

Item 1. Cover Page

GI Manager L.P.

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Part 2A of Form ADV: Firm Brochure
March 30, 2018

This brochure provides information about the qualifications and business practices of GI Manager L.P. If you have any questions about the contents of this brochure, please contact us at (415) 688-4800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about GI Manager L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure contains several material changes from the last firm brochure dated as of March 31, 2017, including, but not limited to: (i) additional information on fees, expenses, and compensation, (ii) updated investment strategy and risk factors and (iii) additional information regarding conflicts of interest.

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means GI Manager L.P., a Delaware limited partnership, together (where the context permits) with its relying advisers and other affiliates that provide advisory services to and/or receive advisory fees from the Clients (as defined below). Such affiliates are generally under common control with GI Manager L.P., and possess a substantial identity of personnel and/or equity owners with GI Manager L.P. These affiliates are typically formed for tax, regulatory, or other purposes in connection with the organization of the Clients, or to serve as general partners or managers, as applicable, of the Clients (the “General Partners”). Additionally, a separately registered United Kingdom entity, GI Partners UK Ltd (“GI Partners UK”) and its affiliates provide advisory services to and receive advisory fees from certain Funds (as defined below). The Adviser and GI Partners UK are not themselves under common control, but each is under common control with GI International L.P., which is the designated management company of GI Partners Fund III L.P. and its parallel funds (“Fund III”), and a relying adviser of the Adviser. The Adviser independently provides investment advice to certain other Funds pursuant to Advisory Agreements (as defined below).

The Adviser provides investment advisory services to commingled investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Funds primarily make long-term private equity and equity-related investments in private companies, including but not limited to leveraged buyout acquisitions and recapitalizations, investments in debt instruments, as well as real estate and real-estate related investments in North America and Europe. Additionally, beginning with GI Partners Fund IV L.P. and its parallel investment vehicles (“Fund IV”) and continuing with GI Partners Fund V LP and its parallel investment vehicles (“Fund V”), such Funds’ investment strategy focuses on investing in middle-market operating companies primarily in North America.

The Adviser also provides investment advisory services to certain other private funds with affiliated investor(s) and in each case a single unaffiliated investor that collectively make primarily long-term real estate and real-estate related investments in North America (the “RE Separate Account Clients”) and to one or more certain other private funds with affiliated investor(s) and in each case a single unaffiliated investor that collectively make private equity co-investments alongside the Funds (the “PE Separate Account Clients” and, together with the RE Separate Account Clients, the “Separate Account Clients”). The Funds and the Separate Account Clients are referred to together as the “Clients.” The Clients are “Qualified Purchasers” as defined in the 1940 Act.

The Adviser’s advisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Clients, managing and monitoring the performance of such investments, and disposing of such investments. With respect to certain Separate Account Clients, such services are provided on a non-discretionary basis. The Adviser typically serves as the investment adviser, the subadviser, and/or General Partner to the Clients in order to provide such services, or provides employees to an affiliate to provide such services.

The Adviser and its respective affiliates provide investment advisory services to the Funds in accordance with the limited partnership agreement (or analogous organizational document) of such Fund and/or separate investment and advisory, subadvisory, investment management, or portfolio management agreements (each, an “Advisory Agreement”). In the case of Fund III, the Adviser, GI Partners UK, and their respective affiliates provide investment advisory services in accordance with the Fund’s Advisory Agreement.

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable General Partner, and not individually to the investors in the Funds. Certain investors in a Fund have opt-out rights with respect to certain investments. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund, the Advisory Agreements, and/or side letter agreements negotiated with investors in the applicable Fund (such documents collectively, a “Fund’s Organizational Documents”).

The terms of the advisory services (including discretionary and non-discretionary investment advisory services) provided by the Adviser to a Separate Account Client, including any restrictions on investments in certain types of securities, are the result of negotiations between the Adviser and such Separate Account Client (or its unaffiliated investor) and are set forth in the organizational documents of the applicable Separate Account Client, the Advisory Agreements, and/or side letter agreements negotiated with such Separate Account Client (such documents together with the Funds’ Organizational Documents, the “Organizational Documents”).

The principal owners of GI Manager L.P. are listed in Schedule A of the Adviser’s Form ADV Part 1A. The Adviser has been in business since 2005 and its predecessor companies have been in business since 2001. As of December 31, 2017, the Adviser manages a total of \$14,744,506,175 of client assets, \$12,909,539,990 of which is managed on a discretionary basis and \$1,834,966,185 of which is managed on a non-discretionary basis.

Item 5. Fees and Compensation

The Adviser or an affiliate generally receives Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Client. A Fund, and/or its portfolio companies may, from time to time make other payments to the Adviser or an affiliate for services provided to the portfolio companies which, in certain circumstances, may reduce the Advisory Fees payable to the Adviser. With respect to Fund IV, fees paid to certain Operations Support Providers (as defined below) for services such persons provide to the portfolio companies are not shared with the investors and do not reduce the Advisory Fee payable to the Adviser. More information about fees payable to Operations Support Providers may be found in Item 11 below.

Additionally, consistent with the Organizational Documents of a Client, such Client typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Client and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Advisory Fees

As compensation for investment advisory services rendered to certain Funds, the Adviser directly or indirectly receives from each such Fund an advisory fee. As compensation for investment advisory services rendered to certain Separate Account Clients, the Adviser receives from each such Separate Account Client an advisory fee (together with the advisory fee received from each Fund, each, an “Advisory Fee”). Advisory Fees are typically calculated based on committed capital or remaining invested capital, with respect to such Client. Advisory Fees paid by a Client are indirectly borne by investors in such Client.

Advisory Fees in respect of the Funds are payable quarterly in advance. Advisory Fees in respect of a Separate Account Client are payable in accordance with the terms of the Organizational Documents of such Separate Account Client. Upon termination of an Advisory Agreement or other advisory arrangements, Advisory Fees that have been prepaid are generally returned on a prorated basis.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Client are established by the Adviser in negotiation with investors in the applicable Client and are set forth in such Client’s Organizational Documents and/or other documentation received by each investor prior to investment in such Client. The Advisory Fees described above are generally subject to waiver, modification, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Client. The Advisory Fee structures described above may be modified from time to time. Advisory fees differ from one Client to another, as well as among investors in the same Fund. Such differences can arise from the size of investor commitments to a Fund, different investor classes, provisions of side letter agreements, or other negotiated terms.

The Advisory Fees paid by a Fund will generally be reduced by a percentage of (1) the amount of fees paid by such Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors and, in certain Funds, (2) by costs incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund’s Organizational Documents, and (3) if applicable, Transaction Fees (as defined below). In addition, as per the provisions of the various Advisory Agreements, the Adviser will from time to time waive, defer, or reduce all or a portion of the Advisory Fee payable by a Fund in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in and alongside such Fund, which could result in acceleration of investor capital contributions. Waived, deferred, or reduced Advisory Fees are not typically subject to the various offsets or reductions described above. Due to waived, deferred, or reduced Advisory Fees and/or the timing of receipt of fees subject to offsets, Fund investors could receive less than the full benefit of reductions or offsets.

Transaction Fees

Fees Payable by Portfolio Companies

The Adviser and its affiliates may, from time to time, perform management, advisory, transaction related, financial advisory, board director, and other services for certain portfolio companies, including in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, divestments and similar transactions, and unconsummated transactions (the “Related Services”). While the Adviser or its affiliates do not currently charge, and do not anticipate charging fees for the Related Services (such fees, “Transaction Fees”), in the event the Adviser or its affiliate decides to charge Transaction Fees, these Transaction Fees may be substantial and are typically paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto), or otherwise. In the event the Adviser receives Transaction Fees, the Adviser will often reduce the amount of the Advisory Fees payable to the Adviser by the applicable Client in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Organizational Documents of the applicable Fund. Any such reduction of a Fund’s Advisory Fees is typically limited to the extent of such Fund’s proportionate interest in any such portfolio company and only to the extent an Advisory Fee is payable by a Fund currently or in the future.

The Adviser generally has discretion over whether to charge a Transaction Fee and, if so, the fee rate or amount. Subject to the terms of the relevant Organizational Documents, a portion of all Transaction Fees received may be retained by the Adviser or one or more of its affiliates, and, other than reductions to Advisory Fees, may not be shared with any investor of any Fund.

The Adviser’s receipt of Transaction Fees may give rise to conflicts of interest between the Funds on one hand, and the Adviser and its affiliates, on the other hand. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

The Adviser and its affiliates also engage and retain operating advisers, senior advisors, advisers, consultants, and other similar professionals who are not employees or affiliates of the Adviser and who, from time to time, receive payments or other compensation (including participation in securities of a portfolio company) from portfolio companies and/or other entities. Such amounts will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the sharing arrangements described above and will not benefit the Client or its investors. In addition, Fund IV or one or more of its portfolio companies may pay the Adviser or its affiliates (and reimburse expenses) for the provision of consulting, legal, and human resources services to Fund IV or its portfolio company. Such amounts paid to (or reimbursed to) the Adviser or its affiliates also will not be subject to the sharing arrangements described above. For a discussion of material conflicts of interest created by such engagements, please see “Operations Support Providers” in Item 11 below.

Expense Reimbursement

A portfolio company will typically reimburse the Adviser for expenses (including without limitation conference attendance expenses, database subscriptions, and other expenses, including compensation or reimbursements of Operations Support Providers (as defined below) deemed by the Adviser to benefit such portfolio company, meals and entertainment (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers, and service providers), and travel expenses, which have included, and may in the future include, expenses for “black car” transportation or chartered or first class air travel), expenses relating to training programs, meetings, or other events (to the extent such programs, meetings, or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting, and relocation expenses), as well as consulting and other cash and non-cash compensation and expenses incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Transaction Fees” under the terms of the applicable Organizational Documents, and such reimbursements are not subject to the sharing arrangements described above.

Affiliated Service Provider Fees and Expenses

Subject to the Client’s Organizational Documents, affiliates of the Adviser (including employees of the Adviser) may be hired to provide ongoing property management, leasing, construction, development, and other services in connection with real estate investments (the “Property-Related Services”). Additionally, affiliated service providers (including affiliated property managers) may be reimbursed for certain expenses and costs incurred in connection with the provision of Property-Related Services, including the salaries and travel expenses of the applicable employees, which may be substantial. Any such fees and reimbursements paid by a Client or a portfolio company to such affiliated service provider are in addition to the Advisory Fee and Carried Interest received by the Adviser or its affiliates, and such fees and reimbursements will not be shared with such Client, will be in addition to, and will not offset the Advisory Fee.

For additional information regarding payments made to affiliated service providers and the conflicts arising from such arrangements, please see Item 11 below.

Expenses

Adviser Expenses

To the extent provided for in the Organizational Documents of the Clients, the Adviser will pay out of Advisory Fee income certain operating, administrative, and overhead expenses, including the costs and expenses of rent, facilities, utilities, office supplies, office equipment, entertainment, and all other ordinary operating expenses of the Adviser, including compensation of its partners and employees (other than Carried Interest described in Item 6 below), and other

routine administrative expenses relating to the investment advisory services and facilities provided by the Adviser to the Clients.

Client Expenses

Consistent with the Funds' Organizational Documents, each Fund will bear all other reasonable out-of-pocket expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, audit, investment banking, consulting (including but not limited to consulting fees incurred by the applicable Fund for the benefit of its portfolio company, and including consultants performing investment initiatives or providing services related to environmental, social, and governance investment considerations and policies, and other similar consultants), communications, marketing, publicity, indemnification, brokerage, sale, depositary (including a depositary appointed pursuant to the Alternative Investment Fund Managers Directive), trustee, record keeping, expenses incurred in connection with the meetings of or with any limited partner(s) or the advisory board, fees paid to third-party valuation agents for valuations, appraisals, or pricing services, administration (including fees and expenses associated with any third-party administrator and administration, tracking or reporting software), research, reports, third party diligence software and service providers, third-party experts, finders, underwriting (including both commissions and discounts), loan administrations, private placement fees, custody, filing, title, transfer, registration, advisory board, information technology system expenses (including the costs of developing, licensing, implementing, upgrading, and maintaining any web portal, extranet tools, computer software, and other technological systems for the benefit of a Fund, its investors, or a portfolio investment or potential investment), bridge financing expenses (which may be payable to another Fund co-investing in the bridge transaction or to the Adviser or an affiliate, in each case being the entity providing the bridge financing to the applicable Fund), financing, commitment, origination, and similar fees and expenses, directors and officers liability, errors and omissions liability, crime coverage, and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles, and including insurance of which the Adviser and its affiliates are beneficiaries, interest, taxes, expenses related to attending trade association meetings, conferences or similar meetings in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated), expenses in connection with protecting the confidential or non-public nature of any information or data, certain advisory board expenses, reverse breakup, termination, wind up, or dissolution fees, risk management assessment expenses, expenses associated with a Fund's compliance with applicable laws and regulations, expenses incurred in connection with complying with provisions in investor side letter agreements; such Fund's allocable share of expenses and fees incurred in the course of structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to periodicals or other databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction, or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third party diligence software and service providers, consultants, and similar professionals in

connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated (including expenses that would have been borne by co-investment vehicles) and whether or not such activities were successful, any travel, lodging, meals, or entertainment expenses relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities, costs of complying with any law, regulation, or policy related to the activities of a Fund (including any legal fees and expenses related thereto, any regulatory expenses of a Fund's general partner or the Adviser incurred in connection with the operation of a Fund and expenses related to compliance with any environmental, social, and governance investor considerations and policies of the General Partner or the Fund, costs in connection with any litigation or governmental inquiry, investigation, or proceeding involving a Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements, or fines paid in connection therewith, expenses associated with amendments to, and waivers, consents or approvals pursuant to, a Fund's Organizational Documents, organizational expenses associated with a Fund, and other similar fees and expenses, as well as any Transaction Fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser.

From time to time, with respect to certain Clients, the Adviser may create certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal, and regulatory considerations of investors ("SPVs"). In the event the Adviser creates an SPV, consistent with the Client's Organizational Documents, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV. Expenses of the types borne by a Client but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Client (including, without limitation, expenses of accounting and tax services) will be borne by the Client.

In certain cases, one or more co-investment vehicles or other similar vehicle established to facilitate investments alongside a Fund will be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction ("Dead Deal Costs") therefore would generally be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction (including reverse termination fees, extraordinary expenses such as litigation costs and judgments, and other expenses). In addition, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise committed to invest in the proposed transactions), some or all of the Dead Deal Costs may be borne solely by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, but not to the co-investment vehicle or other

co-investor to which the co-investment opportunity was offered. Similarly, co-investment vehicles are not typically allocated any share of break-up fees paid in connection with such an unconsummated transaction. Furthermore, to the extent a co-investment vehicle is formed in connection with a proposed transaction, expenses relating to such co-investment vehicle may, in certain situations, be borne by another Fund or Funds, regardless of whether such proposed transaction is consummated.

Separate Account Clients generally bear similar expenses, depending on the terms of the Organizational Documents negotiated with each applicable Separate Account Client, and such terms will differ from the Funds. Furthermore, PE Separate Account Clients co-invest alongside the Funds. To the extent provided in the Organizational Documents negotiated with each such PE Separate Account Client, the investors in the PE Separate Account Client will typically bear their pro rata portion of the expenses incurred in making an investment (which may include, for the PE Separate Account Clients, in some but not all circumstances, Dead Deal Costs and break-up fees, generally in the event they are contractually committed to invest in the prospective investment).

The Adviser, from time to time, enters into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees. Any fees and expenses associated with such investment opportunities will be allocated to the applicable Fund(s) and/or portfolio companies, consistent with the allocation process described above.

Carried Interest Payments

Please see Item 6 below regarding “Carried Interest” paid by Clients.

Brokerage Fees

In the event that the Adviser chooses to use a broker-dealer for limited purposes relating to a particular Client, such Client will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to certain Clients, a portion of the profits of each such Client, as per the provisions of the respective Advisory Agreement, is earned and distributed to its General Partner as “carried interest” (the “Carried Interest”) upon meeting certain performance goals. Each General Partner of a Client is a related person of the Adviser. Carried Interest paid by a Client is indirectly borne by investors in such Client. The rate of Carried Interest and related performance goals will differ among various Funds and Separate Account Clients. Certain investors in the Clients also incur lower or no Carried Interest.

The payment by some, but not all, Clients of Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Client) creates a conflict of interest for the Adviser to disproportionately allocate time, services, or functions to Clients paying Carried Interest or Clients paying Carried Interest at a higher rate, or

to allocate investment opportunities to such Clients. Generally, and except as otherwise set forth in the Organizational Documents of the Clients, this conflict is mitigated by (i) certain limitations on the timing or the ability of the Adviser to establish new funds and/or (ii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below for additional information relating to how conflicts of interests regarding allocations are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment advisory services to the Clients. Investment advice is provided directly to the Clients (subject to the direction and control of the General Partner of each such Client or, in the case of certain Separate Account Clients, the unaffiliated investor in such Separate Account Client, if applicable) and not individually to investors in such Client.

Interests in the Clients are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act.

The Adviser does not have a minimum size for a Client but minimum investment commitments are typically established for investors in the Clients. The General Partner of each Client may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Client.

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

Methods of Analysis and Investment Strategies

Fund Investment Strategy

The Adviser's Fund private equity investment strategy is focused on investments in middle-market operating businesses that provide both solid downside protection and growth opportunities, which can be achieved through significant value creation primarily through operational improvement.

The Adviser's investment activities are focused on sectors in which it has developed extensive expertise, and which are differentiated by their sector growth and cyclical characteristics. These sectors include, but are not limited to, IT infrastructure, healthcare, software, and services. Within these sectors, the Adviser believes it has the experience to recognize underappreciated value, structure transactions that capture this value, and implement various initiatives to create long-term growth.

Fund III is focused on such investments in both North America and Western Europe and also makes investments in portfolios of real estate assets. Fund IV and Fund V focus on private equity investing in middle-market operating companies, primarily in North America.

Investment Strategy of PE Separate Account Client(s)

The investment strategy of the Adviser's PE Separate Account Client(s) consists of making co-investments alongside certain Funds in the discretion of the General Partner of such PE Separate Account Client. The PE Separate Account Clients will, subject to any applicable tax, legal, and regulatory constraints, generally make investments at the same time and on the same terms and conditions as the Fund alongside which it co-invests.

RE Separate Account Investment Strategy

The Adviser has a distinct real estate focused investment strategy for each of its RE Separate Account Clients. These mandates span a number of property types and investment strategies, including an industrial and logistics platform, and a residential and mixed-use development platform.

The Adviser deploys a rigorous set of criteria in its investment and asset management approach across all of these investment platforms with a particular focus on risk management.

Risks

Investing in securities involves a substantial degree of risk. A Client may lose all or a substantial portion of its investments, and investors in the Clients must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Clients, include the following:

Recent Financial Market Fluctuations. General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, are likely to reduce the availability of attractive investment opportunities for the Clients and may affect the Clients' ability to make investments and the value of the investments held by the Clients. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Clients' investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present, and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market, and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy, and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities

markets, that Clients will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Client to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Clients to buy, sell, and partially dispose of their portfolio company investments. The Clients may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Client may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be accurately predicted. The ability of portfolio companies to refinance debt securities will depend on their ability to sell new securities in the public high yield debt market or otherwise.

Valuation of Assets. There is no actively traded market for most of the securities owned by the Clients. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts, and circumstances of the investments. Valuations are subject to multiple levels of review for approval, and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties, and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Client's assets. With respect to the Clients, the exercise of discretion in valuation by the Adviser will give rise to conflicts of interest, because valuations impact the Adviser's track record. In addition, a conflict arises because the calculation of performance allocation for certain Clients is based, in part, on these valuations, and such valuations affect the amount and timing of performance fees and, with respect to RE Separate Account Clients, calculation of Advisory Fees.

Cybersecurity Risk. The Adviser, the Clients' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Clients and their investors, despite the efforts of the Adviser and the Clients' service providers to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Client and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Clients' service providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Clients' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs

associated with system repairs. Such incidents could cause the Client, the Adviser, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, the Adviser may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction, or litigation.

Tax Reform Risks. President Trump signed into law a broad-based reform of the Internal Revenue Code of 1986, as amended (the “Code”) on December 22, 2017 (the “Tax Act”). There are significant uncertainties regarding the interpretation and application of the Tax Act. While additional guidance on the Tax Act is expected, the timing, scope, and content of such guidance are not known. Changes to the Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to the Funds and their limited partners. In addition, although not free from doubt, the Tax Act subjects allocations of income and gain in respect of entitlements to carried interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of carried interest. Enactment of this legislation could cause the Adviser’s investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it more difficult for the Adviser to incentivize, attract, and retain these professionals, which may have an adverse effect on the Adviser’s ability to achieve the investment objectives of the Clients. In addition, this can create a conflict of interest as the tax position of the Adviser may differ from the tax positions of the Clients and/or their investors and, therefore, these rules may have an additional impact on the investment decisions made by the Clients, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the tax law may give the Adviser an incentive to cause a Client to hold an investment for longer than three years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than three years.

Business Risks. The Clients’ investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Investment in Junior Securities. The securities in which the Clients will invest may be among the most junior in a portfolio company’s capital structure and, thus, subject to the greatest risk of loss. Generally, there may not be sufficient collateral to cover a Clients’ investment in the event of a portfolio company default on its credit agreements.

Concentration of Investments. The Clients will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Clients’ investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return.

Furthermore, to the extent that the capital called for investments is less than the targeted amount, the Clients may invest in fewer portfolio companies and thus be less diversified.

Real Estate Investment Risks. Investments related to real property are subject to varying degrees of risk. Real estate values are affected by a number of factors, including but not limited to: (a) changes in the general economic climate, (b) local conditions (such as an oversupply of space or a reduction in demand for space), (c) the quality and philosophy of management, (d) competition based on rental rates, (e) attractiveness and location of the properties, (f) financial condition of tenants, buyers, and sellers of properties, (g) quality of maintenance, insurance, and management services, (h) changes in real estate tax rates and other operating costs and expenses, (i) energy and supply shortages, (j) changes in interest rates and the availability of debt financing, (k) uninsured losses or delays from casualties or condemnation, (l) government regulations (including those governing usage, improvements, zoning, and taxes) and fiscal policies, (m) potential liability under changing environmental and other laws, (n) risks and operating problems arising out of the presence of certain construction materials, (o) structural or property level latent defects, and (p) acts of God, acts of war (declared or undeclared), terrorist acts, strikes, and other factors beyond the control of a General Partner and their respective affiliates. Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns real property) could also create risks of successor liability.

Environmental Risks. Although the General Partners intend to comply with applicable environmental rules and regulations, the Clients may be exposed to substantial risk of loss from environmental claims arising in respect of real estate acquired by the Clients or their portfolio companies with undisclosed or unknown environmental liabilities. Under such laws, the Clients could be liable for, among other things, the costs of removal or remediation of certain hazardous substances, including but not limited to asbestos-related liabilities. Such laws often impute liability without regard to fault.

Lack of Sufficient Investment Opportunities. The business of identifying and structuring private equity and real estate transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Clients will never be fully invested if enough sufficiently attractive investments are not identified.

Illiquidity; Lack of Current Distributions. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no return of proceeds invested.

Leveraged Investments. The Clients generally make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Client's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the

desired degree of leverage. The use of leverage will also result in interest expense and other direct or indirect costs to a Client that may not be covered by distributions made to a Client or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Client's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment, or rising interest rates and could accelerate and magnify declines in the value of a Client's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Client may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of a Client. Furthermore, should the credit markets be tight at the time a Client determines that it is desirable to sell all or a part of a portfolio company, a Client may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Client will invest generally will not be rated by a credit rating agency.

Guarantees. The Clients may guarantee the obligations of a portfolio company, including but not limited to the obligations arising from borrowed money or derivatives transactions. Such guarantees may obligate the Clients to pay the portfolio company's indebtedness or other obligations if the portfolio company is unable or unwilling to pay its indebtedness or otherwise meet its obligations.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Client investments, and hence, most of the Clients' investments will be difficult to value. Certain investments may be distributed in kind to its investors.

Projections. Projected operating results of a company in which the Clients invest normally will be based primarily on financial projections prepared by such company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There has recently been significant discussion regarding enhanced governmental scrutiny and increased regulation of the private equity industry. There can be no assurance that any such scrutiny and regulation will not have an adverse impact on the Clients' activities, including the ability of the Clients to implement operating improvements at portfolio companies or otherwise execute its investment strategy or achieve its investment objectives.

Furthermore, the combination of recent scrutiny of alternative asset managers (including private equity firms) and their investments by various politicians, regulators, and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Clients' efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Clients may invest in

fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Need for Follow-on Investments. Following its initial investment in a given portfolio company, a Client may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Clients will make follow-on investments or that the Clients will have sufficient funds to make all or any of such investments. Any decision by a Client not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for a Client to increase its participation in a successful portfolio company or the dilution of a Client's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. Investments in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions, may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Clients), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Clients and/or the investors in the Clients with respect to the Clients' income, and possible non-U.S. tax return filing requirements for the Clients and/or its investors.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing, and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

Public Companies. The Clients' investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Clients to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Clients to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the principals, and increased costs associated with each of the aforementioned risks.

Non-Controlling Investments. The Clients may hold meaningful minority stakes in privately held companies. In addition, during the process of exiting investments, the Clients at times may hold minority equity stakes of any size such as might occur if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Clients may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Consequently, such non-controlling positions may have

fewer potential buyers and the sale process will likely take longer than for the sale of a controlling majority position.

Director Liability. The Clients will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Client's representatives, and ultimately such Client, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various entities serve as General Partners of the Funds and as general partners or managers of the Separate Account Clients. The Adviser is under common control with the General Partners. All personnel of the General Partners and any other person acting on their behalf are subject to the supervision and control of the Adviser. Certain of the General Partners are also relying advisers as described below. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Relying Advisers

As of December 31, 2016, GI International L.P., GIP Manager (CalEast) LLC, and GIP Manager L/CAL LLC are each a relying adviser of GI Manager L.P. Each relying adviser is under common control with the Adviser.

Related Advisers

GI Partners UK, along with its relying advisers, is registered as an investment adviser with the SEC. GI International L.P. is the designated management company of Fund III. GI International L.P. is under common control with each of the Adviser and GI Partners UK. The Adviser and GI Partners UK each provide investment advice to Fund III. The Adviser independently provides investment advice to certain other Funds, including Fund IV and Fund V, pursuant to Advisory Agreements.

For a description of material conflicts of interest created by the relationship among the Adviser and its affiliate advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers, and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households will purchase investments for their own accounts, including the same investments as will from time to time be purchased or sold for a Client, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The provisions contained in the Code of Ethics help the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics are subject to remedial actions, including but not limited to profit disgorgement, fines, censure, demotion, suspension, or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required annually to certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any Client or prospective Client upon written request to: David Smolen at compliance@gipartners.com.

Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser invest in and alongside the Clients, either through the General Partners, as direct investors in the Clients, or otherwise. Additionally, a General Partner or an affiliate, as applicable, will generally reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Client (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) ask different questions and request different information, the Adviser will from time to time provide certain information to one or more prospective investors that it does not necessarily provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including but not limited to investment activities for their own account and for the account of other investment funds or accounts, and providing transaction-related, investment advisory, management, and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Client will from time to time conflict with the interests of the Adviser, other Clients, or their respective affiliates. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser, from time to time, establishes certain investment vehicles through which certain employees of the Adviser or its affiliates, certain business associates, other “friends and family” of the Adviser or its personnel (the “Adviser Investors”) and/or individuals and entities that are not investors in any Funds (“Third Parties”) invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as “co-investment vehicles,” may, in certain instances, be contractually required to purchase and sell certain investment opportunities at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. Such co-investment vehicles typically do not pay Advisory Fees or Carried Interest.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser will consider various factors, including the interests of the applicable Clients with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- A Client will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of such Client;
- Many important conflicts of interest will generally be resolved by set procedures, restrictions, or other provisions contained in the relevant Organizational Documents of the Clients;
- Generally, each Fund has established an advisory board, consisting of representatives of investors not affiliated with the Adviser. The advisory boards meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion and, to the extent possible, the direction of the relevant advisory board or boards;
- Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and

- Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

In addition, certain provisions of a Client's Organizational Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts.

Conflicts

The material conflicts of interest encountered by a Client include those discussed below, although the discussion below does not necessarily describe all of the conflicts that are or may be faced by a Client. Other conflicts are disclosed throughout this brochure, and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Clients

In connection with its investment activities, the Adviser will encounter situations in which it must determine how to allocate investment opportunities among various Clients and other persons, which include, but are not limited to, one or more of the following:

- The Clients;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s);
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Adviser Investors and/or Third Parties acting as "co-sponsors" with the Adviser with respect to a particular transaction.

The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Clients are generally subject to investment allocation requirements (collectively, "Investment Allocation Requirements"), which will also apply directly or indirectly to certain RE Separate Account Clients, the PE Separate Account Clients, and other co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are generally set forth in a Client's Organizational Documents. To the extent the Investment Allocation Requirements of a Client do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Clients, the Adviser will follow the process set forth below.

The Adviser must first determine which Clients will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Client(s), based on the Client's investment objectives, strategies, and structure. A Client's investment objectives, strategies, and structure typically are reflected in the Client's Organizational Documents. Prior to making any allocation to a Client of an investment opportunity, the Adviser

determines what additional factors restrict or limit the offering of an investment opportunity to the Client(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Clients. This obligation to offer investment opportunities is generally set forth in a Client's Organizational Documents.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Client(s) to such Client(s) to the exclusion of, or resulting in a limited offering to, other Clients.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Clients or investors in certain Funds should be excluded from an allocation due to specific legal, regulatory, and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Clients that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Clients. In allocating such investment opportunity, the Adviser will consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Client's investment objectives and investment focus;
- Transaction sourcing;
- Each Client's liquidity and reserves;
- Each Client's diversification;
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly-established Client;
- Amount of capital available for investment by each Client as well as each Client's projected future capacity for investment;
- Each Client's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the prospective portfolio company;
- Composition of each Client's investments;
- The suitability as a follow-on investment for a current portfolio company of a Client;
- The availability of other suitable investments for each Client;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;

- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual, or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable Organizational Documents of each Client.

Notwithstanding the foregoing, the Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Client or (ii) the profitability of any Client. There can be no assurance that the application of the Investment Allocation Requirements and factors set forth above will result in a Client participating in all investment opportunities that fall within its investment objectives.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and are permitted to invest directly in Clients and therefore participate indirectly in investments made by the Clients in which they invest. Such interests will vary Client by Client and may create an incentive to allocate particularly attractive investment opportunities to the Client in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Client.

Allocation of Co-Investment Opportunities and Secondary Transactions

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants, and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors, and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess will typically be offered to one or more other Funds, PE Separate Account Clients, or other co-investors pursuant to the procedures included in such Funds' and the PE Separate Account Clients' Organizational Documents and as summarized in the following paragraphs.

PE Separate Account Clients have been established for the purpose of making co-investments alongside certain Funds (in the sole discretion of the Adviser) generally at the same time, and on the same terms and conditions, as the Fund. The Adviser is not contractually required to allocate co-investment opportunities to such PE Separate Account Clients.

Subject to any Investment Allocation Requirements in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, and investing in a Fund does not necessarily give an investor any rights, entitlements, or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, and

investors may be offered a smaller amount of co-investment opportunities than originally requested, (iv) certain persons other than investors in the Funds (e.g., consultants, joint venture partners, persons associated with a portfolio company, and other Third Parties) rather than one or more investors in a Fund, will from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, and (v) co-investors will generally purchase their interests in a portfolio company at the same time as the Funds or will on occasion purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Additionally, unless otherwise agreed to with an investor in a Fund, non-binding acknowledgments of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgments if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds, PE Separate Account Clients, and other potential co-investors, the Adviser will consider some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- The Adviser's perception of the appropriate composition of co-investors that would achieve optimal returns with respect to an investment opportunity;
- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise, and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- The Organizational Documents negotiated with the PE Separate Account Clients;
- Any investment restrictions or limitations of a potential co-investment party;
- Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics, and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The Adviser's perception of whether the investment opportunity will subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public

relations, media, or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;

- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party will have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, source, or similar benefits) to current or future Clients and/or the Adviser.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Clients, potential co-investors, Adviser Investors, and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations will be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors (including PE Separate Account Clients), there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Client, or that expenses incurred by the Client with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal, or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual, or other business interests or goals that are inconsistent with those of a Client and, as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Client's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Client will consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Client more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Client which is not syndicated to co-investors as originally anticipated could significantly reduce the Client's overall investment returns.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen, and/or cultivate relationship that may provide indirectly longer-term benefits to current or future Clients and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media, or other burdens;
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriated under the circumstances in exercising such discretion.

A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Allocation of Fees and Expenses

From time to time the Adviser will be required to decide whether certain fees, costs, and expenses should be borne by a Client, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs, and expenses should be allocated between or among Clients and/or other parties. Certain expenses may be the obligation of one particular Client and may be borne by such Client or, expenses may be allocated among multiple Clients and entities. In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Clients with differing fee, expense, and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Clients from which the Adviser or any related persons derives, directly or indirectly, a higher fee, compensation, or other benefit.

To the extent not allocated to a portfolio company, the Adviser will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Clients in accordance with the Organizational Documents of each Client or, to the extent not addressed in such Organizational Documents, pro rata based on the respective total capital commitments of such Clients.

The appropriate allocation among Clients, Adviser Investors, and Third Parties of expenses and fees generated in the course of evaluating potential investments that are not consummated, such as out-of-pocket costs associated with due diligence, attorney fees, and the fees of other

professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the Organizational Documents of the Clients, as applicable. If multiple Clients evaluate a potential investment that is not consummated, the Adviser generally allocates fees and expenses generated in the course of evaluating such investment among such Clients based on anticipated investment of each Client or other factors the Adviser deems appropriate under the circumstances. Such expenses typically are not allocated to co-investment vehicles (unless such co-investment vehicle has a contractual commitment to make an investment). There are occasions when one Client (the “Payor Client”) pays an expense common to multiple Clients (the “Allocated Clients”) (e.g., legal expenses for a transaction in which all such Clients participate). On such occasions, each Allocated Client will reimburse the Payor Client for its share of such expense, without interest, promptly after the payment is made by the Payor Client. While highly unlikely, it is possible that one of the Allocated Clients could default on its obligation to reimburse the Payor Client.

With respect to allocating other expenses among Client(s), co-investment vehicles, Adviser Investors, and/or Third Parties, as appropriate, to the extent not addressed in the Organizational Documents of a Client, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular service may not necessarily reflect the relative benefit derived by such Client from that service in any particular instance.

Conflicts Related to Purchases and Sales

Conflicts arise when a Client makes investments in conjunction with an investment being made by other Clients, or in a transaction where another Client has already made an investment. Investment opportunities are from time to time appropriate for Clients at the same, different, or overlapping levels of a portfolio company’s capital structure. Conflicts arise in determining the terms of investments, particularly where these Clients invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring will raise conflicts of interest, particularly in Clients that have invested in different securities within the same portfolio company. Certain Clients of the Adviser invest in bank debt and securities of companies in which other Clients hold securities, including equity securities. In the event that such investments are made by a Client, the interests of such Client will at times conflict with the interest of such other Client, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Clients are prohibited from exercising voting or other rights, and are subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Clients may or may not provide such additional capital and if provided, each Client will supply such

additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by either a Client or a portfolio company of another Client. Investments by more than one Client of the Adviser in a portfolio company will also raise the risk of using assets of a Client of the Adviser to support positions taken by other Clients of the Adviser, or that a client may remain passive in a situation in which it is entitled to vote. The Adviser may also express inconsistent or contrary views of commonly held investments or of market conditions more generally. Employees and related persons of the Adviser and its affiliates have made, and may in the future make, capital investments in or alongside certain Clients, and therefore often have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Client participating in a transaction would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Client will from time to time invest in opportunities that other Clients have declined, and likewise, a Client will from time to time decline to invest in opportunities in which other Clients have invested.

The Adviser will from time to time, in its discretion, enter into transactions with investors in one or more Clients to dispose of all or a portion of certain investments held by one or more Clients. In exercising its discretion to select the purchaser(s) of such investments, the Adviser will consider some or all of the factors listed above under “*Allocation of Co-Investment Opportunities and Secondary Transactions*.” The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Client(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Client(s). Any such transactions will comply with the organizational documents of the applicable Client(s).

A Fund will from time to time sell down an interest in its portfolio companies to co-investors. Subject to the applicable Organizational Documents, the Adviser charges (or from time to time, decides not to charge) a co-investor interest costs for the time period between the closing of the applicable Fund’s investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

The Clients will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Client agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Clients will also enter into limited guarantee arrangements whereby, subject to any applicable documentation, a Client agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a “reverse termination fee” to the seller entity. While certain co-

investment vehicles with investments contractually tied to the Client (including co-investment vehicles through which employees of the Adviser participate) are generally obligated to pay their proportionate share of the equity purchase price and/or the reverse termination fee (whether pursuant to the applicable Clients' Organizational Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Client would be held responsible for the entire equity purchase price or reverse termination fee, as applicable.

The Clients, from time to time, co-invest with third-parties through partnerships, joint ventures, or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a third-party is not involved. Such risks include, among other things, the possibility that the third-party may have differing economic or business goals than those of the Client, or that the third-party may be in a position to take actions that are inconsistent with the investment objectives of the Clients. There can be no assurance that the return of a Client participating in a transaction with a third-party would be equal to, and not less than, another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Cross-Transactions

In certain cases, the Adviser will cause a Client to purchase investments from another Client, or it will cause a Client to sell investments to another Client. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Client may not necessarily receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) will generally have significant investments, or intentions to invest, in the Client that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates receive management or other fees in connection with their management of the relevant Clients involved in such a transaction, and are generally entitled to share in the investment profits of the relevant Clients. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Clients. To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer, in consultation with the respective Client investment committee, will be responsible for confirming that the Adviser (i) considers its respective duties to each Client, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if

an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the Adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Adviser’s management of the Clients, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Client(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the Organizational Documents relating to the Clients typically contain additional restrictions on the ability of the Clients or the Adviser to engage in principal transactions.

Management of the Clients

The Adviser manages a number of Clients that have investment objectives similar to each other. The Adviser expects that it, or its personnel, will in the future establish one or more additional Clients with investment objectives substantially similar to, or different from, those of the current Clients. Allocation of available investment opportunities among the Clients and any such investment Client could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients*” above. The Adviser may give advice or take actions with respect to the investments of one or more Clients, which may not be given or taken with respect to other Clients with similar investment programs, objectives, or strategies. As a result, Clients with similar strategies may not hold the same securities or achieve the same performance. In addition, a Client may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Client. These differences may result in variations with respect to price, leverage, and associated costs of a particular investment opportunity.

In addition, it is expected that most or all of the officers and employees responsible for managing the Separate Account Clients or the Funds will have responsibilities with respect to the other Clients or accounts managed by the Adviser, including those that may be raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund or Separate Account Client. Substantial time will be spent by such officers and employees monitoring the investments of other Clients and accounts managed by the Adviser. Conflicts of interest arise in allocating time, services, or functions of these officers and employees.

The Adviser may consider and reject an investment opportunity on behalf of one Client, and the Adviser or an affiliate of the Adviser may subsequently determine to have another Client make an investment in the same company. A conflict of interest arises because one Client will, in such circumstances, benefit from the initial evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the original Client considering the investment. In such circumstances, the benefitting Client or Clients will not be required to reimburse the original Client for expenses incurred in connection with researching such investment.

The Clients may in the future enter into borrowing arrangements that require the Clients to be jointly and severally liable for the obligations. If one Client defaults on such arrangement, the

other Clients will be held responsible for the defaulted amount. The Clients will only enter into such joint and several borrowing arrangement when the Adviser determines it is in the best interests of the Clients.

Follow-on Investments

Investments to finance follow-on acquisitions present conflicts of interest, including determination of the equity component and other terms of the new financing, as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Client in a portfolio company in which another Client has previously invested. In addition, a Client will from time to time participate in releveraging and recapitalization transactions involving portfolio companies in which another Client has already invested or will invest. Conflicts of interest arise in situations, including but not limited to those situations in which the Adviser must make a determination of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. The Adviser will resolve all such conflicts using its best judgment, but in its sole discretion.

Conflicts Relating to the Adviser, the General Partners, and their Affiliates

The Adviser generally will from time to time, in its discretion, contract with a related person of the Adviser (including but not limited to a portfolio company of a Client) to perform services for the Adviser in connection with its provision of services to the Clients. When engaging a related person to provide such services, the Adviser has an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally will, in its discretion, from time to time recommend to a Client or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Client) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and partners, officers, principals, and employees of the Adviser and its affiliates will from time to time buy or sell securities or other instruments that the Adviser has recommended to Clients. Officers, principals, and employees of the Adviser will also from time to time buy securities in transactions offered to but rejected by Clients. A conflict of interest may arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Clients. In addition, officers and employees of the Adviser may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds, and similar investment

vehicles) which may include potential competitors of the Clients. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics, and investors will not benefit from any such investments. The investment policies, fee arrangements, and other circumstances of these investments vary from those of the Clients. If officers, principals, and employees of the Adviser have made large capital investments in or alongside the Clients they will have conflicting interests with respect to these investments. While the significant interests of the officers and employees of the Adviser generally aligns the interest of such person with the Clients, such persons may have differing interests from the Client with respect to such investments (for example, with respect to the availability and timing of liquidity).

Because certain expenses are paid for by a Client and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Client and/or its portfolio companies, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Client or its portfolio companies to incur) such expenses.

Fee Structure

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

Additionally, for certain Separate Account Clients, such Advisory Fees are based on the fair market value of the assets held by such Separate Account Client which creates an incentive to value certain assets higher than if such Advisory Fees were not based on fair market value of such assets.

Additionally, as discussed above in Item 6, the General Partners of many of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Organizational Documents, a General Partner of a Fund may be required to return excess amounts of Carried Interest as a "clawback" or "giveback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition

of an investment, the borrowing generally would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds, as they would be for any other borrowing by the Fund for any other purpose.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through the Fund facility, the Fund's investors generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net IRR calculations higher than they otherwise would be without fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions. While the Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

Borrowing by the Fund will generally be secured by capital commitments made by the limited partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing, and the lenders may have the ability to call capital directly from the investors. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of UBTI.

Providers of Operations Support

The General Partner of a Client and the Clients' portfolio companies will from time to time retain other companies and individuals ("Operations Support Providers"), which will include, from time to time, affiliates of such General Partner, employees of such General Partner or any of their respective affiliates, the Clients' portfolio companies, portfolio companies of the Adviser's other accounts, third party consultants (including but not limited to specialized consultants, external executives, and industry advisory roundtable members), lawyers, "operating personnel," or "senior advisors". The Operations Support Providers are engaged to provide operational support, specialized operations, legal services, human resource services, and consulting services and similar or related services to, or in connection with, one or more of a Client's portfolio companies in relation to the identification, acquisition, holding, maintenance, improvement, and disposition of such portfolio companies ("Operations Support Services"). These services may be high level insight, or extensive day-to-day roles, and may include support to the General Partner of a Client or a Client's portfolio companies regarding, among other things, the portfolio company's management (including serving in management positions or participating in determining corporate strategy), the portfolio company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), legal or regulatory compliance services, travel and entertainment cost

optimization, information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters, and similar operational matters. The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider may vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to the Clients and/or the portfolio companies. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. Operations Support Providers may be offered the ability to co-invest alongside Funds, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Fees and expenses associated with Operations Support Services (“Operations Expenses”) are generally paid and/or reimbursed by a Client’s portfolio companies and/or Fund IV. Operations Expenses (including Operations Expenses incurred in connection with an Operations Support Provider that is affiliated with the General Partner of a Client) are generally determined at the discretion of such General Partner, taking into account the particular Operations Support Services, often include a retainer or other incentive-based compensation to the Operations Support Provider, and are otherwise determined by taking into account any other factors that such General Partner or the Adviser, as applicable, deems appropriate in its sole discretion, including, but not limited to, the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider and amounts charged by other providers for comparable services. Amounts charged by an Operations Support Provider that is affiliated with the General Partner of a Client will not exceed a rate that is generally available from a comparable independent third party as determined by such General Partner in its sole discretion. The determination of whether a service is an Operations Support Service will be made by the General Partner of a Client in its sole discretion, but will generally be based on whether third parties provide such services to investment advisers or companies. Operations Expenses will also be incurred in respect of a Client’s portfolio companies prior to the closing of the investment. In the event one or more Operations Support Providers (directly or indirectly) are providing services with respect to the Client or portfolio companies in which multiple Clients hold an interest, such Operations Expenses will be allocated as determined by the General Partner of such Clients in a fair and equitable manner. To the extent any such Operations Expenses are payable to any Operations Support Provider that is affiliated with the General Partner of a Client by Fund IV or a Fund IV portfolio company, such Operations Expenses will not reduce any fees otherwise payable to the Adviser or its affiliates. The determination of the General Partner of a Client as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses), and the allocation of such fees and expenses shall be binding on the Clients and their investors. Over time, certain existing and former employees of the Adviser (including senior personnel) may transition from an Operations Support Provider role, which may shift the burden of compensation of such persons from the Adviser to the applicable Client and/or its portfolio companies.

Although the use of Operations Support Providers and allocation of Operations Expenses paid to them may subject the Adviser and its affiliates to potential conflicts of interest, the Adviser believes any such potential conflicts of interest are mitigated by the expected savings to the

portfolio companies (and, in turn, the relevant Fund(s)) that will be applied if the cost of the Operation Support Provider is lower than market rates for the services provided, or if the services provided by the Operations Support Providers are consistent with the business strategy the Adviser has for the relevant portfolio company.

Related Services

As described in Item 5 above, the Adviser and its affiliates will typically perform Related Services for, and may, in certain instances receive Transaction Fees from, actual or prospective portfolio companies or other investment vehicles of the Funds. Such fees will be in addition to any Advisory Fees or Carried Interest paid by the Funds to the Adviser. The Adviser's receipt of Transaction Fees may give rise to conflicts of interest between the Funds and their investors on one hand, and the Adviser and its affiliates, on the other hand. The Adviser generally has discretion over whether to charge a Transaction Fee and if so, the fee rate or amount, and a Transaction Fee charged by the Adviser will from time to time exceed the amount that would be customary in an arms' length transaction. The amount and nature of this reduction varies from Fund to Fund and is set forth in a Fund's Organizational Documents. Transaction Fees received by the Adviser or its affiliates are ultimately paid, directly or indirectly, in part by the Funds, which impacts the fair value of investments and the performance of the Funds. Further, a portion of the Transaction Fees will be retained by the Adviser and/or one or more of its affiliates, and will not be shared with any investor in any Fund. Payment of these fees creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because (1) the amounts of these fees and reimbursements are often substantial, (2) the Funds and their investors may not have an interest in these fees and reimbursements, and (3) the Adviser has the discretion to determine the amount of fees it receives which is indirectly paid by the Fund.

Entities other than Funds that participate in investments alongside the Funds (such as entities through which the Adviser and certain employees and affiliates of the Adviser invest alongside the Funds) may have a right to share in such fees, and Advisory Fees will generally not be reduced in connection with the receipt of such entities' share of such fees.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Diverse Membership

The investors in the Funds generally include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests among the investors typically relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments, and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially

with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax, or other objectives of any investor individually.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Clients have invested, there are often situations where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies of the Clients, which may involve fees, commissions, servicing payments, and/or discounts by the Adviser, an affiliate, or a portfolio company. The Adviser will generally have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Clients, while the products or services recommended are not necessarily the best available to the portfolio companies held by the Clients. The benefits received by a portfolio company providing a service may be greater than those received by the Client(s) and its portfolio companies receiving the service.

The Adviser has an incentive to recommend the products or services of certain investors or prospective investors in the Clients, certain Third Parties, or their related businesses to the Clients or their portfolio companies for use or purchase, even though the products or services recommended are not necessarily the best available to the Clients or the portfolio companies.

Portfolio companies controlled by a Client may provide services to certain Client investors. The Adviser has an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Client. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Client.

The Adviser and/or its affiliates will from time to time engage in business opportunities arising from a Client's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Client's investment and may vary from the applicable Client's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Client).

With respect to transactions or agreements with portfolio companies (including, for the avoidance of doubt, long-term incentive plans), at times, if unrelated officers of a portfolio company have not yet been appointed, the Adviser may negotiate and execute agreements between the Adviser and the Clients on the one hand, and the portfolio company or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length.

In certain instances, a portfolio company owned by one Client may compete with, may be a customer of, or may be a service provider to, a portfolio company owned by another Client. In addition, in certain circumstances, a portfolio company owned by one Client may enter into a

leasing arrangement, or may be a tenant of, a portfolio company or property owned by the same Client, another Client, or the Adviser or its affiliates. Payments under such leasing arrangements and similar arrangements will not offset or reduce the Advisory Fee and will not otherwise be shared with the applicable Client, and there can be no assurance that the terms of such arrangements will be the lowest cost or best terms available for such portfolio company. In providing advice to a portfolio company or property, the Adviser is not obligated to and need not take into consideration the interests of other relevant portfolio companies, properties, or Clients. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company or property may have adverse consequences to another portfolio company or property owned by the same Client, another Client, or the Adviser.

A Client's portfolio companies may be counterparties or participants in agreements, transactions, or other arrangements with portfolio companies of other Clients managed by the Adviser that, although the Adviser determines to be consistent with the requirements of such Clients' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to affiliates of the Adviser that are not subject to the Advisory Fee offset provisions described herein. For example, the Adviser may cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale), and other similar operational initiatives that may result in fees, better pricing, rebates, commissions or similar payments, and/or discounts being paid to the Adviser, its affiliates, or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing, and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser, will only take actions that are beneficial to, or not opposed to, the interests of a Client and its portfolio companies.

Certain members of a Fund's advisory board are, or in the future will be, officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund will from time to time utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

Service Providers

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Clients, and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers are, in certain circumstances, investors in a Client or affiliates of such investors and may include, for example, investment or commercial

bankers, outside legal counsel, pension consultants, and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Client, or during the term of such investor's investment in the Client. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Client, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, employees of the Adviser or its affiliates, and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that an Adviser may have with a service provider can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Client or a portfolio company. The Adviser will have a conflict of interest with the Clients in recommending the retention or continuation of a service provider to the Clients or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Clients or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Client(s)), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Because the Adviser often does not have visibility or influence regarding advantageous service rates or arrangements, there may be situations in which the Adviser receives more favorable service rates or arrangements than the Clients or their portfolio companies.

The Adviser or its affiliates and service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Clients and/or their portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Clients and/or its portfolio companies.

Property-Related Services

As described in Item 5 above, subject to the terms of the Organizational Documents, the Adviser may, on behalf of a Client, from time to time engage affiliates of the Adviser to provide (and may be compensated for providing) certain Property-Related Services to the investments. Additionally, affiliated service providers (including affiliated property managers) will be reimbursed for certain expenses and costs incurred in connection with the provision of the Property-Related Services, including the salaries and travel expenses of the applicable employees, which may be substantial. Any such fees and reimbursements paid by the Client or the investment to such affiliates are in addition to the Advisory Fee and Carried Interest received by the Adviser or its affiliates, and such fees and reimbursements will not be shared with such Client, will be in addition to, and will not offset the Advisory Fee. Notwithstanding such

retention, certain elements of the Property-Related Services and performance thereof may then be subcontracted to third parties in whole or in part. The Organizational Documents of certain Clients set forth parameters and/or restrictions on the use of affiliated service providers.

Clients or the investments will bear costs and expenses based on allocable overhead associated with employees working for the affiliated service provider on the relevant matters (including salaries, benefits, and other similar expenses) and will reimburse the service provider for certain reasonable related expenses. The Adviser will make determinations of market rates in its reasonable discretion, based on its consideration of a number of factors. Such market comparisons may not result in precise market prices for comparable services.

In those instances in which such services benefit multiple portfolio companies, properties, other investments or multiple investment vehicles, such fees may be prorated or allocated in a reasonable manner among such entities or vehicles as determined by the Adviser.

While the Adviser believes using such affiliated service providers benefits the investments and the Clients, a conflict of interest exists as the Adviser has the discretion to select, or recommend to a Client, such affiliated service providers. While a portion of the expenses incurred in connection with Property-Related Services may be directly reimbursed by tenants of the applicable investments, subject to the terms of the agreements with such tenants, some or all of such expenses are otherwise reimbursed by the applicable Client. A conflict of interest arises when engaging an affiliate of the Adviser to perform Property-Related Services, because the Adviser has an incentive to recommend an affiliate even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost. In addition, payment of these fees for Property-Related Services may create an incentive for the Adviser to hold investments longer than it may otherwise hold which may result in lower returns for the Clients.

Positions with Portfolio Companies

Certain employees of the Adviser serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflict with those of the Fund, it is expected that the interests will be aligned. Additionally, such employees will be required to remit all of any remuneration they receive as directors to the applicable General Partner, and such remuneration will be subject to Advisory Fee reductions as discussed previously. In addition, certain employees of the Adviser will from time to time leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company.

Decisions made by a director may subject the Adviser, its affiliate, or a Client 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.

From time to time, employees of the Adviser may also be asked to serve as directors of, or observers with respect to, certain entities in which a Client has fully exited its ownership interest. Such companies are not portfolio companies of the Client and as a result, any compensation

received by such Adviser employee is not subject to the Advisory Fee offset described above, or otherwise shared with the Clients and/or investors.

Additionally, certain Adviser personnel may be seconded to one or more portfolio companies and provide finance and other services to such portfolio companies, and the compensation and expenses for such personnel during the secondment may be borne by the portfolio companies. To the extent the Adviser receives any fees or expense reimbursement from a portfolio company with respect to such personnel, in the event that employee is not a principal of the Adviser and is spending a material portion of his or her business time in a non-director management role at the portfolio company, it is expected that such fees or expense reimbursement will not result in any offset against the Advisory Fees payable by a Fund.

Side Letter Agreements; Advisory Board Rights

Pursuant to the Funds' Organizational Documents, the Adviser routinely enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory, or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, veto rights, and liquidity, alteration of the distribution preferences, formula, and percentages set forth in the Fund's Organizational Documents, including wholly or partially waiving the carried interest and management fees with respect to such investor, or transfer rights. Except as otherwise agreed with an investor, the Adviser (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund.

Generally each Fund establishes an advisory board consisting of representatives of investors. A conflict of interest may exist when some, but not all, limited partners are permitted to designate a member to the advisory board. The advisory boards meet as required to consult with the Adviser as to certain potential conflicts of interest, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory board. Representatives of the advisory board may have various business and other relationships with the Adviser and its partners, employees, and affiliates. These relationships may influence the decisions made by such members of the advisory board.

In addition, members of one Fund's advisory board may also be a member of another Fund's advisory board. In such instances, a conflict of interest exists because the Funds on which such overlapping advisory board members may have conflicting interests and such advisory board members may be requested to provide their consent with respect to such conflicts of interest and may not recuse themselves from any such vote.

Advisory Affiliates

As described in Item 10 above, certain of the Adviser's investment adviser affiliates have their own Clients. Clients of the Adviser and these affiliates will from time to time invest in the same portfolio companies, including in the same security or in different securities of such a portfolio company. Interests of the Adviser's clients therefore conflict with the interests of the clients of these affiliates. For instance, see "*Allocation of Investment Opportunities Among Clients*" and "*Conflicts Related to Purchases and Sales*" above for more information.

Other Potential Conflicts

The Organizational Documents of a Client establish complex arrangements among the Clients, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Client or its investors.

The Adviser and the Clients will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Clients will on occasion be investors in a Client, and will at times also represent one or more portfolio companies or investors in a Client. In the event of a significant dispute or divergence of interest between Clients, the Adviser, and/or its affiliates, the parties will engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation will often be required. Additionally, the Adviser and the Clients will from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Clients, and/or the portfolio companies. This creates a conflict of interest between the Adviser, on the one hand, and the Clients and/or the portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Adviser and/or Clients.

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Client expenses may result in "miles" or "points" or credit in loyalty/status programs to the Adviser and/or its personnel, and such rewards and/or amounts will exclusively benefit the Adviser and/or such personnel and will not

be subject to the offset arrangements described above or otherwise shared with such Client, its investors, and/or the portfolio companies.

The Adviser has in the past and, in its discretion, may, in the future, cause the Clients and/or their portfolio companies to have, ongoing business dealings, arrangements, or agreements with persons who are former employees or executives of the Adviser. The Clients and/or their portfolio companies typically bear, directly or indirectly, the costs of such dealings, arrangements, or agreements. In such circumstances, there is a conflict of interest between the Adviser and the Clients (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements, or agreements, including the possibility that the Adviser will favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Investors may be introduced to the Adviser, or may be brought in a Client, by a third-party consultant from which the Adviser or a related person purchases products and to which the Adviser or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Adviser from time to time causes one or more Clients to purchase, and/or bear premiums, fees, costs, and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Clients, the applicable general partner, the Adviser and/or their respective directors, officers, employees, agents, representatives, members of the advisory board and other indemnified parties, against liability in connection with the activities of the Clients. This may include a portion of any premiums, fees, costs, and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Clients and/or the Adviser (including their respective directors, officers, employees, agents, representatives, members of the advisory board, and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs, and expenses for such “umbrella” or other insurance policies among one or more Clients, and/or the Adviser on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Client bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Certain portfolio companies of the Clients are, or have been, counterparties or participants in agreements, transactions, or other arrangements with the Adviser, its affiliates, or other portfolio companies of the Adviser’s clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts, or other financial benefits. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.

The Clients may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“Holding Company”) would be created that would acquire and manage the companies in the platform. The Holding Company would be

staffed with personnel responsible for sourcing, acquiring, and managing companies for the Holding Company. The Holding Company's costs and expenses (including compensation for its personnel, which compensation may include, among other things, the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets) would be borne by the Holding Company (and, therefore, indirectly borne by the Client). Such costs and expenses will not offset the Advisory Fee and are in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser. In addition, as the Adviser earns Advisory Fees and Carried Interest from the Client, the Adviser will benefit from the assets, income, and gains of Holding Company.

If a Client purchases in the secondary market at a discount debt securities of a company in which a Client has, for example, a substantial equity interest, (a) a court might require a Client to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Client might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

The General Partner, or its affiliates, as an investor in a Fund, may receive distributions in kind from an investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner may act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold onto the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner, or affiliate, as an adviser to the Client, and the Client.

The Organizational Documents of certain Clients permit each such Client's General Partner, or its affiliates, to lend money to the applicable Client. Such lending arrangements create conflicts of interest between the applicable General Partner or affiliate and the Client acting as borrower.

The Organizational Documents of certain Clients generally permit each such Client's General Partner to withhold information from certain limited partners or investors in such Client in certain circumstances. For instance, information may be withheld from limited partners of certain Clients that are subject to Freedom of Information Act or similar requirements. In addition, the General Partner will generally elect to withhold certain information from such limited partners for reasons specified in the Organizational Documents of the applicable Client, which includes, if the General Partner believes such disclosure would have an adverse effect on such Client or any portfolio company of such Client, is not in the best interest of such Client, or could damage such Client or its business, despite the potential benefits to such limited partners of receiving such information.

In addition, the Adviser has established in the past, and may establish in the future, other separate accounts with portfolios significantly similar to those of one or more Clients. Consequently, investors in the relevant separate account may have access to information about such portfolio holdings before investors in such Client.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons generally seek to alleviate conflicts of interest among the Clients or other persons.

Item 12. Brokerage Practices

As the Clients invest primarily in private equity and real estate ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Clients, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For the Funds and certain Separate Account Clients, the Adviser has, subject to the direction of such Client’s General Partner, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction in public securities for a Client involving a broker-dealer, the Adviser will seek “best execution” of the transaction. “Best execution” means obtaining for a Client account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular public securities transaction, the Adviser takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks (“ECNs”) when placing public securities trades on behalf of the Funds. When purchasing or selling over-the-counter public securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser’s Chief Compliance Officer will periodically assess the quality of execution of public securities brokerage transactions effected on behalf of the Adviser and each applicable Client.

The Adviser does not receive “soft dollars” in connection with its use of broker-dealers.

Aggregation of Trades

The Adviser and its affiliates may aggregate the orders of more than one Client for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this

practice because larger transactions enable them to obtain better overall prices, including lower commission costs, mark-ups, or mark-downs. The Adviser and its affiliates may combine orders on behalf of Clients with orders for other Clients for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Client will receive the average price for each execution of a transaction.

If an order for more than one Client for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Clients are generally private, illiquid, and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Clients and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an ongoing basis. The team generally includes at least one Managing Director and other investment professionals of the Adviser.

Reporting

Investors in the Clients typically receive, among other things, a copy of audited financial statements of the relevant Client within 90 days after the fiscal year end of such Client, as well as quarterly performance reports within 45 days after each fiscal quarter end. The Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Client to one or more investors in such Client as they deem appropriate.

Investors in Separate Account Clients will typically negotiate reporting requirements specific to their account. In the event of individually negotiated terms for Separate Account Clients, the Adviser will provide the reporting mutually agreed to by the parties as described in their Organizational Documents of such Separate Account Client.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons will, in certain instances, receive discounts on products and services provided by portfolio companies of Clients and/or the customers or suppliers of such portfolio companies.

While not a client solicitation arrangement, the Adviser will from time to time engage one or more persons to act as a placement agent for a Client in connection with the offer and sale of

interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Client that are subsequently accepted and reimbursement for agreed upon expenses. Such Client may, subject to any limitations set forth in its Organizational Documents, reimburse such fees. Advisory Fees received by the Adviser or its affiliates are generally reduced by the amount of such fees. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

Item 15. Custody

As the Adviser relies on the “audit exemption” under the Advisers Act custody rule (i.e., Rule 206(4)-2(b)(4)), investors in the Clients will not receive account statements from the Clients’ custodians.

Item 16. Investment Discretion

Investment advisory services are provided to the Clients in accordance with the Organizational Documents of the applicable Client. Investment restrictions for the Clients, if any, are generally established in the Organizational Documents of the applicable Client. With respect to certain Separate Account Clients, such services are provided on a non-discretionary basis. Investment advice is provided directly to the Clients (subject to the direction and control of the General Partner of each such Client or, in the case of certain Separate Account Clients, the unaffiliated investor in such Separate Account Client, if applicable) and not individually to investors in such Client.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Clients (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Client by maximizing the economic value of the relevant Client’s holdings.

Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. While the recommendation of management on any issue is a factor which the Adviser considers in determining how Votes should be made, the Adviser does not consider recommendations from management to be determinative of the Adviser’s ultimate decision. As a matter of practice, the Votes with respect to most issues are cast in accordance with the position of the portfolio company’s management. Each issue, however, is considered on its own merits, and the Adviser will not support the position of a portfolio company’s management in any situation where it determines that the ratification of management’s position would adversely affect the investment merits of owning that company’s securities.

Additionally, in some circumstances, a Client will from time to time be party to stockholder or voting agreements requiring it to vote in a manner described in such agreements, in which case the Client is bound to comply with these voting objectives. The investment team for an investment is responsible for monitoring compliance with any such voting agreement.

The fiduciary duty that the Adviser owes the Clients prohibits the adoption of a policy to enter default proxy votes in favor of management. Thus, the Adviser and the relevant investment team will review all proxies in accordance with the general principles outlined in its policy.

The Adviser is not required to vote every proxy and will refrain from voting when refraining from voting is in a Client's best interest, as determined by the Advisor in its sole discretion.

The Adviser's Chief Compliance Officer has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. The Adviser's Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Clients.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any client or prospective client at no charge upon written request to: David Smolen at compliance@gipartners.com.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.