



FORM ADV: PART 2A

Updated: March 2020

This brochure provides information about the qualifications and business practices of Aquiline Holdings LLC ("Aquiline Holdings," and, together with its affiliates, "Aquiline" or the "Firm"). If you have any questions about the contents of this brochure, please contact Ezra Berger, Chief Compliance Officer, at 212-624-9500. 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.

Aquiline Holdings is an investment adviser registered with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration with the SEC under the Advisers Act does not imply a certain level of skill or training.

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

Item 2 - Material Changes

This brochure has been updated to reflect the addition of ACO (as defined below). Aquiline does not believe that there have been any other material changes to the content of this brochure as published in its last annual amendment issued in March 2019; however, additional information has been added, including to the following sections:

- Item 4 - Advisory Business;
- Item 5 - Fees and Compensation;
- Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss;
- Item 10 - Other Financial Industry Activities and Affiliations; and
- Item 17 - Voting Client Securities

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Item 4 - Advisory Business

Aquiline Holdings, a Delaware limited liability company, and its affiliates provide investment advisory services to several collective investment vehicles (each, a “Fund” and, collectively, the “Funds”) organized to invest: (i) in the global financial services sector (Aquiline Financial Services Fund L.P. and Aquiline Financial Services Fund (Offshore) L.P. (together, “Fund I”); Aquiline Financial Services Fund II L.P. (“Fund II”); Aquiline Financial Services Fund III L.P. (“Fund III”); and Aquiline Financial Services Fund IV L.P. (“Fund IV” and together with Fund I, Fund II and Fund III, the “Financial Services Funds”)); (ii) in the early-stage growth financial technology sector (Aquiline Financial Technology Growth Fund L.P. (“ATG”)); (iii) in the credit sector (Aquiline Credit Opportunities Fund L.P. (“ACO”)), and (iv) in the real estate sector (Aquiline Real Estate Fund L.P. (the “Aquiline Real Estate Fund”)). In providing services to each Fund, Aquiline formulates such Fund’s investment objectives, directs and manages the investment and reinvestment of each Fund’s assets, and provides reports to investors. Aquiline also manages investment vehicles that facilitate co-investment in one or more portfolio companies of the Funds. Investment advice is provided directly to each Fund and not individually to the investors of each Fund. Aquiline manages the assets of each Fund and co-investment vehicle in accordance with the terms of the governing documents applicable to each Fund or co-investment vehicle.

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

Aquiline Holdings was founded in 2005 and is controlled by Jeffrey W. Greenberg, Chairman, and owned by Jeffrey W. Greenberg, other Aquiline professionals and related entities. As of December 31, 2019, Aquiline Holdings managed approximately \$5.3 billion on a discretionary basis. Aquiline Holdings does not manage any assets on a non-discretionary basis.

Item 5 - Fees and Compensation

General

Aquiline provides investment advisory services to each of the Funds pursuant to a separate investment advisory agreement (each, an “Advisory Agreement”). The Advisory Agreement of each Fund, along with the governing documents of the Fund, set forth in detail the fee structure relevant to each such Fund. The terms of each Advisory Agreement are generally established at the time of the formation of the applicable Fund. In general, each Advisory Agreement is only terminable once the applicable Fund is dissolved, wound up, and terminated.

Management Fees

Aquiline receives a management fee (the “Management Fee”) for rendering investment advisory services to the Funds. The Management Fee is payable in advance, with timing depending on the Fund. In general, the Management Fee paid by a Fund may be up to 2.5 percent per annum on capital commitments during the investment period and up to 2 percent per annum on invested capital thereafter. Each Fund’s investors have the ability to negotiate the Management Fee payable by such Fund, but the Management Fee is fixed at the time of final close of the Fund (unless modified thereafter in accordance with the applicable Fund’s governing documents). The Management Fee is generally paid by the Fund out of capital contributions called from investors, out of amounts withheld from distributions to investors or with the proceeds of borrowings under the Fund’s subscription-based credit facility (and such borrowings may remain outstanding for up to three years). The Management Fee assessed for each Fund is described in further detail in each Fund’s offering and governing documents. Generally, investors in co-investment vehicles and employees and affiliates of Aquiline do not pay Management Fees, and Firm Advisors (as defined below), current or former senior management of portfolio companies and other persons whom Aquiline determines have strategic value to Aquiline and its network pay reduced or no Management Fees.

The Management Fee for a Fund is reduced by the amounts paid by a Fund for placement fees and the organizational costs in excess of a certain threshold paid by investors in the Fund, as well as by other fees received by Aquiline as described in “Other Fees and Expenses” below.

The Management Fee for any Management Fee period of a Fund is generally prorated for the number of days in such period, and in the case of the last Management Fee period, Aquiline will refund to each investor the amount of the Management Fee paid by such investor allocable to that portion of such period which is subsequent to the date of the final distribution.

Carried Interest

A portion of each Fund’s net investment returns is generally allocated to the capital account of its general partner (each, a “General Partner” and collectively, the “General Partners”) as “carried interest.” The General Partners of the Funds are related persons of Aquiline. The manner of calculation of such carried interest is described in the offering and governing documents of each Fund and may vary Fund by Fund. Generally, however, up to 20 percent of the net investment returns of each Fund is allocated as carried interest to such Fund’s General Partner, subject to the Fund investors’ preferred return, which ranges from 8 percent to 9 percent per annum (except in the case of ATG’s investors, who are not entitled to receive a preferred return), the recoupment of allocated losses, management fees, and expenses and other criteria set forth in the relevant Fund’s governing documents. Generally, investors in co-investment vehicles and employees and affiliates of Aquiline do not pay a carried interest, and Firm Advisors, current or former senior management of portfolio companies and other persons whom Aquiline determines have strategic value to Aquiline and its network pay reduced or no carried interest.

Expenses

In addition to Management Fees and carried interest, investors bear indirectly the expenses charged to

the Funds. Those expenses may vary by Fund and typically include, but are not limited to, the following: organizational expenses; fees, costs, and expenses of any administrators, custodians, attorneys, accountants, and other professionals (including loan administration, audit and certification fees and the costs of printing and distributing reports); expenses incurred in connection with complying with regulatory, compliance, and tax filing obligations of the Funds and Aquiline under U.S. federal, state, local, non-U.S. or other laws (including compliance with anti-corruption and anti-money laundering laws) and regulations directly related to the making, holding, or disposing of portfolio investments by a Fund (whether such compliance obligations are imposed on the manager, such Fund's General Partner, their affiliates or a Fund), including, without limitation, the preparation and filing of (i) Section 16 filings, Schedule 13D filings, Schedule 13G filings and other filings, in each case under the U.S. Securities Exchange Act of 1934, as amended; (ii) TIC Form SLT filings; (iii) any forms, schedules, filings, information or other documents necessary to avoid the imposition of withholding or other taxes pursuant to FATCA (as defined below) and Report of Foreign Bank and Financial Accounts; (iv) CFTC Form 4.13(a)(3) CPO-PQR, CTA PR, NFA Form PQR filings, and CRS reporting as developed by the Organization for Economic Cooperation and Development; (v) filings under the Hart-Scott-Rodino Antitrust Improvements Act and other antitrust laws and regulations; and (vi) any other forms, schedules, or other filings with governmental and self-regulatory agencies directly related to the making, holding, or disposing of Portfolio Investments by the Partnership; the costs and expenses of any custodian and/or depositary appointed by Aquiline in relation to the safeguarding, administering and/or holding (or similar) of Portfolio Investments and/or the performance of any functions of a custodian and/or depositary contemplated by the European Union's Alternative Investment Fund Managers Directive or any national private placement regime in any jurisdiction and incurred in connection with Aquiline's compliance with disclosure, reporting and other similar obligations; all out-of-pocket fees, costs, and expenses incurred in identifying, developing, bidding on, evaluating, negotiating, structuring, obtaining regulatory approval for, acquiring, trading, settling, monitoring, maintaining custody of, holding, and disposing of actual investments (including due diligence in connection therewith) including, without limitation, travel (which may include commercial or charter travel), accommodation, financing, legal, accounting, auditing, advisory, appraisal and consulting expenses (including expenses of Firm Advisors) in connection therewith; all out-of-pocket costs and expenses, if any, incurred in developing, negotiating, and structuring prospective or potential portfolio investments which are not ultimately made, including (a) any legal, accounting, advisory, consulting or other third-party expenses (including expenses of Firm Advisors) in connection therewith and any travel and accommodation expenses; (b) any break-up fees; (c) any fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed portfolio investment that is not ultimately made; (d) any fees, costs and expenses incurred in connection with documenting and effecting co-investment vehicles and the formation of a consortium; (e) any deposits or down-payments of cash or other property which are forfeited in connection with a proposed portfolio investment that is not ultimately made; and (f) expenses and costs that would have been allocable to co-investors had such prospective or potential portfolio investment been consummated, if the amount allocable to such co-investors is not paid by such parties ("Broken Deal Expenses"); brokerage commissions; prime brokerage fees; custodial expenses; costs of the annual investor meeting, including the reception associated with the meeting for investors; costs incurred in complying with provisions in side letter agreements, including "most favored nations" provisions; other bank service fees, and other investment costs, fees, and expenses; interest thereon and fees and expenses arising out of all Fund indebtedness; the costs of any litigation, directors' and officers' liability or other insurance, and indemnification or extraordinary expenses or liabilities relating to the affairs of the Fund; expenses of liquidating the Fund; and taxes, penalties, fees, or other governmental charges and all expenses incurred in connection with any tax audit, investigation, settlement, or review of the Fund. "FATCA" shall mean Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the "Code"), (including, for the avoidance of doubt, any agreements entered into pursuant to Section 1471(b)(1) of the Code), any current or future United States federal income tax regulations promulgated under the Code or other official administrative guidance promulgated thereunder, and any intergovernmental agreements entered into in connection with the implementation thereof.

Other Fees and Expenses

From time to time, Aquiline has charged portfolio companies, co-investors, or the Funds origination fees, consulting fees, monitoring fees, and other similar fees and Aquiline receives directors' fees from

certain portfolio companies. Net of any related expenses, a percentage (for Fund I, 80 percent of the directors' fees from current Fund I portfolio companies and 80 percent to 100 percent of other fees; 100 percent in Fund II, Fund III, Fund IV, ATG and ACO) of all such fees (other than monitoring fees) that are received by Aquiline will be applied to reduce the Management Fee otherwise payable by the applicable Fund except with respect to fees related to certain portfolio companies as specifically provided in the Fund I governing documents. In the case of monitoring fees, a percentage (80 percent to 100 percent in Fund I; 100 percent in Fund II, Fund III, Fund IV, ATG and ACO) of the amount of all such fees received by Aquiline will be applied to reduce the Management Fee otherwise payable by the applicable Fund.

Aquiline allocates Broken Deal Expenses in accordance with the terms of the governing documents of the Funds. Co-investment vehicles may in certain circumstances bear their share of Broken Deal Expenses for unconsummated transactions; however, to the extent co-investment vehicles do not bear such costs and expenses, they will generally be borne by the Fund that was expected to participate in the unconsummated investment. In particular, potential investors in co-investment structures relating to a specific prospective investment where the legally binding agreements relating to such co-investment are not expected to be executed until around the time of the closing of such prospective investment will generally not bear Broken Deal Expenses. The foregoing will under certain circumstances result in a Fund bearing more than its pro rata share of such amounts.

Executive advisors, senior advisors, executives-in-residence and/or other professionals who are not employees or affiliates of Aquiline (who may be former Aquiline employees as well as current and former executive officers and employees of Aquiline portfolio companies) (collectively, "Firm Advisors") are expected, from time to time, to receive payments from, or allocations or performance-based compensation (which would reduce a Fund's returns and not necessarily be subordinate to the return of partners' capital contributions) with respect to, portfolio companies (as well as from Aquiline or a Fund). In such circumstances, payments from, or allocations or performance-based compensation with respect to, portfolio companies and/or a Fund will be treated as Fund expenses and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Aquiline, be deemed paid to or received by Aquiline or an Aquiline affiliate and such amounts will not be subject to the Management Fee offset provisions. These Firm Advisors may have the right or may be offered the ability to co-invest alongside a Fund, including in those investments in which they are involved, or otherwise participate in equity plans for management of any such portfolio company or invest directly in a Fund or in a vehicle controlled by a Fund subject to reduced or waived Management Fees and/or carried interest, including after the termination of their engagement by or other status with Aquiline. The nature of the relationship with each Firm Advisor and the amount of time devoted or required to be devoted by them varies considerably and may vary considerably over time. In some cases, they provide Aquiline with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and serve as executives or directors on the boards of portfolio companies, contribute to the origination of new investment opportunities or serve in deal finder roles (and receive deal origination fees, which will not be subject to the Management Fee offset provisions). If a Firm Advisor joins the management team of a portfolio company, then such Firm Advisor will generally be compensated by such portfolio company and therefore his or her compensation will be indirectly borne by the relevant Fund; however, such a Firm Advisor may continue to provide Aquiline with advisory services in connection with other funds, vehicles or accounts sponsored by Aquiline for no additional compensation. In such circumstances, it is generally, but not always, expected, that the Firm Advisor's allocation of time to Aquiline matters will be reduced. While such continued advisory services to Aquiline are not expected to consume a material portion of such Firm Advisor's time or attention, the relevant Fund would nevertheless indirectly bear the opportunity cost of such advisory services. In addition, the services provided by any one Firm Advisor or Firm Advisors generally may expand over time, including during the term of a Fund. In certain instances, Aquiline has formal arrangements with these Firm Advisors (which may or may not be terminable upon notice by any party), and in other cases the relationships are more informal. They are either compensated (including pursuant to retainers and expense reimbursement, and, in any event, pursuant to negotiated arrangements which will not be confirmed as being comparable to the market rates for such services) from Aquiline, the Funds and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. Certain Firm Advisors may be subject to contractual obligations to exclusively provide certain services to Aquiline. In certain cases, they have certain

attributes of Aquiline “employees” (e.g., they may have dedicated offices at Aquiline, participate in general meetings and events for Aquiline personnel, work on Aquiline matters as their primary or sole business activity, have Aquiline-related e-mail addresses and/or business cards and participate in certain benefit arrangements typically reserved for Aquiline employees) even though they are not considered Aquiline employees or affiliates for purposes of the governing documents of the Funds and related Management Fee offset provisions. There may be circumstances where the compensation that would be received by a Firm Advisor from a portfolio company if the Firm Advisor were to become an executive of the portfolio company would be greater than such individual’s retainer fee (or similar compensation) received from Aquiline, which may create an incentive for such Firm Advisor to recommend portfolio investments to the Funds. There can be no assurance that any of the Firm Advisors and/or other professionals will continue to serve in such roles and/or continue their arrangements with Aquiline, the Funds and/or any portfolio companies throughout the term of any Fund. Over time, certain existing and future employees of Aquiline (including senior Aquiline personnel) may transition to a Firm Advisor role. Such a transition would have the effect of shifting the burden of the compensation of such employees from Aquiline to either the Funds (in which case such compensation would become a Fund expense) or to the portfolio company depending on the nature of the service to be provided by the Firm Adviser.

In certain circumstances, Aquiline employees may be engaged by one or more portfolio companies in a bona fide, non-director capacity on a permanent or temporary basis, and, if dedicated to a portfolio company, may not be fully engaged in respect of the Funds. In connection therewith, to the extent that an Aquiline employee provides services involving a significant percentage of their time, an allocable portion of such employee’s compensation will be paid by the applicable portfolio company (either directly or indirectly by reimbursing Aquiline) and such compensation will not be considered fees received by Aquiline that are subject to offset against the Management Fee. The Funds or underlying portfolio companies reimburse Aquiline for out-of-pocket expenses incurred by Aquiline (including by its employees and Firm Advisors) that relate to the business of the underlying portfolio company and these amounts do not reduce the Management Fees payable by the Funds.

Moreover, Aquiline, its personnel and Firm Advisors can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds that will not be subject to the Management Fee offset or otherwise shared with the Funds, their investors, and/or the investments. For example, airline travel or hotel stays incurred as Fund expenses typically may result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Aquiline and/or such personnel (and not the Funds, their investors, and/or the investments), even though the cost of the underlying service is borne by the Funds and/or the issuers.

From time to time, the General Partner will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or Aquiline, on the other, whether certain costs and expenses should be allocated between or among a Fund, on the one hand, and other Funds and / or co-investors or other investors in the portfolio company, on the other hand, and / or whether certain costs and expenses should be allocated between a Fund, on the one hand, and a portfolio company, on the other hand. Certain expenses may be suitable for only a Fund or particular Funds participating in specific investments and may be allocated to and borne only by such Funds, or, as is more often the case, expenses may be allocated pro rata among a Fund and other Funds participating in the relevant portfolio investment(s). Except as otherwise provided in the governing documents of a Fund, the General Partner will make such judgments in its sole discretion. The process of allocating expenses is inherently subjective. The General Partner may make corrective allocations after the fact should it determine that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular item or service may not reflect the relative benefit derived by such Fund from that item or service in any particular instance.

Aquiline may cause a Fund or its portfolio companies to enter into agreements regarding group procurement, benefits management, insurance policies and other operational, administrative or management-related matters.

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

Aquiline receives a carried interest for investment advisory services provided on a discretionary basis to the Funds, which is based on the performance of each Fund's investments.

Aquiline does not manage any client accounts that do not pay performance-based compensation, with the exception of co-investment vehicles, whose investors generally do not pay a carried interest. To the extent that a co-investment vehicle does pay performance-based compensation, it is generally paid to the relevant Fund and not Aquiline.

Item 7 - Types of Clients

Aquiline provides investment advisory services to the Funds. Investment advice is provided directly to each Fund, subject to the direction and control of the General Partner of such Fund and not individually to the investors of the Funds. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state, and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds of funds), trusts, estates, charitable organizations, and corporate or business entities.

Details concerning applicable investor suitability criteria are set forth in each Fund's offering documents and subscription materials. Although Aquiline has the authority to accept subscriptions for lesser amounts (and does so, particularly in the case of investors who are employees of or advisors to Aquiline), the stated minimum capital commitment for limited partners in the Funds is typically \$10 million but may vary depending on the type of Fund.

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

Global Financial Services and Early-Stage Growth Financial Technology Sectors

Aquiline's investment strategy for the Funds that invest in the financial services sector is generally based on identifying event-driven market dislocations, long-term secular trends, ongoing business cycles, or, in the case of the Financial Services Funds, shareholder pressures that create a catalyst for change in a business segment or company. Aquiline seeks to invest behind strong management teams that are attracted to and interested in working with an experienced partner with operational expertise. Aquiline seeks to drive portfolio company development in the key areas as described below with respect to the Financial Services Funds and ATG. The implementation of these measures will vary on a company-by-company basis depending, in part, upon the industry, needs, and type of company.

Financial Services Funds

- Operational Support
 - Define or review strategy and help create business plan
 - Develop or review cash flow plan
 - Recruit senior management as appropriate—CEO, CFO, CIO, M&A head
 - Navigate regulatory approval process
 - Assist with rating agencies
 - Provide interim management, as needed
 - Provide in-house research/analysis as needed
 - Identify and evaluate add-on acquisition candidates
 - Assist in M&A execution
 - Drive compliance and risk management
 - Support acquisition integration
- Strategic Guidance
 - Constitute board
 - Serve as members of the board of directors
 - Recruit independent directors from relevant industry as required
 - Challenge management team views and plans
 - Devise acquisition strategy where appropriate
 - Encourage best practices in corporate governance
 - Set up and chair audit, compensation, and risk committees as needed
 - Design compensation schemes
 - Monitor against key metrics
- Financial Innovation
 - Create appropriate capital structure
 - Drive third-party capital-raising initiatives
 - Access capital markets: IPO, secondary offering, credit
 - Seek value-added co-investors
 - Leverage network and make introductions

ATG

- Strategic Guidance
 - Guide strategy and business plan
 - Make customer and partner introductions

- Assist in recruiting independent directors from relevant industries
 - Challenge management team views and plans
 - Guide the establishment of best practices in corporate governance
 - Close monitoring against key metrics
- Financial Innovation
 - Leverage network and make introductions
 - Seek value-added co-investors and manage the relationships
 - Drive third-party capital-raising initiatives (if needed)
 - Assist with navigation of regulatory approval processes
 - Help with financing M&A

ACO

- Strategic Guidance
 - Bring industry and business knowledge and experience to bear
 - Seek absolute return and Alpha
 - Participate in formal or ad hoc creditor committees; engage directly with management and boards of directors
 - Identify acquisition targets where appropriate
- Financial Innovation
 - Leverage network and make introductions
 - Create value through tranching loans or making accretive sales
 - Seek to monetize embedded value and gain downside protection
 - Seek opportunities with embedded optionality

Real Estate and Real Estate Operating Assets

During the investment period, the principals of Aquiline emphasized traditional real estate property fundamentals when considering each investment opportunity for its Fund that invested in real estate and real estate operating assets. These fundamentals typically included an analysis of location, supply and demand for real estate assets, income levels, employment and population trends, public infrastructure, and barriers to entry. The Aquiline Real Estate Fund's investment period has ended, and the Fund is currently managing its existing investments.

Aquiline Funds

Acquiring interests in the Funds involves a number of risks. An investment in the Funds is deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that investors will receive a return on or of their capital. The description below is a brief overview of different material risks related to a Fund's investment strategy:

General Business and Management Risk: Investments in portfolio companies subject the Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the portfolio company level, interest rate and currency fluctuations, general economic downturns, tax law changes, domestic and foreign political situations, changes in the availability of financing, and other factors. With respect to management at the

portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases Funds will monitor portfolio company management, the management of each portfolio company will have day-to-day responsibility of such portfolio company.

Concentration of Investments: Other than as set forth in a Fund's governing documents, investors have no assurance as to the degree of diversification of the Fund's portfolio investments, either by geographic region or transaction type. To the extent the Fund concentrates portfolio investments in a particular issuer, security, or geographic region, its portfolio investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, concentration in a single sector may involve risks greater than those generally associated with more diversified funds.

Liquidity Issues: The Funds may invest in instruments where there is to be no actively traded market. Moreover, many of the Funds' investments may be held by relatively few other investors. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer or the asset, the Funds may find it more difficult to sell such instruments when Aquiline believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the Funds may be further limited. Finally, dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or that would adversely affect the terms obtainable upon a disposition. There is no public market for interests in the Funds and one is not expected to develop. Interests in the Funds are generally neither redeemable nor transferable without the prior written consent of Aquiline, which may be given or withheld in Aquiline's sole discretion.

Highly Competitive Market for Investment Opportunities: The activity of identifying and completing attractive investments is highly competitive. The Funds face competition from numerous market participants. The Funds will be competing for investments with a variety of other investment vehicles as well as individuals, financial institutions, and other institutional investors. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. There can be no assurance that the Funds will be able to locate and complete investments that satisfy their investment objectives or that they will be able to fully invest their available capital.

Valuation of Assets: Most of the securities owned by the Funds are not publicly traded. All securities are valued by Aquiline pursuant to FASB ASC 820 (Fair Value Measurements and Disclosures and in accordance with the applicable Fund's governing documents). When estimating fair value, Aquiline 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. Ensuring that portfolio investments are fairly valued is an important focus of Aquiline.

Financial Services Sector Risk Factors: Financial services companies, including those in the insurance, investment management, fintech and banking and credit industries, have asset and liability structures that are essentially monetary in nature and are directly affected by many factors including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. Such factors can impact customers and counterparties of financial services companies and may impact the value of financial instruments held by financial services companies. Fluctuations in interest rates, which affect the value of assets and the cost of funding liabilities, are not predictable or controllable, may vary from country to country, and may impact economic activity in various regions.

The profitability of the financial services sector may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal, or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of some financial services

companies. There can be no assurance that a particular financial services company will not experience a material adverse effect on its net interest income or its asset values in a changing interest rate environment. Factors such as the liquidity of the global financial markets, the level and volatility of prices of financial instruments, investor sentiment, and the availability and cost of credit may significantly affect the activity levels of customers with respect to size, number, and timing of transactions. A change in any or all of these factors would likely lead to a decline in the volume of transactions that financial services companies execute for their customers and, thus, lead to a decline in revenues from fees, commissions, and spreads.

The financial services sector is extremely competitive, and it is expected that competitive conditions in the sector will continue or accelerate. Merger activity in the financial services sector has resulted in, and may continue to result in, larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. The financial services sector has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions. Technological advances and the growth of e-commerce have made it possible for non-financial institutions to offer products and services that have been traditionally offered by financial services institutions. It is expected that cross-sector competition may continue and accelerate.

The financial services sector is highly dependent on communications and information systems and is exposed to many types of operational risks including the risk of fraud (or other misconduct) by employees or other parties, record keeping errors, errors resulting from faulty or “hacked” computer or telecommunications systems, computer failure, and accidental or intentional damage to computer and telecommunications systems caused by internal or external events. New technologies and improved products and services are continually being developed, rendering older technologies, products and services (including, potentially, those offered by portfolio companies) obsolete and therefore unprofitable. Further, the failure of these systems could cause significant interruptions in the operations of a Fund’s portfolio companies and could harm the reputation of Aquiline, the Fund and/or such portfolio company, subject any such entity and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance.

Financial services companies operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination, and enforcement by regulatory authorities. Failure to comply with any of these laws, rules, or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences including civil penalties, fines, suspension, forced closures or expulsion and potential termination of deposit insurance, which may have material adverse effects. The regulations may require a financial services institution to meet specific capital adequacy guidelines or rules that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Compliance with capital requirements could limit the operations of financial services institutions. A change in such requirements, or the imposition of new rules affecting the scope, coverage, calculation or amount of such capital requirements, or a significant operating loss or any unusually large charge against capital may adversely affect the ability of a financial services institution to expand or maintain levels of business or to pay dividends. Financial services companies may also be subject to qualitative judgments by the regulators about interest rate risk, concentration of credit risk, lack of adequate risk management and other internal controls and other factors. Changes in laws, rules, regulations or regulatory interpretations governing financial services companies could adversely affect portfolio companies, and thereby the Fund and returns to investors, by, among other things, increasing the compliance costs and burdens imposed on such companies. The subsequent adoption of a law or regulation or a change of a law or regulation or of the interpretation thereof by a court or governmental authority could require the Fund to divest some or all of its investments under unfavorable market conditions.

Early-Stage Growth Company Risks: Investments in early-stage growth companies are subject to a variety of risks, including that such companies may (i) have a relatively short operating history, (ii) have a volatile financial history, (iii) offer services or products that are not yet ready to be marketed, (iv) be operating at a loss or have significant fluctuations in operating results, (v) be engaged in rapidly changing business environments, or (vi) need substantial additional capital to set up internal infrastructure, hire management and personnel, support expansion, or achieve or maintain a competitive

position. Such companies may have a greater variability of returns and a higher risk of failure than more established companies. Such companies also may face intense competition, including competition from companies with greater financial resources; more extensive development, manufacturing, marketing and service capabilities; and a larger number of qualified managerial and technical personnel. To the extent there is any public market for securities of such companies, such securities may be subject to more abrupt and erratic market price movements than the securities of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories by which to judge future performance and in many cases, if operating, will have negative cash flow. Investments in such companies should be considered highly speculative and may result in a loss of the entire investment therein. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices, risking a partial or total loss of capital invested in such a company in the event of fraud. The foregoing factors may also increase the difficulty of valuing investments in early-stage growth companies.

Real Estate and Real Estate Operating Assets Risks: Investments in real estate are subject to various risks including adverse changes in regional, national, or international economic conditions; adverse local market conditions (such as an oversupply of space or a reduction in demand for space); negative developments in the economy that depress travel activity; competition based on rental rates; the financial condition of tenants, buyers, and sellers of properties; changes in availability of debt financing; changes in interest, real estate tax rates, and other operating expenses; environmental laws and regulations; zoning laws and other governmental rules and fiscal policies; environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established; energy prices; changes in the relative popularity of property types and locations; contingent liabilities on disposition of assets; risks due to dependence on cash flow and risks and operating problems arising out of the presence of certain construction materials as well as acts of God; and uninsurable losses and other factors that are beyond the control of Aquiline.

Credit Risk Factors:

ACO has a very broad mandate with respect to the type and nature of securities in which it invests. While some of the loans in which ACO will invest may be secured, ACO may also invest in debt or equity securities that are either unsecured or subordinated to substantial amounts of senior indebtedness, or a significant portion of which may be secured. In such instances, the ability of ACO to influence an issuer's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the debt or other exercises by ACO of its rights as a creditor. Accordingly, ACO may not be able to take the steps necessary to protect its investments in a timely manner or at all. In addition, the debt securities in which ACO will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency.

The borrowers of loans constituting ACO's assets may seek the protections afforded by bankruptcy, insolvency and other debtor relief laws. Bankruptcy proceedings are unpredictable. Additionally, the numerous risks inherent in the insolvency process create a potential risk of loss by ACO of its entire investment in any particular investment. Insolvency laws may, in certain jurisdictions, result in a restructuring of the debt without ACO's consent under the "cramdown" provisions of applicable insolvency laws and may also result in a discharge of all or part of the debt without payment to ACO.

Debt securities are also subject to other risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance," (ii) the recovery of liens perfected or payments made on account of a debt in the period before an insolvency filing as a "preference," (iii) equitable subordination claims by other creditors, (iv) possible lender liability litigation by borrowers over a perceived violation of a duty (whether implied or contractual) of good faith and fair dealing (or other fiduciary duty) and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of ACO's investment in any such company. ACO's investments may be subject to early redemption features, refinancing options,

pre-payment options or similar provisions which, in each case, could result in the portfolio company repaying the principal on an obligation held by ACO earlier than expected. Accordingly, there can be no assurance that ACO's performance objectives will be realized.

One of the fundamental risks associated with ACO's investments is credit risk, which is the risk that a portfolio company will be unable to make principal and interest payments on its outstanding debt obligations when due. ACO's return to investors would be adversely impacted if an issuer of debt in which ACO invests becomes unable to make such payments when due.

Although ACO may make investments that the general partner of ACO believes are secured by specific collateral, the value of which may initially exceed the principal amount of such investments or ACO's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. ACO may also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, ACO's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of a senior lender, to the extent applicable. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, loans may provide for payments-in-kind, which have a similar effect of deferring current cash payments. In such cases, a portfolio company's ability to repay the principal of an investment may depend on a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

With respect to ACO's investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the credit agreement that governs loans of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by ACO. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of ACO's investment or a pre-payment (in whole or in part) of ACO's investment.

Similarly, while ACO will generally target investing in companies it believes are of high quality, these companies could still present a high degree of business and credit risk. Companies in which ACO invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or the continuation or worsening of the current (or any future) economic and financial market downturns and dislocations. As a result, companies that ACO expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress. In addition, exogenous factors such as fluctuations of the equity markets also could result in warrants and other equity securities or instruments owned by ACO becoming worthless.

General fluctuations and volatility in financial markets, credit prices/spreads, valuations and/or interest rates may adversely affect the value of the investments held by ACO and may reduce the availability of attractive investment opportunities for ACO. The ability of portfolio companies to repay debt obligations (including making payments to ACO as a creditor with respect thereto) and/or refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing. In general, rising interest rates will negatively impact the price of a fixed-rate debt instrument and falling interest rates will have a positive effect on price.

Investments in Which the Funds Have a Different Principal Investment:

ACO may invest in debt securities and other obligations relating to portfolio companies or other entities in which other Funds have or are concurrently making a different principal investment (e.g., a different equity or debt investment) at the time of ACO's investment (and *vice versa*). In addition, after ACO has made an investment in a portfolio company, other Funds may make a different principal investment in such portfolio company. In such situations, ACO and such other Funds may have conflicting interests. If the portfolio company in which ACO has a portfolio investment that is senior to the investment by such other Funds

becomes distressed or defaults, Aquiline may have conflicting loyalties between its duties to ACO and to other Funds. In that regard, actions may be taken for the other Aquiline funds, vehicles or accounts that are adverse to the Fund (and *vice versa*). Except to the extent of fees paid to Aquiline specifically related to ACO's commitment or investment of capital, the limited partners of ACO will in no way receive any benefit from fees paid to the Aquiline or its affiliates from a portfolio company in which another Fund has an interest.

U.K. Withdrawal from the EU ("Brexit"):

The U.K. ceased to be a member of the European Union (the "EU") on 31 January 2020 with the benefit of a transition period lasting until 31 December 2020. During the transition period, all of the current rules and arrangements will remain in place while the U.K. and the EU seek to negotiate a free trade agreement ("FTA"). The FTA will govern the trading relationship between the U.K. and the EU following the transition period.

The U.K. will remain subject to EU law with access to the single market and privileges to provide services until the end of the transition period, but any further privileges after that date will depend either on extending the transition period, or on the terms of the FTA (if the parties have agreed to an FTA). It is not clear whether the FTA will cover the provision of services by U.K. firms.

If the U.K. and the EU are unable to agree to the terms of an FTA by 31 December 2020, and do not agree to extend the transition period, the U.K. will become a third country vis-à-vis the EU on the expiry of the transition period. As a third country, the cross-border trade in goods between the U.K. and the EU will depend on any multilateral trade agreements to which both the EU and the U.K. are parties (such as those administered by the World Trade Organisation ("WTO")) and the provision of services by U.K. firms will be generally restricted to those that could be provided by firms established in any third country.

U.K. regulated firms and other U.K. businesses could be adversely affected under an FTA or under WTO terms. A tariff or non-tariff barrier, customs checks, the inability to provide cross-border services, changes in withholding tax, restrictions on movements of employees, restrictions on the transfer of personal data, etc., all have the potential to materially impair the profitability of a business, require it to adapt, or even relocate.

Given the relatively short time within which to negotiate an FTA, there is a risk that the U.K. may leave the transition period without a future trade agreement and may not seek an extension. In such circumstances, it is probable that the adverse effects of leaving on unfavorable terms would principally affect the U.K. (and those having an economic interest in, or connected to, the U.K.). However, given the size and global significance of the U.K.'s economy, uncertainty about whether it will secure an FTA by the end of the transition period, and thus uncertainty as to the substance of its future legal, political and economic relationships with Europe, may continue to be a source of instability, produce currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements.

The uncertainty surrounding the U.K.'s future relationship with the EU could therefore adversely affect the Partnership, the performance of its Investments and its ability to fulfil its investment objectives (especially if its Investments include, or expose it to, businesses that have relied on access to the single market or whose value is affected adversely by the U.K.'s future relationship with the EU).

Cybersecurity Risk

Aquiline, the Fund's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Fund and its investors, despite the efforts of Aquiline and 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 Fund 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 Aquiline, the Fund's service providers, counterparties or data within these systems. Third parties may

also attempt to fraudulently induce employees, customers, third-party service providers or other users of Aquiline's systems to disclose sensitive information in order to gain access to Aquiline's data or that of the Fund's investors. A successful penetration or circumvention of the security of Aquiline'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 Fund, Aquiline or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for portfolio companies, which could have material adverse consequences for such portfolio companies, and may cause the Fund's investments to lose value.

Leverage

The capital structures of many financial services companies typically include substantial leverage. In addition, portfolio investments may be consummated through the use of significant leverage. Leveraged capital structures and the use of leverage in financing investments increase the exposure of a portfolio company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry and make the portfolio company more sensitive to declines in revenues and to increases in expenses.

Hedging Transactions

In connection with certain portfolio investments, a Fund may employ hedging techniques designed to reduce the risk of adverse movements in interest rates, securities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates and other factors may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. The Fund's General Partner may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

Currency and Exchange Rate Risks

A portion of a Fund's portfolio investments, and the income received by the Fund with respect to such portfolio investments, may be denominated in currencies other than U.S. dollars. However, the books of the Fund may be maintained, and capital contributions to and distributions from the Fund may be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of portfolio investments, interest and dividends received by the Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the Fund.

No Assurance of Investment Returns

Aquiline cannot provide assurance that any Fund will be successful in choosing, making and realizing investments in any particular company or portfolio of companies. There is no assurance that a Fund will be able to generate returns for investors or that returns will be commensurate with the risks of investing in the types of companies and transactions in which the Fund may invest. The possibility of partial or total loss of capital will exist and Fund investors must be prepared to bear capital losses that could result from investments.

Disclosure of Information

The Manager and/or certain investors in a Fund may also be required by law, regulation or otherwise to disclose certain confidential information relating to a portfolio investment of the Fund. Such disclosure may adversely affect the ability of a Fund to realize its investment in such portfolio investment, may adversely affect the price that the Fund is able to obtain upon any subsequent realization or may otherwise adversely affect the Fund.

Portfolio Company Management

Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although Aquiline will be responsible for monitoring the performance of each portfolio investment, there can be no assurance that the existing management team, or any successor, will be able to successfully

operate the portfolio company in accordance with a Fund's plans. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. 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 and retain suitable members of its management team and, as a result, a Fund may be adversely affected thereby.

Reliance on the General Partner and the Manager

Decisions made with respect to the management of a Fund will be made by the General Partner and the Manager. The General Partner and the Manager will have exclusive responsibility for the activities of a Fund, and other than as expressly set forth in a fund's organizational agreements, investors will not be able to make investment or other decisions with respect to the management of a Fund. The investors will also not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the General Partner in its selection of investments, nor to receive the detailed financial information issued by portfolio companies that is available to the General Partner. The success of a Fund will depend on the ability of the General Partner and the Manager to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of the investments of a Fund at a profit. There can be no assurance that Mr. Greenberg or any other professional will continue to be associated with the General Partner and the Manager throughout the term of a Fund. The loss of such professionals' services would adversely affect the ability of a Fund to pursue its investment program successfully.

Material, Non-Public Information

By reason of their responsibilities in connection with their other activities, Aquiline professionals may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. A Fund will not be able to act upon any such information. Due to these restrictions, Aquiline may not be able to initiate a transaction on behalf of a Fund that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Information is expected to be shared between the Funds and other Aquiline affiliates to enhance the synergies and enable the Funds to capitalize on attractive investment opportunities (including opportunities relating to investments in portfolio companies in which other Aquiline Funds have or may acquire an interest), subject to compliance with applicable law and regulation regarding the sharing of information and Aquiline's policies and procedures related thereto. Further, policies and procedures implemented by Aquiline from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across Aquiline's areas of operation or expertise that the Funds expect to draw on for purposes of pursuing attractive investment opportunities. However, there can be no assurance that a violation of such policies and procedures will not occur and, in the event any unlawful trading was to occur, the Funds and their affiliates could be exposed to liability.

Public Health Risk

Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, the coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a significant negative impact on the economy, and business activity in any of the countries in which a Fund may invest and thereby adversely affect the performance of the Fund's investments.

Allocation of Investment Opportunities

If Aquiline is presented with an investment opportunity that falls within the investment objectives and criteria of more than one of its Funds, Aquiline will allocate such opportunity (including any related co-investment opportunity) among the Funds on a basis that Aquiline determines in good faith to be fair and reasonable taking into account the size and state of the investment, the relative amounts of capital available for investment, the investment objectives, focus and strategy of each investment fund and other considerations deemed relevant by Aquiline in good faith in accordance with the underlying Funds' agreements. If required by the relevant Fund's governing documents, Aquiline will notify each relevant Fund's Advisory Committee of such allocation and the basis therefor. Furthermore, decisions made by Aquiline with respect to the structuring

and negotiation of a potential investment (including, for example, the type of security invested in or leverage levels) are made in its sole discretion and those decisions may influence whether an investment opportunity is within the investment objective and strategy of, and therefore whether it will be allocated to, a Fund.

Co-Investment Opportunities

All decisions regarding whether, to whom, and in what amounts to offer co-investment opportunities are made in the applicable General Partner's sole discretion. No investor should have any expectation of receiving co-investment opportunities. Where possible and appropriate, a General Partner may, but will be under no obligation to, provide co-investment opportunities to certain limited partners before making such opportunities available to non-limited partners. In respect of non-limited partners, a General Partner may offer co-investment opportunities to investors that the General Partner believes will add value to Aquiline's, the applicable Fund's or the applicable portfolio company's activities, including, without limitation, investors that commonly serve as lenders, placement agents, underwriters and purchasers of debt, equity and equity related securities of portfolio companies and investors that have particular expertise in the industry in which the prospective portfolio company operates. Decisions regarding whether and to whom to offer co-investment opportunities are made at the sole discretion of the applicable General Partner and may be offered to some, but not other, limited partners. Allocations of co-investment opportunities to limited partners may differ from such limited partners' proportionate investments in the applicable Fund and may be based on a number of factors, including, without limitation, a limited partner's expressed interest in co-investments, the size of such limited partner's capital commitment, other business relationships with Aquiline or its portfolio companies, investment in other or future Aquiline funds, vehicles or accounts, and the General Partner's assessment of such limited partner's ability to both fund and timely execute a co-investment. In addition, a General Partner may put its own interests ahead of those of investors in a Fund in determining the allocation of co-investment opportunities. In particular, a General Partner and/or its affiliates will be incentivized to offer potential co-investors the opportunity to co-invest since the amount of carried interest and/or Management Fee to which the General Partner and/or its affiliates are entitled under the arrangements with such co-investors with respect to such co-investors' participation in the Fund and/or other Funds may depend on, among other things, the extent to which such co-investors participate in or are allocated co-investments.

Investing in a Fund does not entitle any limited partner to allocations of co-investment opportunities and such opportunities may be offered to some and not other limited partners or to third parties who are not investors in the Fund. Transaction-specific returns, and a limited partner's overall returns from its exposure to a Fund's portfolio companies, may be affected significantly by the extent to which limited partners are offered and choose to participate in co-investment opportunities. Prospective investors should also note that limited partners are not required to participate in co-investments offered by the applicable General Partner. There can be no assurances with respect to the amount of any investment opportunity that will be allocated to a Fund.

Aquiline has entered into side letters or other similar agreements that include special rights with respect to co-investment, including guaranteeing an investor an opportunity to participate in all co-investment opportunities and establishing a discretionary co-investment vehicle for an investor. Aquiline has also entered into side letters or other similar agreements acknowledging a strategic business relationship with investors.

Generally, Aquiline does not effect cross transactions between the Funds; however, such cross transactions may be effected in rare instances. In the event that Aquiline does effect cross transactions between the Funds, Aquiline will seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements and Aquiline's policies and procedures. In particular, Aquiline will seek to ensure that the transaction is: (i) in Aquiline's judgment, in the best interest of each Fund involved; (ii) in compliance with the relevant Fund's governing documents, including any investment guidelines or restrictions for those Funds; (iii) entered into only after obtaining any required Advisory Committee or limited partner approvals of the transaction's terms and conditions; and (iv) effected at a price that is comparable to the price that could be obtained through an arm's length transaction with a third party and that is otherwise fair to both parties.

The foregoing is not intended to serve as an exhaustive list or a comprehensive description of all risks that may arise in connection with the management and operation of a Fund. Investors should review the

applicable Fund's confidential information memorandum and governing documents to understand the risks and potential conflicts of interest.

Item 9 - Disciplinary Information

Aquiline and its employees have not been involved in any legal or disciplinary matter that would be material to a client's evaluation of the Firm's advisory business or the integrity of its management.

Item 10 - Other Financial Industry Activities and Affiliations

Aquiline provides investment advisory services through the following affiliates (each, a “Related Adviser”): Aquiline Capital Partners LLC, Aquiline Real Estate Partners LLC, Aquiline Capital Partners GP LLC, Aquiline Real Estate Partners GP LLC, Aquiline Capital Partners GP (Offshore) Ltd., Aquiline Capital Partners II GP (Offshore) Ltd., Aquiline Capital Partners III GP (Offshore) Ltd., Aquiline Capital Partners IV GP (Offshore) Ltd., Aquiline Co-Invest GP Ltd., Aquiline Capital Partners II GP (AIV) L.L.C., Aquiline Co-Invest III GP Ltd., Aquiline Co-Invest IV GP Ltd., Aquiline Q Co-Invest IV GP Ltd., AFSF IV Co-Invest GP Ltd., Aquiline Capital Partners III GP (AIV) L.L.C., Aquiline Technology Growth GP Ltd., ATG GP (AIV) L.L.C., Aquiline Credit Opportunities GP Ltd., Aquiline BitPay Holdings GP LLC and Aquiline Capital Partners Ltd. All of the Related Advisers’ investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of a Related Adviser are subject to the supervision and control of Aquiline.

Because the Funds invest in portfolio companies in the financial services sector, it is possible that an Aquiline Fund (or one of its portfolio companies) may engage in transactions with a portfolio company of another Aquiline Fund, which could be considered to give rise to potential conflicts of interest.

For example, several portfolio companies of the Funds that are related persons of Aquiline (or their affiliates) are registered broker/dealers (“Portfolio Company B/Ds”), and additional portfolio companies (or their affiliates) may apply for registration as a broker/dealer. Aquiline has in the past directed and may again in the future direct the Funds’ brokerage transactions through the Portfolio Company B/Ds; however, in doing so, Aquiline is subject to its obligation to seek to obtain best execution on the Funds’ transactions under prevailing market conditions. Additionally, various Aquiline personnel will generally review the appropriateness of such transactions and document the rationale for Aquiline’s use of the Portfolio Company B/Ds. Aquiline does not foresee that its use of the Portfolio Company B/Ds gives rise to any material conflicts of interests since the Portfolio Company B/Ds are Fund portfolio companies. Therefore, any benefits that would accrue from the use of the Portfolio Company B/Ds would accrue to the Funds. As described in the “Client Referrals and Other Compensation” section below, Aquiline has in certain instances and may again in the future elected to utilize Portfolio Company B/Ds as placement agents for certain of its Funds. Also, one former Portfolio Company B/D is owned by an investor in another Aquiline Fund and a member of Aquiline serves on its board of directors.

Portfolio companies of one Aquiline Fund do not currently provide fund administration services to any Aquiline Funds, but may do so in the future; provided that after due diligence, Aquiline determines it is appropriate for any such portfolio company to provide such services and that such services would be provided to the Fund at market rates.

From time to time, a portfolio company will seek to raise debt on the best possible terms available at that time. Given Aquiline’s financial services network, Aquiline may assist a portfolio company in identifying potential debt providers, which have included and may in the future include limited partners of Funds managed by Aquiline. Regardless of whether a potential lender is an investor or otherwise connected to the Aquiline network, Aquiline will only recommend that a portfolio company obtain financing from a lender based on the portfolio company’s assessment of the financial terms offered and not based on any other factors, including the lender’s affiliation with Aquiline or the Funds.

There may be other situations from time to time where a portfolio company in which Aquiline invests may enter into a business relationship (or other arrangement) with another portfolio company, including in the ordinary course of business (or in some cases may already have in place a business arrangement at the time of Aquiline’s investment). Such situations could potentially give rise to conflicts of interest, particularly in circumstances where the two portfolio companies entering into the business relationship (or other arrangement) are owned by different Funds. However, regardless of how an introduction occurs between two (or more) Aquiline portfolio companies, Aquiline will not participate in the proposal, negotiation or setting of any contractual terms governing a business arrangement between portfolio companies, other than in the case of extraordinary events, such as mergers or acquisitions involving two or more portfolio companies, where Aquiline’s participation is appropriate or required.

One or more Aquiline Fund portfolio companies are, or may be, investors directly or indirectly in other

Aquiline Funds. Such investors' votes are taken into account in determining the vote of the majority (or other specified percentage) in interest of the combined investors in the Fund. However, it should be noted that any Firm Advisor and/or employee of the General Partner and/or Aquiline who were serving on the board of directors of any such portfolio companies at the time such investment decision was made by any such portfolio company, have and will continue to recuse himself from any discussions and/or votes pertaining to such investment in Fund II, Fund III, Fund IV, ATG, ACO or any subsequent Fund.

Employees of Aquiline serve, and in some instances are expected to continue to serve, on the board of directors of one or more former portfolio companies of the Funds, in each case to the extent permitted under the governing documents of the applicable Funds. There may be conflicts of interests between the employee's duties with respect to Aquiline and the Funds, on the one hand, and the employee's duties as a director of the former portfolio company, on the other hand.

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

Participation or Interest in Client Transactions

Aquiline and/or a related person serve as the General Partner, investment manager, and/or investment adviser to the Funds. The General Partner of each Fund together with its employees have a material investment in the Funds, and as discussed in “Fees and Compensation” above, Aquiline receives a carried interest with respect to the Funds. Therefore, Aquiline may be considered to participate indirectly in transactions effected for those clients. The existence of Aquiline’s carried interest may create an incentive for Aquiline to make riskier or more speculative investments on behalf of a Fund than it would otherwise make in the absence of such performance-based arrangements, although the Aquiline team’s commitment of capital to the Funds should somewhat reduce this potential conflict of interest by alignment of interest.

Section 206(3) of the Advisers Act places restrictions on Aquiline’s ability, acting for its own account (or the account of an affiliate), to buy a security from or sell a security to a client’s account. Such transaction is known as a “principal transaction.” Section 206(3) of the Advisers Act requires an investment adviser to provide written disclosure to a client and obtain the client’s consent prior to settlement of any “principal transactions.” Aquiline will comply with the Advisers Act (and any more restrictive limitations included in a Fund’s governing documents) when engaging in principal transactions with a Fund, to the extent that any occur.

In the event that a Fund formed to facilitate the participation of co-investors in a portfolio investment being made by another Aquiline Fund has not held a closing at the time of the consummation of the portfolio investment, the Aquiline Fund that initially made the investment may transfer a portion of its interest in the portfolio company to the co-investment vehicle following the consummation of the investment. Because this transaction would be between two clients of Aquiline, it could potentially be viewed as a conflict of interest. However, the possibility of this type of transaction would be disclosed in the applicable Fund’s offering documents, and a mechanic to address the potential conflict of interest would be included in the applicable Fund’s governing documents. For example, the Fund’s governing documents may provide that a portion of the Fund’s interest in a portfolio company may be transferred to a co-investment vehicle within a specified period of time.

From time to time, certain Aquiline Fund portfolio companies that are asset management companies themselves offer investment opportunities to accredited investors, and in such instances certain employees of Aquiline or any of its affiliates may invest in such opportunities on the same market terms as available to other similarly situated accredited investors. An Aquiline Fund may also participate in such investment opportunities on the same or different terms.

Code of Ethics and Personal Trading

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

The Rule requires Aquiline to adopt a code of ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of Aquiline’s employees. Aquiline’s Code contains policies and procedures that ensure that all personal securities trading by Aquiline’s employees is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Aquiline prohibits personal trading on certain securities or instruments; requires pre-clearance before purchasing investments in financial services firms, IPOs, private placements, and private investment funds (including those managed by firms in which the Funds may be invested); requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

A copy of Aquiline’s Code is provided to any client or prospective client upon request.

Item 12 - Brokerage Practices

In the event that Aquiline chooses to use a broker/dealer, Aquiline seeks to obtain the best execution, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity, and stability of the broker/dealer; and (iv) the competitiveness of commission rates in comparison with other broker/dealers satisfying Aquiline's other selection criteria. These criteria apply when Aquiline elects to transact through both Portfolio Company B/Ds (as described in greater detail above) as well as unaffiliated broker/dealers that also happen to be affiliates of investors (or investors) in one or more of the Funds.

Item 13 - Review of Accounts

The Funds' portfolio companies are reviewed on a regular basis by Aquiline's investment professionals. Particular attention is given to changes in company fundamentals, company management, industry outlook, market outlook, and price levels.

The Funds to which Aquiline provides discretionary investment advice generally furnish each investor with written annual reports that include audited annual financial statements prepared in accordance with generally accepted accounting principles and written quarterly reports that include unaudited financial statements.

Item 14 - Client Referrals and Other Compensation

Aquiline has caused and may in the future cause a Fund to pay placement fees to third parties for referring prospective investors to it. Any placement fees paid to third parties are then offset against the Management Fee with respect to such Fund. Aquiline has utilized and may utilize in the future Portfolio Company B/Ds and former Portfolio Company B/Ds to serve among its placement agents. One former Portfolio Company B/D is owned by an investor in another Aquiline Fund, and a member of Aquiline serves on its board of directors.

Item 15 - Custody

Aquiline is deemed to have “custody” of the Funds’ assets (within the meaning of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”)) because Aquiline or an affiliate serves as the General Partner of each Fund. Fund assets are held in custody by unaffiliated broker/dealers or banks as required by and in accordance with the Custody Rule and associated guidance issued by the Staff of the SEC. Investors will not receive statements from the custodians. Instead, the Funds are subject to an annual audit, and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the applicable Fund’s fiscal year end.

Item 16 - Investment Discretion

Pursuant to the Advisory Agreement of each Fund and subject to the control of the General Partner of each such Fund, Aquiline generally has full discretionary authority over each of the Funds and performs the day-to-day investment operations of each Fund in accordance with the terms and conditions of the Advisory Agreement and governing documents of each such Fund.

Item 17 - Voting Client Securities

Aquiline has authority for voting proxies on behalf of the Funds relating to the portfolio companies in which they invest. Aquiline's policy on proxy voting with respect to client accounts is to vote proxies consistent with its fiduciary duty to clients. Where Aquiline exercises voting authority over the proxy voting activities of a Fund, Aquiline shall vote client proxies in a way that it believes will maximize shareholder value, which may include a decision not to vote. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. If a material conflict of interest between Aquiline and its clients with respect to voting proxies is deemed to exist, Aquiline may form and subsequently convene a proxy voting committee to determine how to vote the proxy in the best interests of the applicable clients. Depending on the nature of the material conflict of interest, such proxy voting committee may consult with, or refer the vote to, the relevant Fund's Advisory Committee.

Investors may request a copy of the policy and the voting records relating to proxies by contacting Aquiline.

Item 18 - Financial Information

Aquiline has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.