fund will enter into a side letter or other similar agreement with Dyal or such affiliate with respect to such Investment Fund establishing such terms and conditions with respect to Dyal or such affiliate (including no or reduced Management Fees and no or reduced Carried Interest), which may be more favorable than those applicable to unaffiliated Investors.

Brokerage Practices

We focus on making investments, through the Investment Funds, in both private and public securities. To the extent an Investment Fund acquires private securities, we do not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. In a few limited situations we have paid third-parties who possess industry specific contacts or knowledge for introducing a potential investment opportunity to us. To the extent an Investment Fund transacts in public securities, we intend to select brokers based upon the broker's ability to provide best execution for the applicable Investment Funds. The General Partners are authorized to determine:

- Which securities or other instruments to buy or sell;
- The total amount of securities or other instruments to buy or sell;
- The executing broker or dealer for any transaction; and
- The commission rates or commission equivalents charged for transactions.

The General Partners generally seek competitive commission rates and commission equivalents, but they will not necessarily pay the lowest commission or equivalent. In making their decisions regarding the allocation of brokerage transactions for a particular Investment Fund and determining best execution, the General Partners consider a variety of factors in addition to cost, including but not limited to:

- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- The operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution;
- The financial strength, integrity and stability of the broker-dealer or counter party;
- The competitiveness of commission rates in comparison with other broker-dealers;

- The nature and extent of customer services (i.e., proprietary research and access to third party research services, the need for anonymity, trade adjustments and the like);
- Past performance and experience with transactions completed on behalf of other Investment Funds;
- Nature and frequency of investment coverage; and
- General responsiveness.

In addition, certain transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services. The General Partner may also select a broker-dealer for a particular buy or sell transaction on behalf of an Investment Fund based, at least in part, on the volume or quality of similar services provided by such broker-dealer to other Investment Funds where we believe all of the Investment Funds, taken as a whole, can benefit from such arrangements.

We do not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers supplement our own research efforts. To the best of our knowledge, these services are generally made available to all institutional investors doing comparable business with such broker-dealers. Research services furnished by brokers may include: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; and discussion with research personnel.

Because the Investment Funds generally do not invest in the same Portfolio Companies (other than related Co-Invest Vehicles), the aggregation of the purchase or sale of securities for multiple accounts is generally not relevant. However, as discussed above under “Performance-Based Fees” and “Side-by-Side Management—Third Party Co-Investment,” the Investment Funds may co-invest with third parties and such investments may involve risks not present in investments where a co-investor is not involved, including the possibility that a co-investor may at any time have economic or business interests or goals which are inconsistent with those of the Investment Funds, or may be in a position to take action contrary to the Investment Funds’ investment objectives. In addition, there may be a limited amount of securities available for investing. Thus, the Investment Funds may receive a limited offering due to the presence of co-investors investing with the Investment Funds. Additionally, where a Platinum Fund shares an investment opportunity with a Successor Fund, such investment opportunity, and thus the aggregate purchase and sale of securities with respect to such investment opportunity, will generally be allocated at least 75% to the Platinum Fund and 25% (or less) to the Successor Fund, unless the General Partners determine in good faith that an alternative allocation is fair and reasonable, the investment by Platinum Fund is legally or contractually prohibited or, as a result of the application of law, the investment could have a material adverse effect on the Platinum Fund or the General Partners.

Review of Accounts

Investments held by the Investment Funds are reviewed on a continuous basis by our professional operations and investment staff. The operations and investment teams meet regularly to discuss the Investment Funds’ portfolios, investment ideas, economic developments, current events, and other issues related to current portfolio investments and potential investment opportunities. All Investment Fund investment and disposition decisions are made by the respective General Partners’ Investment Committee, each of which is chaired by Tom Gores and includes Jacob T. Kotzubei, Johnny O. Lopez, Philip E. Norment, Louis Samson and Robert J. Wentworth.

We provide written quarterly and annual reports to the Investors of the Platinum Funds in accordance with the terms of each Platinum Fund's Governing Agreement. We provide written annual reports to the Investors of the Co-Invest Vehicles in accordance with the terms of each Co-Invest Vehicle's Governing Agreement. The quarterly package includes investor summary capital account information and asset allocation statements, as well as an investment letter updating Investors on the activity in the applicable Platinum Fund's portfolio that occurred during the quarter. The annual reports include audited financial statements and summary capital account information.

Client Referrals and Other Compensation

We periodically pay Placement Fees to placement agents for referring investors to the Platinum Funds. Such Placement Fees are borne by the Platinum Funds but offset the Investors' shares of the Management Fees (to the extent Placement Fees are paid by the Platinum Fund with respect to such Investors) on a dollar for dollar basis. Certain Investors who are prohibited by law or policy from directly or indirectly paying Placement Fees do not pay any share of a Platinum Fund's Placement Fees and thus do not receive any corresponding reduction of their Management Fees.

If Platinum or its employees receive advisory fees, break-up fees, topping fees, Monitoring Fees, or other similar fees relating to investments made by a Platinum Fund from third parties, then a portion of such fees reduces Management Fees paid by the Investors in such Platinum Fund pursuant to a formula set forth in the relevant Governing Agreement and as disclosed above in the "Fees and Compensation" section. In addition, Platinum and its affiliates may receive fees from companies that are not Portfolio Companies of the Platinum Funds or their affiliates and from those companies involved in the Platinum Funds' unconsummated transactions, and such fees do not reduce Management Fees.

Also, employees of Platinum who serve on the boards of directors of Portfolio Companies may receive compensation (in the form of cash, stock options or other equity awards) in their capacity as directors. Such direct and indirect compensation received by an employee of Advisors in his or her capacity as a member of the board of directors of a Portfolio Company will generally be considered directors' fees and will offset or reduce the Management Fees paid by Investors pursuant to a formula set forth in each of the Platinum Fund Governing Agreements.

Custody

Even though all assets of the Investment Funds are held in custody by unaffiliated qualified custodians, we are considered to have custody over the Investment Funds' assets. This is because we, directly or through an affiliate, act as the General Partner or managing member to a limited partnership or other comparable pooled investment vehicle that gives us legal ownership or control over the Investment Funds' funds and securities. Because Advisors is an SEC-registered investment adviser, it is subject to a number of requirements imposed by Rule 206(4)-2 of the Advisers Act.

To comply with Rule 206(4)-2 and to provide meaningful protection to investors, each Investment Fund is subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles, and are distributed to each Investor in an Investment Fund within 90 days after the end of such Investment Fund's fiscal year end.

Investment Discretion

The Governing Agreement of each Investment Fund provides that we or an affiliate, as the ultimate

General Partner of such Investment Fund, have exclusive and complete authority and discretion in managing the business and affairs of such Investment Fund, subject only to specific and express limitations provided therein. Thus, without obtaining specific consent from an Investment Fund or its Investors for each transaction, we have discretionary authority to transact in securities for the Investment Fund.

Voting Client Securities

The General Partners vote proxies on behalf of each of the Investment Funds. Advisors' Chief Compliance Officer or General Counsel will consult with and provide relevant proxy solicitation information and materials to the appropriate members of Platinum's investment professionals for their review and consideration. The General Partners are responsible for making voting decisions in the best interests of the Investment Funds and for providing all required documentation to the Chief Compliance Officer or the General Counsel, in order to comply with the Advisors' record keeping requirements.

Upon request, we will provide Investors with information about how the proxies relevant to such Investment Funds are voted. Our complete proxy voting policy and procedures are available to Investors upon request. The Investment Funds' proxy voting record is also available to Investors upon request.

Financial Information

Advisors is not required to provide an audited balance sheet because it does not solicit fees more than six months in advance and does not have a financial condition that is likely to impair its ability to meet contractual commitments to the Investment Funds or the Investors. None of Advisors, Platinum Equity or the General Partners have ever filed for bankruptcy. Advisors is not aware of any financial condition that is expected to affect its or the General Partners' ability to manage the Investment Funds.