

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

SOUTH HARBOR MANAGEMENT LLC

December 9, 2020

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This brochure (this "Brochure") provides information about the qualifications and business practices of South Harbor Management LLC (the "Investment Manager," the "Firm," "we," "us," and similar terms). If you have any questions about the contents of this Brochure, please contact us at 603-319-7684 or by email at tom@highland-pellets.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

This Brochure also relates to South Harbor GP I LLC (the "Fund General Partner"); however, to the extent the qualifications and business practices of the Fund General Partner are substantially similar to those of the Investment Manager, no specific mention of the Fund General Partner is made herein.

The Investment Manager is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about the Investment Manager also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

This Brochure is the Investment Manager's initial brochure filed in connection with its application for SEC registration as an investment adviser. As such, there are no material changes to this Brochure to be discussed in this Item 2. The Investment Manager is applying for SEC registration in reliance on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days. The Investment Manager expects to amend this Brochure within 120 days of its registration becoming effective to reflect its eligibility for SEC registration and any other material developments in its business.

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ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm

South Harbor Management LLC (the "Investment Manager," the "Firm," "we," "us," and similar terms) is a Delaware limited liability company that was formed in 2020. Our principal office and place of business is located in New Castle, New Hampshire. Thomas Reilley (the "Principal") is our principal owner and Chief Executive Officer and he is responsible for the day-to-day investment activities of the Investment Manager and the Fund (as defined below).

The Principal is also the managing member and principal owner of South Harbor GP I LLC (the "Fund General Partner"), and our registration on Form ADV also covers the Fund General Partner. The Fund General Partner is an affiliate of the Investment Manager and it serves or may serve as the general partner of investment vehicles that are U.S. or offshore partnerships. The Fund General Partner's facilities and personnel are provided by the Investment Manager.

B. Description of Advisory Services

1. Advisory Services

We expect to serve as the investment adviser, with discretionary investment authority, to private investment vehicles, the securities of which will be offered to investors on a private placement basis (collectively, the "Funds") and, potentially, separately managed accounts (each, a "Managed Account"). As used herein, the term "client" generally refers to each Fund and Managed Account. Initially, we will manage one Fund: Highland LP. (the "Fund").

2. Investment Strategies and Types of Investments

We generally will pursue a private equity investment strategy that seeks to make control investments in private companies. Initially, the Fund is expected to hold one investment, a renewable energy company based in Arkansas engaged in the manufacture of industrial wood pellets. The Investment Manager expects to make additional investments in other businesses in the wood pellets and biomass sector, either through the Fund or subsequent Funds. Although we primarily intend to make control investments in the equity of private companies, we may cause our clients to take positions in other securities or financial instruments, such as debt instruments or public securities.

The descriptions set forth in this Brochure of specific advisory services that we offer to our clients, and investment strategies we pursue and investments we make on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

C. Availability of Customized Services for Individual Clients

Our investment decisions and advice with respect to each client are subject to each client's investment objectives and guidelines, as set forth in its respective governing documents.

The Investment Manager, in its role as investment adviser to the Funds, and/or the Fund General Partner, in its role as the general partner of certain Funds that are partnerships, expect to agree from time to time to supplements, clarifications, or variations of the terms of a Fund's offering, subscription, or organizational documents in "side letters" or similar agreements.

D. Wrap Fee Programs

We do not currently participate in any wrap fee programs.

E. Assets Under Management

As of December 1, 2020, the Investment Manager does not have any client assets under management on a discretionary or non-discretionary basis. The Investment Manager is applying for SEC registration in reliance on rule 203A-2(c) and, accordingly, expects to have at least \$100 million in assets under management within 120 days of its registration becoming effective.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation

The fees applicable to each client will be set forth in detail in each client's governing documents. A brief summary of such fees, expenses, and compensation with respect to the Fund (all of which is qualified by and subject to the language of the Fund's governing documents) is provided below.

1. Management Fees

The Fund is expected to pay a quarterly management fee (the "Management Fee") calculated with respect to each limited partner at a rate equal to 2.50 per cent per annum of such limited partner's capital commitment to the Fund for the first 5 years, and 1.75 per cent for the remaining life of the Fund. The Management Fee shall accrue in quarterly installments in advance on each January 1, April 1, July 1 and October 1 (or as otherwise set forth in the Fund's governing documents) and shall be prorated for any applicable period of less than a full three-month period. For the avoidance of doubt, the Investment Manager may defer, waive and/or reduce the Management Fee with respect to any limited partner, including affiliated limited partners, in its sole discretion.

2. Performance Allocation

An affiliate of the Investment Manager is expected to be entitled to receive a 25 per cent performance-based allocation from the Fund (the "Performance Allocation") as disclosed in the Fund's limited partnership agreement. For the avoidance of doubt, the Investment Manager may defer, waive and/or reduce the Performance Allocation with respect to any limited partner, including affiliated limited partners, in its sole discretion.

B. Additional Fees and Expenses

As set forth in detail in the Fund's limited partnership agreement, the Firm and the Fund General Partner will be entitled to be reimbursed for expenses that are required to be borne by the Fund and incurred in connection with operating the Fund. Those expenses are expected to include: (i) reasonable organizational expenses of the Fund and any Fund related entity; (ii) any and all fees, costs and expenses incurred in connection with the discovery, investigation, evaluation, purchase, holding, monitoring, sale and exchange of Investments (whether or not consummated), including, without limitation, private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, broken deal expenses, development, operating fees (including without limitation fund accounting and investor reporting portal software programs) and legal, accounting, investment banking, consulting, information services, professional fees and expenses; (iii) any and all costs and expenses incurred in connection with the development, acquisition, holding, disposition, carrying or management of Investments, including, without limitation, custodial fees, trustee fees, maintenance and storage costs of books and records and other administration fees; (iv) any and all costs and expenses incurred in connection with the Fund's financial statements and reports, tax returns, Schedules K-1 (or similar schedules) and any other communications with Fund's limited partners; (v) any and all fees and disbursements of external attorneys, accountants, industry consultants, auditors and other operational and professional advisors relating to Fund matters, including those incurred in connection with any documents, agreements or financial statements required by the Fund's governing documents; (vi) any and all taxes and other governmental charges that may be incurred or payable by the Fund and not specifically chargeable to any particular investor under the

relevant governing documents; (vii) any and all insurance premiums and expenses and regulatory and litigation expenses (and damages) incurred by the Fund in connection with the activities of the Fund, including life insurance in respect of any Principal for the benefit of the Fund, as well as errors, omissions, fidelity, general partner liability, fiduciary, directors' and officers' insurance and similar coverage for certain persons acting on behalf of the Fund or any Fund related entities; (viii) any and all costs and expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities of the Fund, the Fund General Partner and the Investment Manager or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith and including regulatory expenses of the Fund General Partner and the Investment Manager related to the preparation and filing of Form PF and other similar regulatory filings, expenses related to filings required under the Securities Exchange Act of 1934, as amended, and preparation and filing of reports under the Commodity Exchange Act of 1936, as amended; (ix) any and all costs and expenses incurred in connection with the dissolution, liquidation, winding up or termination of the Fund; (x) any and all costs and expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the Fund and Fund related entities; (xi) any and all costs and expenses incurred in connection with any valuation of the assets of the Fund; (xii) any and all costs and expenses related to defaults by Fund investors in the payment of any capital contributions (to the extent not paid by the defaulting investor); (xiii) any and all costs and expenses incurred in connection with distributions to the Fund investors; (xiv) reasonable costs and expenses incurred in connection with any meeting of the Fund investors; (xv) reasonable costs and expenses related to the Fund's indemnification obligations; (xvi) any and all interest on, and fees and expenses arising out of, or otherwise incurred by the Fund in obtaining, any Fund debt; (xvii) any and all fees, costs and expenses incurred in connection with any outsourcing of the administration of the Fund (including, for the avoidance of doubt, the fees, costs and expenses of any third-party administrator); and (xviii) the Management Fee.

C. Prepayment of Fees

Generally, the Fund is expected to accrue a Management Fee quarterly in advance. Such amounts shall be prorated for any applicable period of less than a full three-month period and if the period from the due date immediately preceding the termination of the Fund to the date of the termination is less than a full three-month period, any excess Management Fee paid in advance shall be returned to the Fund.

D. Additional Compensation and Conflicts of Interest

Neither the Investment Manager nor any of its supervised persons are expected to accept compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

ITEM 6
PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above, affiliates of the Investment Manager accept performance-based allocations from the Fund. Because the Performance Allocation is based on a percentage of net capital appreciation and/or realized profits (as applicable), the existence of Performance Allocation arrangements with the Funds could create an incentive for the Investment Manager to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such arrangements.

Performance Allocation arrangements with respect to future investment funds advised by the Firm may differ from the arrangements with the Fund. Such variation could create an incentive to direct investment opportunities to investment funds that pay or allocate a higher Performance Allocation, where such discretion is permitted. The Firm will seek to address such conflicts on a fair and equitable basis in its good faith discretion and will maintain policies and procedures to address the potential conflicts of interest described above through careful review of investment opportunities, including review of available capital, anticipated duration of the investment, likelihood of profitability, portfolio diversification requirements, liquidity requirements and other appropriate factors.

ITEM 7

TYPES OF CLIENTS

The clients to whom the Firm expects to provide investment advisory services are private investment funds, the securities of which are offered to investors on a private placement basis, that invest primarily in private equity. The Firm may also provide advisory services to Managed Accounts.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

The Firm expects to provide investment advice to the Funds by primarily seeking equity investments in private companies. Initially, the Fund is expected to hold one investment, a renewable energy company based in Arkansas engaged in the manufacture of industrial wood pellets. Utilizing the operating expertise of its investment professionals, the Firm seeks to increase and sustain the value of investments made by the Fund.

The Investment Manager expects to make additional investments in other businesses in the wood pellets and biomass sector, either through the Fund or subsequent Funds. In making these additional investments, the Firm will use various methods of investment analysis to seek to provide what it believes is sound investment advice. Notwithstanding the Firm's investment analysis, investing in securities involves a risk of loss. Although we primarily intend to make control investments in the equity of private companies, we may cause our clients to take positions in other securities or financial instruments, such as debt instruments or public securities.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

The following risk factors do not purport to be a complete list or explanation of the risks involved in investments made by the Funds. These risk factors include only those risks the Firm believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis currently employed by the Firm.

Equity Securities Generally. The Funds' investment portfolios are expected to include equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial conditions of individual companies. As a result, the Funds may suffer losses if we cause them to invest in equity instruments of issuers whose performance diverges from our expectations. Our clients also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale

Use of Leverage at the Portfolio Company Level. In certain circumstances, the Firm intends to use leverage by, for example, having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund'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 (and such credit markets may be impacted by regulatory restrictions and guidelines). The state of the broader credit markets is difficult to accurately forecast and, as a result, it may be difficult at times for a Fund to obtain or maintain the desired degree of leverage. In these circumstances, a Fund would be required to deploy additional commitments, to the extent available, which would further increase concentration. The use of leverage also typically imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a portfolio company's condition or industry sector, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio

companies in a down market. In the event any portfolio company cannot generate adequate cash flows to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency.

Principal and interest payments on indebtedness (including loans having “balloon” payments) may be required regardless of the sufficiency of cash flow from the investments. Loans requiring “balloon” payments may involve greater risks than loans where the principal amount is fully or partially amortized over the term of the loan, since the ability to repay the outstanding principal amount of a “balloon” loan may be dependent upon the liquidity of the portfolio company or the ability to obtain adequate replacement financing, which will, in turn, be dependent upon interest rates and lenders’ policies at the time of refinancing, economic conditions in general and the value of the underlying investment. There is no assurance that replacement financing will be available to make “balloon” payments or that any replacement financing available will be on favorable terms. Lenders or other holders of senior positions to a Fund’s equity will be entitled to a preferred cash flow prior to a Fund receiving a return on leveraged portfolio companies, and in the event a portfolio company is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness or where there is a breach of a performance covenant, the value of a Fund’s equity investment in such portfolio company could be significantly reduced or even eliminated and distributions may be reduced or suspended to repay the borrowings.

Fund-Level Borrowing. In certain circumstances, Funds are expected to borrow funds, from time to time, to the extent not prohibited by the relevant limited partnership agreement, for investment or other business purposes pending receipt of capital contributions, such as the payment of organizational expenses and Management Fees, and to provide guarantees of portfolio companies, subject to certain limitations provided in the relevant limited partnership agreement. The use of leverage by a Fund also will result in interest expense and other costs to such Fund that may not be covered by distributions made to the Fund or appreciation of its investments. Such borrowing may be used for, among other purposes, the purchase of portfolio investments as they become available in advance of the receipt of anticipated funds from capital contributions or realizations or otherwise when capital contributions are not available. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. As security for such borrowing or guarantees, such Fund may grant liens on any of such Fund’s assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio investment. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a limited partner of such Fund to such assets in an insolvency event or proceeding. Although borrowings by a Fund may enhance overall returns, they may further diminish returns (or increase losses) to the extent returns during the borrowing are less than such Fund’s cost of funds or in the event of default. In borrowing on behalf of a Fund, the Firm is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund’s preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. It is expected that costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Required repayments of debt and related interest can adversely affect a Fund's operating performance. A Fund may have significant credit facilities as well as holding and operating company debt for which such Fund provides a guarantee or equity support agreement, each of which may be subject to these various risks. A Fund may also incur additional debt in connection with future acquisitions or investments by such Fund or portfolio companies. A Fund, in some instances, may borrow under an existing credit facility or borrow new funds to acquire investments. In addition, a Fund may incur or increase its leverage by obtaining loans secured by a portfolio of some or all of the portfolio investments acquired. In the event that a Fund is unable to repay any credit facility borrowings from its cash flows, such Fund may be required to dispose of investments to repay the lender(s). If a Fund is required to dispose of investments in order to repay lender(s) at an inopportune time or on an expedited basis, it may not realize as much value upon such disposition as it would receive in connection with an orderly disposition.

A Fund's credit facilities will likely contain restrictions, requirements and other limitations on the such Fund's ability to incur indebtedness, including financial covenants and asset-level covenants in the case of non-recourse financing. A Fund's ability to borrow under its credit facilities and, in certain cases, its ability to respond to changes in the performance of its investments are subject to these financial and other covenants. A Fund may also have to pay break funding costs if it satisfies a debt fully or partially within a certain period of incurring the debt. A Fund may be limited in its ability to respond to changing operational circumstances with respect to an investment in ways it would have done had it not been subject to asset-level covenants.

Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the Fund General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

Bridge Financings. A Fund may provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Fund's limited partnership agreement, in which case the investment would be treated as a permanent investment of such Fund. As a result, such Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, which may exclude bridge financing investments.

Available Investments; Limited Liquidity of Investments. The private equity investment industry in which the Funds are engaged is highly competitive. Further, the identification of suitable investments is a difficult task, and there can be no assurance that the Funds will be able to implement their respective investment objectives. There is no assurance that the Investment Manager will be able to identify sufficient attractive investment opportunities to enable the full amount of capital committed to the relevant Fund to be invested. However, limited partners of a Fund will be required to pay annual Management Fees as described in Item 5 of this Brochure. The Investment Manager also may encounter significant competition for many of the investments it selects. Many of the Funds' (and the Firm's) competitors may have greater financial and other resources and may have better access to suitable investment opportunities. Potential competitors include other investment partnerships and corporations,

governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. As the size of the Funds has increased, competitors may change and some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the Firm, the Fund General Partner, the Funds and their affiliates. The Firm expects that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which portfolio investments can be made. Participating in auctions will also increase the pressure on the Funds with respect to pricing of a transaction. For example, given the increasingly more competitive environment, it may become more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate the transaction if there has been a material adverse change in the company's business prior to closing of the investment.

An investment in a Fund should be viewed as an illiquid 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. A Fund's exit strategy with respect to one or more investments can be affected adversely by numerous factors, many of which may be unforeseen or unexpected at the time the investment is made. Moreover, the limited liquidity of investments may adversely affect a Fund's ability to implement its exit strategies in the face of unexpected developments.

It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. Moreover, limited partners of a Fund may be allocated taxable income although they have not received any distributions. Furthermore, the costs and expenses incurred in connection with operating a Fund (including Management Fees) may exceed such Fund's income, thereby requiring that the difference be paid from such Fund's capital.

No Diversification Requirement; Risk of Loss. The Fund is initially expected to own one investment. Thus, the unfavorable performance by such investment would have a substantial adverse impact on the aggregate returns realized by the investor. In addition, although the Firm expects that most investments will include the characteristics identified in the relevant Fund's governing documents, the Funds may also make opportunistic investments in other assets.

Reliance on the Investment Manager and Portfolio Company Management. Control over the operation of the Fund will be vested with the Investment Manager and the Fund General Partner, and the profitability of a Fund depends largely upon the business and investment acumen of the Firm's principals and other senior investment professionals and the actions of the Investment manager. No limited partner of a Fund has the right, power or authority to participate in the ordinary and routine management of the affairs of such Fund or to exercise any control over the decisions of the Investment Manager. The loss or reduction of service of one or more of the Firm's principals or other senior investment professionals could have an adverse effect on a Fund's ability to identify investment opportunities and/or realize its investment objectives. In addition, certain changes in the Firm or

circumstances relating to the Firm would, if they were to occur, have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

The Investment Manager monitors the performance of each investment made by the Fund; however, it is primarily the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Funds generally seek to invest in portfolio companies with strong management or recruit strong management to such portfolio companies, there can be no assurance that the management of such portfolio companies will be able or willing to successfully operate a portfolio company in accordance with any of the relevant Fund's objectives. Additionally, portfolio companies will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate or retain suitable members of their management teams and, as a result, the Funds and their investments may be adversely affected.

Contingent Liabilities on Disposition. In connection with the disposition of an investment, a Fund and the Fund General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties (e.g., about the business and financial affairs of a portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses) and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the relevant Fund and, ultimately, its limited partners. The Investment Manager may establish reserves as appropriate to provide for such contingent liabilities. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of the relevant Fund, such Fund's limited partners may be required to repay to such Fund all or a portion of distributions previously received by them in respect of such portfolio company.

Risk of Minority Positions in Portfolio Companies; Lack of Unilateral Control. If, as part of its overall investment strategy, a Fund elects at any time to hold a minority position in one or more portfolio companies, it may not be able to exercise control over such companies. The amount of non-control investments that a Fund is permitted to make is expected to be governed by the constituent governing documents of such Fund. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the relevant Fund or its limited partners. Such third parties may be in a position to take action contrary to such Fund's business, tax or other interests, and such Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Need for Follow On Investments. Following an initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to

increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow on investments or will have sufficient funds to make all or any of such investments. Any decision by a Fund 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 (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful operation or the dilution of such Fund's ownership and/or governance in a portfolio company if a third party invests in such portfolio company. Follow-on investments may be necessary to support existing portfolio investments but returns on such new capital may be limited. Furthermore, no assurance can be made that any follow-on investment made by a Fund will be profitable to such Fund.

Effect of General Economic and Market Conditions in the Funds' Activities; Uncertain Environment. The success of the Funds' activities will be affected by general economic and market conditions such as interest rates, availability of credit, credit defaults, liquidity shortages, inflation rates, economic uncertainty, changes in law and regulations (including laws relating to taxation of the portfolio investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the portfolio investments, which could impair a Fund's profitability or result in losses. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event such Fund is not able to close a transaction and/or the inability of a Fund to dispose of investments at prices that its General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objectives.

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest, a shutdown of the United States federal government or declaration of a national emergency or war. Many business leaders expect the U.S. and Western Europe to enter into a recessionary period. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to achieve attractive dispositions of their businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

While the Firm expects that the current environment will yield attractive investment opportunities for the Funds, there can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of the portfolio investments, its access to capital for leverage, a portfolio company or each Fund's overall performance. A recession, slowdown and/or sustained downturn in the

global economy (or any particular segment thereof) could have a pronounced impact on a Fund and could adversely affect such Fund's profitability, impede the ability of the portfolio companies to perform under or refinance their existing obligations, and impair a Fund's ability to effectively deploy its capital or realize its investments on favorable terms. In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect a Fund's performance. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's or a Fund's capital structure.

It is important to understand that in light of the nature of certain investments, a Fund may not be able to react quickly to changes in market conditions and a Fund could incur material losses even if it reacts quickly to difficult market conditions. There can be no assurance that a Fund will not suffer material adverse effects from broad and rapid changes in market conditions.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds. Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across several of the world's largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects are possible, including a , are possible, including that the current economic downturn may continue for indeterminate duration and severity. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are

evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including the potential for defaults by borrowers under debt instruments held by the Funds. With respect to any revolving or delayed draw loans made by a Fund to a portfolio company, a portfolio company may be incentivized for liquidity or other reasons to draw on most, if not all, of the unfunded portion of such loan and the Fund may not have the ability under the applicable credit agreement to refuse to fund such draw without the Fund being in default and suffering financial penalties. In addition, the operations of the Funds, their portfolio companies, and the Firm may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the Fund General Partner or the Firm generally will be specified, and in many cases strictly limited, by the governing documents of the Fund. In particular, it is anticipated that the Investment Manager and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the Firm's control. Decisions by the Firm or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor the Firm and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records,

similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and the Firm reserves the right to withhold certain information from investors subject to such laws for reasons relating to the Firm's public reputation, business strategy or other reasons.

Evolving Legal and Regulatory Landscape. The Fund may be impacted by future developments in the U.S. regulatory environment applicable to private equity funds, hedge funds or other alternative investment products and their managers. Joseph R. Biden was elected president of the United States in November 2020 and, although the full scope of President Biden's legislative and regulatory agenda is not yet fully known, it may include the repeal of certain deregulatory measures for the U.S. financial services industry implemented by the previous administration, as well as new laws, regulations or initiatives applicable to the Fund. It is difficult to determine the ultimate scope and extent of the impact of any such new laws, regulations or initiatives. Compliance with new laws or regulations could make compliance more difficult and expensive and affect the manner in which the Fund, the Fund General Partner and the Investment Manager operates. There may also be an increase in regulatory investigations of the investment activities of alternative asset management funds and their managers, including the Fund, the Fund General Partner and the Investment Manager. Such investigations may impose additional expenses on the Fund, may require the attention of senior management and may result in fines or enforcement actions if the Fund is deemed to have violated any regulations.

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of the Firm and its affiliates, the Firm may come into possession of confidential or material nonpublic information. Therefore, the Firm and its affiliates may have access to material, nonpublic information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Firm's internal policies. Similarly, anti-money laundering, antiboycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Firm or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust remedies relating to one Fund's acquisition of a portfolio company may require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of the Firm's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the Firm or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part.

Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Cybersecurity Risks. Cyber-attacks and other malicious internet-based activity continue to increase in frequency and magnitude. Recent events have illustrated such ongoing cybersecurity risks to which operating companies are subject. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners (including vendors and portfolio companies), may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. As part of its business, the Firm processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the limited partners. Similarly, service providers of the Investment Manager and/or the Funds, especially any administrator, may process, store and transmit such information. A Fund's and its portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, denial-of-service attacks, infiltration by unauthorized persons and security breaches, usage errors or malfeasance or malfeasance by their respective professionals or service providers; power, communication or other service outages; and catastrophic events such as fires, tornadoes, floods, hurricanes, typhoons, earthquakes, wars, terrorist attacks and other similar events.

Although the Investment Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager, a Fund and/or a portfolio company may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. To the extent that the Investment Manager, a Fund or a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, it may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In addition, in the event of a cyber-attack or other unauthorized access to information and technology systems, numerous unforeseen costs may arise including, but not limited to, litigation costs, preventative and protective costs and remediation costs.

In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Additionally, the Firm's, a Fund's and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates or counterparties for incurred liabilities. Any of such circumstances could subject a portfolio company, or a Fund, to substantial losses.

In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Firm or one of its service providers holding its financial or investor data, the Firm, its affiliates and/or one or more Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks.

United Kingdom ("UK") Exit from the European Union (the "EU"). On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU ("Brexit"). After a number of iterations, the European Commission and the UK's negotiators reached agreement on the terms of the UK's withdrawal from the EU, and these terms have been approved by the UK and EU Parliaments. The UK formally left the EU on January 31, 2020 after which the UK entered the transition period

specified in the withdrawal agreement, which is scheduled to end on December 31, 2020. During this period, it is expected that the majority of the existing EU rules will continue to apply in the UK.

The terms of UK's exit from the EU are still uncertain, including UK's access to the EU single market permitting the exchange of goods and services between the UK and the EU. The UK expects to agree a deal on a future relationship with the EU by the end of the transitional period but whether this is possible is subject to disagreement by leaders of certain EU member states.

The future application of EU-based legislation to the private fund industry in the UK will depend, among other things, on how the UK renegotiates its relationship with the EU. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses, including the Firm and Fund portfolio companies. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Operational Risk. The Fund depends on the Investment Manager to develop and implement appropriate systems for its activities. Certain of a Fund's and the Firm's activities will be dependent upon systems operated by third parties, and the Investment manager may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Firm and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruption to third-party critical service providers, such as a Fund's auditors, external counsel and custodian, may result in other disruptions in such Fund's operations. Disruptions in a Fund's operations may cause such Fund to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on a Fund and the investors' investments therein.

Impact of Government Regulation, Reimbursement and Reform. The Fund may invest in industries that are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. While the Funds intend to invest in portfolio companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the portfolio companies in which the Funds invest. New and existing regulations and burdens of regulatory compliance may have a material adverse effect on portfolio companies that operate in these industries. Further, the ability of a Fund to make an investment could depend on obtaining required security clearance or the consent or approval of certain regulatory authorities. The portfolio companies could be adversely affected to the extent regulations or applicable laws change or become increasingly stringent as a result of judicial or administrative interpretations with respect to such issuers. Moreover, additional regulatory approvals may become applicable in the future as a result of the foregoing or for other reasons. There can be no assurance that the issuers in which a Fund holds investments will be able to obtain all required regulatory approvals or, once obtained, to maintain such

approvals in accordance with the requirements applicable thereto. Failure or delay in obtaining and maintaining any applicable regulatory approvals could adversely affect the business of a Fund.

Additionally, certain portfolio companies may have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject any such portfolio company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition. Any such problems additionally may bring scrutiny and attention to a Fund itself, which could adversely affect such Fund's ability to implement its investment objectives.

Investments in Less Established Companies. In the event that a Fund invests a portion of its assets in the securities of less established companies, such investments may involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for such securities held by such Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies tend to have shorter operating histories by which to judge performance and, in many cases, have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment therein. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which a Fund invests, such Fund may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments.

Investments in Countries Outside the United States. Subject to the restrictions set forth in the governing documents, the Fund may invest in portfolio companies that are organized, headquartered or whose primary office is located or have substantial sales or operations outside of the United States, its territories, and possessions. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another and capital repatriation regulations; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (iii) 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; (iv) governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies; (v) less extensive regulation of the securities markets; (vi) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (vii) 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 Partnership and/or the Partners with respect to the Partnership's income, and possible non-U.S. tax return filing requirements for the Partnership and/or the Partners; (viii) less developed corporate laws regarding fiduciary duties and the protection of investors; (ix) longer settlement periods for securities transactions; (x) less reliable judicial systems to enforce contracts and applicable law; (xi) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (xii) political hostility to investments by foreign or private equity investors; and (xiii) less publicly available information.

Currency and Foreign Exchange Risks. The Funds may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories and possessions, and therefore, such investments, and the income received by the Funds with respect to such investments may, therefore, be denominated in various non-U.S. currencies. However, the Funds' books and records will be maintained, and capital contributions to and distributions from the Funds will generally be made, in United States dollars. Accordingly, changes in currencies may adversely affect the U.S. dollar value of investments, interest and other revenue streams received by the Funds, gains and losses realized on the disposition of investments and the amount of distributions, if any, made by the Funds. The Investment Manager may (but is not required to) enter into hedging transactions designed to reduce such currency risks.

Energy, Energy Services and Natural Resources Industries Risks. Investments in the energy and energy services sectors by the Funds may be subject to a variety of risks including, but not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iii) environmental liability and catastrophic environmental disaster risks related to energy properties and projects; (iv) risks of equipment failures, industrial accidents, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage (if any), inability to obtain desirable amounts of insurance at economic rates and acts of God or other catastrophes; (v) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels; (vi) risks related to border disputes; (vii) risks related to the inability to obtain key inputs, (viii) risks related to changes in demand for crude oil and natural gas, (ix) risks related to unavailable or inadequate essential infrastructure and transportation; (x) risks related to the inability to obtain, or maintain, necessary approvals, permits and licenses and risks related to undeveloped acreage and construction. In addition, investments in the energy and energy services sectors are subject to force majeure and other catastrophic events, such as fires, earthquakes, adverse weather and climate conditions, changes in law, eminent domain, war, riots, terrorist attacks, labor strikes and similar risks. These events could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects.

Legal and Regulatory Matters related to Energy Investments. Energy investments generally, as well as other related industries are extensively regulated in most countries; legislative and regulatory requirements may include those related to energy, mining, zoning, environmental, safety and labor. Failure to obtain, or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operation of an investment and result in fines or additional costs. Moreover, the adoption of new laws or regulations (e.g., regulations related to the emission of greenhouse gases or hydraulic fracturing), or changes in the interpretation of existing laws or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a

material adverse effect upon a portfolio company and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Neither we nor any of our management persons are registered as broker-dealers and none of us have any application pending to register with the SEC as a broker-dealer or a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Neither we nor any of our management persons are registered as, and none of us have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationship or Arrangements with Industry Participants

The Fund is expected to be held by a single investor (the “Investor”). The Investor also currently owns the company which is expected to be the initial investment of the Fund, ownership of which will be transferred to the Fund following the Investment Manager’s SEC registration becoming effective. The close relationship with the Investor results in potential conflicts of interest, including that the Firm will likely have an incentive to provide favorable treatment or allocations of investment opportunities to the Investor (or Funds in which the Investor invests). The Firm has adopted policies and procedures that require fair treatment of all clients, including with respect to the allocation of investment opportunities. The Investor does not, and is not expected to obtain, an ownership interest in the Firm, the Fund General Partner or any of their affiliates, and the Investor has no involvement in the management or operation of the Firm, the Fund General Partner or any of their affiliates.

ITEM 11

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

A. Code of Ethics

The Investment Manager strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, we have adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold:

- employees must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be addressed;
- employees must not take any inappropriate advantage of their positions;
- information concerning the identity of securities and financial circumstances of the Funds, including the Funds' investors, must be kept confidential; and
- independence in the investment decision-making process must be maintained at all times.

Clients may request a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

B. Securities that the Investment Manager or a Related Person Has a Material Financial Interest

1. Cross Transactions

Although the Investment Manager initially expects to manage one client, we may, in the future, determine that it would be in the best interests of certain clients to transfer a security from one client to another (each such transfer, a "Cross Transaction") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the clients, or to reduce transaction costs. If we decide to engage in a Cross Transaction, we will determine that the trade is in the best interests of each client involved in the transaction and, to the extent required by the relevant governing documents of the participating clients, present the Cross Transactions to the applicable committee of limited partners of the applicable Fund authorized to approve such conflict of interest transaction.

2. Principal Transactions

To the extent that Cross Transactions may be viewed as principal transactions due to the ownership interest in a client by the us and our personnel, we will comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client by the applicable committee of limited partners of the applicable Fund authorized to approve such conflict of interest transaction, and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations.

C. Investing in Securities that the Investment Manager or a Related Person Recommends to Clients

The Code places restrictions on personal trades by employees. The compliance team takes into account any actual or potential conflicts of interest in determining whether to approve any transactions and if approved, whether to place any limits on such transactions. The Code also requires employees to disclose their personal securities holdings and transactions on a periodic basis.

We have established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner we deem fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest.

D. Conflicts of Interest Created by Contemporaneous Trading

The Investment Manager initially expects to manage investments on behalf of one client. In the future, however, the Investment Manager may advise multiple clients have investment programs that are the same, similar or overlap and, therefore, participate with each other in investments. It is the policy of the Investment Manager to allocate investment opportunities among all clients fairly, to the extent practical and in accordance with each client's applicable investment strategies, over a period of time. The Investment Manager will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because the Investment Manager purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client.

ITEM 12 BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Although the Funds generally are expected to purchase securities in privately negotiated transactions, the Firm may from time to time recommends that a Fund purchase publicly traded securities or hold publicly traded securities and use specific brokers and dealers to execute, settle and clear such securities transactions. In the limited circumstances where a Fund purchases or holds publicly traded securities, the Firm seeks to obtain best execution in selecting brokers (including prime brokers) to execute any transaction relating to such public securities.

In selecting brokers (including a prime broker) and negotiating commission rates, the Firm considers, among other things, the ability of the brokers and dealers to effect the transaction, the brokers' or dealers' facilities, reliability and financial responsibility, as well as the provision by the brokers of other services, such as: fund raising, consulting and access to deal flow. Accordingly, the commission rates (or dealer markups and markdowns) charged to a Fund by a broker or dealer in the foregoing circumstances could be higher than those charged by other brokers or dealers who do not offer such services.

1. Research and Other Soft Dollar Benefits

The Firm does not expect to receive research or other products or services, other than, in rare cases, execution from a broker-dealer or a third party in connection with a portfolio investment of a Fund involving publicly traded securities.

2. Brokerage for Client Referrals

In selecting or recommending broker-dealers, the Firm and its related persons do not receive referrals from any broker-dealer or other third party.

3. Directed Brokerage

We do not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.

B. Order Aggregation

The Firm does not expect to engage in purchase or sales orders of securities that are aggregated for various client accounts.

ITEM 13

REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

Our investment team reviews each client's portfolio on a frequent and regular basis. Such reviews may include, among other things, discussion of specific investment ideas, in-depth research, portfolio performance and exposures, liquidity and risk management.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients

We issue investors tax reports and audited financial statements concerning their respective Funds within 120 days of the end of a Fund's fiscal year.

Each investor is invited to meet with the authorized representatives of the applicable Fund to discuss with, ask questions of, and receive answers from, such persons concerning the terms and conditions of this offering of their interests in the applicable Fund, and to obtain additional information, to the extent the Fund possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein. An investor may request additional information and reporting, and other investors may not receive some or all information provided in response to such requests.

We may, on a discretionary basis, provide reports to investors in the Funds more frequently than as stated herein.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

We do not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

Neither we nor any of our related persons directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

ITEM 15

CUSTODY

We expect to be deemed to have custody of client funds and securities because we have the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent to us by qualified custodians.

We are subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, we are not required to comply (or are deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because we comply with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16
INVESTMENT DISCRETION

We expect to serve as the investment manager with discretionary investment authority to each client. Our investment decisions and advice with respect to each client are subject to each client's investment objectives and guidelines, as set forth in its governing documents. We or one of our affiliates have entered into an investment management agreement, or similar agreement, with each client, pursuant to which we or that affiliate was granted discretionary investment authority.

ITEM 17

VOTING CLIENT SECURITIES

The Funds are expected to primarily invest in private companies which do not issue proxies. If a Fund holds publicly traded securities, the public company will issue proxies. The Firm, through the Fund General Partner, will exercise the voting decisions with respect to the publicly traded securities held by a Fund. The Firm exercises such decisions in a manner which it believes is in the best interest of the Fund. In compliance with Rule 206(4)-6 under the Advisers Act, the Firm has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

The Firm takes into account all relevant factors, as determined by the Firm in its discretion, including, without limitation:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

Generally, clients are not permitted to direct the Firm's vote in a particular Proxy solicitation.

Conflicts of interest are expected to arise between the interests of a client, on the one hand, and the Firm or its affiliates, on the other hand. If the Firm determines that it has, or is perceived to have, a conflict of interest when voting Proxies, the Firm will address matters involving such conflicts of interest in accordance with its Proxy voting policies and procedures. Clients or investors are permitted to obtain a copy of the Firm's Proxy voting policies and procedures and its Proxy voting record upon request.

ITEM 18
FINANCIAL INFORMATION

The Firm is not required to provide a balance sheet for its most recent fiscal year, is not aware of any financial condition likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.