

Item 1. Cover Page

**Form ADV Part 2A
Firm Brochure**

Genstar Capital Management LLC

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This brochure provides information about the qualifications and business practices of Genstar Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 415-834-2350. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Genstar Capital Management LLC (“Genstar” or the “Firm”) also is available on the SEC’s website at www.adviserinfo.sec.gov.

Genstar refers to itself as a “registered investment adviser”. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

The date of the last filed amendment to the Firm's brochure was on March 29, 2019. This amendment includes clarifying information about fees and expenses, business risks, privacy and data protection law, and conflicts of interest.

Nevertheless, investors are encouraged to review this brochure in its entirety. The information set forth in this brochure is qualified in its entirety by the applicable offering and governing documents. In the event of a conflict between the information set forth herein and the applicable offering and governing documents, the information set forth in the applicable offering and governing documents shall control.

Item 3. Table of Contents

<u>Item 1.</u>	Cover Page	1
<u>Item 2.</u>	Material Changes	2
<u>Item 3.</u>	Table of Contents	3
<u>Item 4.</u>	Advisory Business.....	4
<u>Item 5.</u>	Fees and Compensation	5
<u>Item 6.</u>	Performance-Based Fees and Side-By-Side Management.....	9
<u>Item 7.</u>	Types of Clients	10
<u>Item 8.</u>	Methods of Analysis, Investment Strategies and Risk of Loss	10
<u>Item 9.</u>	Disciplinary Information	21
<u>Item 10.</u>	Other Financial Industry Activities and Affiliations	21
<u>Item 11.</u>	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	22
<u>Item 12.</u>	Brokerage Practices.....	41
<u>Item 13.</u>	Review of Accounts	42
<u>Item 14.</u>	Client Referrals and Other Compensation	42
<u>Item 15.</u>	Custody	43
<u>Item 16.</u>	Investment Discretion	43
<u>Item 17.</u>	Voting Client Securities	43
<u>Item 18.</u>	Financial Information.....	44
<u>Item 19.</u>	Requirements for State-Registered Advisers	44

Item 4. Advisory Business

General Information

This brochure is prepared on behalf of Genstar Capital Management LLC, Genstar Capital Partners LLC, and Genstar Capital LLC (together with their affiliates that provide advisory services to and/or receive management fees from the Funds (as defined below), “**Genstar**” or the “**Firm**”), in accordance with the requirements of Rule 203-1 under the Investment Advisers Act of 1940 (“**Advisers Act**”) and Form ADV. Such affiliates may or may not be under common control with Genstar Capital Management LLC, but possess a substantial identity of personnel and/or equity owners with Genstar Capital Management LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds (as defined below), or may serve as General Partners (as defined below) of the Funds. The information herein responds to specific information required by the Rule, and Form ADV, and does not contain all of the terms of an investment in any of the Funds. Investors should refer to the information in the Fund Documents (as defined below) for additional information regarding an investment in any of the Funds.

Our Firm

Genstar is a San Francisco-based private investment firm. The principal owners of Genstar Capital Management LLC, Genstar Capital LLC, and Genstar Capital Partners LLC are Jean-Pierre L. Conte, J. Ryan Clark, Anthony J. Salewski, Robert S. Rutledge, and Eli P. Weiss (the “**Managing Directors**”). Genstar has been in business for approximately 20 years.

Genstar makes private equity investments primarily in middle-market companies generally located in North America. Middle-market companies generally are companies having an enterprise value of approximately \$250 million to \$1,250 million. The Firm has developed a sector-focused approach in four primary industries: Healthcare; Financial Services; Software; and Industrials. Genstar’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. Genstar may serve as the investment adviser or general partner to the Funds in order to provide such services.

Ownership and Structure

Genstar is a Delaware limited liability company that is registered with the SEC as an investment adviser under the Advisers Act. Together with trusts for the benefit of their families, the Managing Directors are the principal owners of the Firm.

Nature of Our Clients

Genstar provides discretionary investment management services through affiliated General Partners to private investment funds (the “**Funds**”). The Funds are typically U.S. limited partnerships or other investment vehicles that are not registered or required to be registered under the U.S. Investment Company Act of 1940 (“**1940 Act**”) or the U.S. Securities Act of 1933 (“**Securities Act**”), and are privately placed to qualified investors in the United States and elsewhere.

The Funds are collectively referred to in this brochure as “**Clients**.” Persons and entities that invest in the Funds are referred to in this brochure as “**investors**” or “**limited partners**.” Genstar provides investment advice and other services directly to the Funds and not individually to the investors in the Funds.

Genstar does not currently participate as manager in any wrap fee programs.

Types of Advisory Services Offered

Discretionary investment management services are provided to the Funds in accordance with the terms of private placement memoranda and relevant offering materials and governing documents, including limited partnership agreements, side letters and advisory agreements, of the Funds (together, the “**Fund Documents**”).

Discretionary investment management services are provided directly to each Fund, subject to the discretion and control of the applicable general partner of such Fund, Genstar Capital V, L.P., Genstar Capital VI, L.P., Genstar Capital VII, L.P., Genstar Capital VIII, L.P. and Genstar Capital IX, L.P., (each a “**General Partner**,” collectively, the “**General Partners**”), and not individually to the investors in such Fund. The terms upon which the Firm serves as investment manager of a Fund are established at the time such Fund is established and are generally set out in the Fund Documents applicable to such Fund. These terms may vary among each Fund and potentially restrict investments in accordance with certain diversification provisions.

Assets Under Management

As of December 31, 2019, Genstar managed \$19,575,670,577 of Client assets, all of which are managed on a discretionary basis. This includes the committed capital that may be called by the Funds from their respective limited partners.

Item 5. Fees and Compensation

Management Fees

Genstar and affiliated General Partners of the Funds generally receive management fees and “**Carried Interest**” allocations, as described in Item 6 below, respectively, in connection with the investment management and other services the Firm and the General Partners provide to the Funds. Such fees and Carried Interest allocations paid by a Fund are indirectly borne by investors in such Fund.

The Funds generally pay annual management fees based upon aggregate commitments during the commitment period (i.e., period of time during which the applicable General Partner may draw upon the limited partners’ capital commitments to make new investments) of the relevant Fund, and, following the commitment period, based upon funded commitments with respect to investments that have not been the subject of a disposition. Management fees are generally payable quarterly in advance or semi-annually partially in advance and are generally paid after the date payable.

When management fees are paid in advance with respect to a Fund, the Fund Documents of such Fund typically do not contemplate repayment of fees to the extent that Genstar’s management services terminate prior to the end of the relevant payment period.

To the extent provided in the Fund Documents of the Funds, Genstar will pay out of management fees its own operating expenses incurred in connection with the management of the Funds (which, for the avoidance of doubt, exclude those expenses borne directly by the Funds as described below).

Organizational and Offering Expenses

The Funds will bear all reasonable legal and other expenses incurred in the formation of the Funds and the General Partners, up to an amount provided in the Fund Documents. Generally, Genstar bears economic responsibility for organizational expenses in excess of this amount, subject to the terms provided in the Fund documents.

Other Expenses, Transaction Fees and Offset of Management Fees

Except as noted above, and subject to the terms of the Fund Documents, the Funds will pay all other costs, expenses and liabilities that in the good faith judgment of the General Partners are incurred by or arise out of the operation and activities of the Fund.

Genstar may perform management, advisory, transaction-related, financing, monitoring, director, financial advisory and other services (“**Related Services**”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, unconsummated transactions and similar transactions (“**Transaction Fees**”). For purposes of determining the management fee offset described below, Transaction Fees exclude any portion thereof that is allocable to or is based on an investment by any parallel fund, alternative investment vehicle, co-investment vehicle, or other investor (including, for

the avoidance of doubt, any strategic co-investors or priority co-investors), on the basis of capital committed (or to be committed) by each to the relevant transaction. Generally, under the terms of the applicable Fund Documents, these Transaction Fees are net of out-of-pocket costs and expenses incurred by Genstar in connection with consummated or unconsummated transactions or in connection with generating any such fees. These Transaction Fees may be substantial and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although these fees are in addition to the management fees, Genstar will generally apply all or a percentage of such fees to reduce the amount of management fees paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Fund Documents of the applicable Fund. As some Funds do not pay management fees, any such reduction will not benefit such Funds. Any such reduction of a Fund's management fees will be limited to the extent of such Fund's proportionate interest in the applicable portfolio company. There are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of such fees. Since the management agreements with the portfolio companies providing for such fees may have prolonged terms (often exceeding ten years and/or subject to automatic extensions and renewal), the effect of such acceleration may be substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio companies. Additionally, a portfolio company or other third person may reimburse Genstar for expenses, including, without limitation, variable travel expenses incurred in accordance with Genstar's travel policy as in effect from time to time, which may include expenses for chartered or first-class travel, expenses associated with the structuring, negotiating, making, sourcing (including any retainers, success and finder's fees and other compensation paid to contractors), researching, acquiring, monitoring, restructuring, holding, selling and otherwise disposing of, or otherwise related to, such Fund's proposed or actual investments; all third party expenses relating to unconsummated transactions (i.e., broken deal expenses, break-up fees and costs that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such parties) and temporary investments, variable administrative expenses (such as research), lodging, meals and entertainment, due diligence expenses (including fees for attending conferences the primary purpose of which is sourcing investments), brokerage commissions and fees, underwriting commissions and discounts; expenses related to recruitment of executive staff; legal, accounting, investment banking, consulting and professional fees and other fees, costs and expenses, including those relating to any co-investment vehicles formed in connection therewith) incurred by Genstar in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of "Transaction Fees" under the terms of the applicable Fund Documents, and such reimbursements are not subject to the sharing arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

From time to time, Genstar may (in its sole discretion), agree to pay a portion of a Transaction or other fee received from an actual or prospective portfolio company to a third party ("**Third Party Fee**"), such as a consultant, advisor, finder, broker and/or investment bank. In such event, the Third Party Fee is not a fee that Genstar is entitled to retain and therefore, Genstar is not required under the terms of the applicable Fund Documents to offset such Third Party Fee against a Fund's management fee.

Genstar also engages and retains operating partners, senior advisors, operating executives, strategic advisers, consultants, and other similar professionals who are not employees or affiliates of Genstar and who, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by Genstar and such amounts will not be subject to the sharing arrangements described above.

As further described herein and in the applicable Fund Documents, Genstar has created a Strategic Advisory Board (“SAB”), comprised of persons employed or retained by Genstar, who play a key role in sourcing, performing diligence, and advising portfolio companies throughout the Firm’s ownership. SAB members receive compensation, guaranteed payments, cash fees, a share of proceeds upon sale of a portfolio company or other incentive-based compensation. SAB members also receive reimbursement of certain costs and expenses that are incurred in connection with providing services. From time to time, SAB members are also expected to receive other benefits, including the ability to make use of certain Genstar resources and the opportunity to invest in the Funds. In connection with services to portfolio companies from time to time, SAB members also (a) receive cash and/or non-cash (e.g., equity) consideration for their services from the applicable portfolio companies and (b) invest directly in one or more portfolio companies. Any such cash or non-cash consideration received by a SAB member from a portfolio company will not be deemed to be Transaction Fees subject to offset pursuant to the applicable limited partnership agreement. In addition, certain consideration payable to SAB members or other operating executives in connection with due diligence on potential investments may be borne by the Funds.

The precise amount of, and the manner and calculation of, the management fees for each Fund are established by Genstar, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund’s Fund Documents received by each investor prior to investment in such Fund. The management fees and other fees and distributions described above are generally subject to waiver or reduction by Genstar in its sole discretion, both voluntarily and on a negotiated basis with selected investors. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

The management fees paid by a Fund will generally be reduced by the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors.

To the extent provided in the applicable Fund Documents, Genstar will pay out of management fees certain operating expenses attributable to Genstar, including expenses on account of rent, utilities, office supplies, office equipment, compensation and benefits of its partners and employees (other than Carried Interest described in Item 6 below), compensation and expenses of SAB members and certain other routine administrative expenses relating to the services and facilities provided by Genstar to the Funds. Consistent with the Fund Documents, each Fund, and its underlying investors, will pay expenses attributable to or in furtherance of the activities of such Fund. These expenses will vary, but typically will include legal, auditing, consulting, accounting and professional fees, fees and expenses (including costs of reports to the investors, financial statements, tax returns and schedule K-1s); costs, expenses and liabilities incurred in

connection with or arising out of the Alternative Investment Fund Managers Directive or comparable regimes or statutes in other non-U.S. jurisdictions, including reports, disclosures, filings, registrations and legal expenses related thereto; management fees; reasonable out-of-pocket expenses of such Fund's limited partner advisory board and strategic advisory board and expenses of meetings thereof (including travel expenses), including the annual leadership conference among advisory board members, portfolio company CEOs, operating partners, and principals of Genstar and their spouses, and annual meetings of the investors; all insurance, indemnification and other expenses; all expenses associated with the structuring, negotiating, making, sourcing (including any retainers, success and finder's fees and other compensation paid to contractors), researching, acquiring, monitoring, restructuring, holding, selling and otherwise disposing of, or otherwise related to, such Fund's proposed or actual investments; all third party expenses relating to unconsummated transactions (i.e., broken deal expenses, break-up fees and costs that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such parties) and temporary investments, including travel expenses incurred in accordance with Genstar's travel policy as in effect from time to time, variable administrative expenses (such as research), lodging, meals and entertainment, due diligence expenses (including fees for attending conferences the primary purpose of which is sourcing investments), brokerage commissions and fees, underwriting commissions and discounts, including those related to any co-investment vehicles formed in connection therewith, to the extent such fees and expenses are not reimbursed by a portfolio company or other third person; all extraordinary expenses (such as litigation, including the amount of any judgments or settlements paid in connection therewith, and indemnity expenses); interest on and fees and expenses arising out of all permitted borrowings made by such Fund; communications expenses (including the cost of any software or online data portal utilized in connection therewith or with reporting); custodial, depository, trustee, paying agent, record-keeping, administrator and banking fees and expenses; appraisal expenses; expenses incurred in connection with the organization and documentation of related investment vehicles; expenses incurred in connection with the implementation of environmental, social and governance policies or any investment or proposed investment, including diligence or reporting; expenses incurred in connection with any sector-specific summits or similar meetings; all expenses of liquidating such Fund; and, any taxes, fees or other governmental or regulatory charges levied against such Fund and all expenses, interest and penalties incurred in connection therewith and taxes related thereto; expenses incurred in connection with any tax audit, investigation, settlement or review of such Fund; expenses relating to a defaulting limited partner; expenses incurred in connection with hedging transactions; expenses incurred in connection with government and regulatory filings (including Form PF but excluding Form ADV); expenses incurred in connection with the transfer of a limited partner's interest or the withdrawal or termination of a limited partner; expenses incurred in connection with side letters entered into with any limited partner and the applicable partnership agreement, including summaries thereof and those associated with any "most favored nations" process related thereto; expenses incurred in connection with the collection of any amounts due to the applicable Fund from any person; expenses incurred in connection with restructuring or amendments to the Fund Documents and the governing documents of related entities, including the applicable General Partner and Genstar, to the extent necessary to implement a restructuring or amendment to the applicable Fund Documents; and expenses relating to anti-money laundering compliance, tax diligence expenses and/or related procedures.

In certain cases, a co-investment vehicle may be formed in connection with the consummation of a transaction. If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction would therefore be borne by the Fund or Funds selected by Genstar as proposed investors for such proposed transaction. In addition, Genstar is authorized to waive or reduce all or a portion of the management fee payable by a Fund in full or partial satisfaction of any obligation of Genstar and certain employees and affiliates of Genstar to invest in and/or alongside such Fund, which could result in acceleration of investor capital contributions. Waived or reduced management fees may not be subject to various offsets or the reductions described above. Due to waived or reduced management fees and/or the timing of receipt of compensation subject to offsets, Fund investors may not receive the full benefit of reductions or offsets.

In some cases, expenses might be attributable to more than one Fund, or to Genstar and one or more Funds. In such cases, Genstar will allocate such expenses to all affected Funds in its discretion. Genstar may experience a conflict of interest when determining and applying an allocation methodology. Please see Item 11 below regarding “Conflicts of Interest” for information regarding the conflicts of interest that may arise in relation to Genstar’s expense allocation.

Additionally, please see Item 6 below regarding “Carried Interest” that Funds may pay.

Although Genstar does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, when a broker is used in connection with an investment by a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below. Neither Genstar nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

With respect to each Fund a portion of the profits of each Fund, if any, is distributed to its general partner as “carried interest” (the “**Carried Interest**”). Each General Partner of a Fund is an affiliate of Genstar. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors (including employees and other related persons of Genstar) in such Funds incur lower or no Carried Interest. Certain co-investment investors are also not required to pay management fees or Carried Interest.

The payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) has the potential to create an incentive for Genstar to disproportionately allocate time, services or functions to Funds paying Carried Interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Fund Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of Genstar to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for

additional information relating to how conflicts of interests are generally addressed by Genstar.

Item 7. Types of Clients

Genstar provides discretionary investment advice solely to private equity funds. Genstar does not have any requirements for opening or maintaining an account. Investment in the Funds is generally only available to “accredited investors” and/or “qualified purchasers,” within the meaning of the Securities Act, and the 1940 Act, respectively.

Genstar does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The General Partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Fund Documents of such Fund.

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

The Fund Documents for each Fund set forth the terms of investment and identify such Fund’s investment objectives along with risk factors. The Fund Documents contain additional information on these risks associated with an investment in the respective Fund, and should be reviewed by any prospective investor in such Fund.

Investment Strategies and Methods of Analysis

Genstar’s investment strategy is to make investments in middle-market businesses that fit within the Firm’s investment focus and that the Firm believes can benefit from Genstar’s industry expertise, network and capital base. Typically, Genstar acquisition prospects have revenues of \$50 million to \$1 billion and enterprise values of \$250 million to \$1,250 million. The Firm generally pursues platform companies producing positive cash flow, typically with a minimum of \$25 million of pro forma EBITDA. Genstar has experience structuring investments in a variety of ways, including (i) control investments in privately held businesses, (ii) carve- outs of corporate divisions, (iii) ownership restructuring/recapitalizations, (iv) control growth equity investments, (v) take-private transactions, (vi) industry consolidations, and (vii) partnerships with other strategic or financial investors. The Firm favors what it believes to be quality businesses in stable industries that exhibit long-term growth potential, but where Genstar sees an opportunity to improve performance.

Genstar invests in four primary industries, although it may invest in other industries under certain circumstances:

- Healthcare
- Financial Services
- Industrials
- Software

The Managing Directors regularly develop specific, actionable investment themes that reflect their assessment of market prospects. Genstar believes that by investing in the continued growth of its knowledge base and industry networks, the Firm will continue to identify appropriate industries, sectors and acquisition prospects.

Genstar seeks to utilize a rigorous and disciplined approach to evaluate potential acquisitions. The Firm leverages its domain expertise and networks to conduct due diligence on the relative risks and returns of an investment opportunity, including a comprehensive review of: (i) a target company's management team; (ii) the quality and market perception of its products and services; (iii) its competitive position and prospects within its industry; (iv) market- sizing and industry momentum; (v) potential economic and regulatory risks; and (vi) the return profile of the investment. Genstar's investment professionals lead this process, aided by industry consultants and the Firm's network of contacts.

Genstar has a dedicated group of deal professionals with the mission of driving value creation by engaging in the investment diligence process and in the oversight of the portfolio investment. The scope of this group's activities may be summarized as follows: (i) conduct sourcing and due diligence as described above; (ii) collaborate with portfolio management to seek to develop strategic initiatives, accelerate revenue growth, and improve operating performance; (iii) create a professional board to provide business performance oversight; and (iv) serve as interim executives, when necessary.

Genstar's investment strategy does not include frequent trading.

Risk of Loss

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

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

Business Risks

Illiquid and Long-Term Investments. An investment in the Funds requires a long-term commitment, and limited partners should expect little or no near-term cash flow. Many of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize such investments in a timely manner. Consequently, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment and may result in distributions in-kind to the limited partners. The Funds intend generally to seek controlling interests in the companies in which they invest, and such investments are inherently illiquid. While a portfolio company may be sold at any time, it is generally expected that the disposition of most of the Funds' portfolio companies will not occur for a number of years after such investments are made. It is unlikely that there will be a public market for the securities held by the Funds at the time of their acquisition, and such securities may require a substantial

length of time to liquidate. The Funds generally will not be able to sell the securities they hold of any investment publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In some cases, the Funds may be prohibited or limited by contract from selling certain securities or debt instruments for a period of time and as a result, may not be permitted to sell an investment at the time they might otherwise desire to do so.

Availability of Suitable Investments. The success of the Funds depends, in large part, on the identification and availability of a sufficient number of investment opportunities that fall within the Funds' investment objectives and the ability of the General Partners and Genstar to identify, negotiate, close, manage and exit those investment opportunities. The General Partners and Genstar believe that they will ultimately be able to locate sufficient investments suitable for the Funds, but the identification of attractive investment opportunities is a long and complex process and involves a high degree of uncertainty, especially with regard to timing. The Funds compete for the right to make investments with an ever-increasing number of other parties, including other private investment funds as well as individuals, financial institutions and other institutions, some of which may have greater resources than the Funds. In addition, private investment funds with similar investment objectives may be formed in the future, which may compete for investment opportunities. As a result, the Funds may have difficulty in making certain investments or, alternatively, be required to make investments on economic terms less favorable than anticipated. While the General Partners and Genstar plan to minimize such competition by relying on their extensive network of relationships, there can be no guarantee that the Funds will be able to fully invest their committed capital or that the General Partners and Genstar will be able to identify investment opportunities that satisfy the Funds' targeted investment objectives. If the Funds fail to make new investments or make investments on less favorable terms, their financial condition and results of operations could be materially and adversely affected. Regardless, limited partners will be required to pay management fees based on aggregate commitments during the Funds' investment periods.

Leverage. The Funds' investments are expected to include portfolio companies whose capital structures may have significant leverage. The leveraged capital structure of such portfolio companies will increase the exposure of the portfolio companies 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. As a result, such portfolio companies' flexibility to respond to changing business and economic conditions may be limited. In the event that a portfolio company is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness, the value of the applicable Fund's investment in such portfolio company could be significantly reduced or even eliminated. Moreover, the Funds may invest in securities that are not protected by financial covenants or limitations on additional indebtedness.

The General Partners may also obtain leverage at the Fund level in order to fund a portion of the capital necessary for investments. The Funds may, from time to time, borrow on a secured or unsecured basis. It is expected that this indebtedness, if incurred, will be secured primarily by the unfunded commitments of the limited partners of the applicable Fund. In addition, the General Partners intend to evaluate whether it is prudent and appropriate to

incur this leverage and there can be no assurance that leverage will be incurred given that adverse economic factors, such as a significant rise in interest rates, may cause the General Partners, in their discretion, to elect not to incur such leverage. The extent to which a Fund or its subsidiaries (including investment entities) uses leverage may have important consequences to its limited partners, including, but not limited to, the following: (i) greater fluctuations in the valuation of such Fund's assets; (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (iii) increased interest expense if interest rate levels were to increase; (iv) in certain circumstances, prematurely disposing of investments to service such Fund's debt obligations; (v) limitation on such Fund's flexibility to make distributions to its limited partners or sell assets that are pledged to secure the indebtedness; and (vi) a decrease in the amount of distributions that the limited partners might otherwise have received in respect of a preferred return had such leverage not been incurred. Additionally, the General Partners may receive (A) distributions in respect of Carried Interest notwithstanding the fact that borrowings may be outstanding under a credit facility at such time or (B) more distributions in respect of Carried Interest than they otherwise would have received in the absence of such borrowings. In addition, calculations of net internal rates of return ("IRR") in respect of performance data included in the Funds' offering documents, as well as reported to the limited partners of the Funds from time to time, are based on actual capital contributions received from and distributions made to the limited partners. In instances where a Fund utilizes borrowings, it may result in a higher reported net IRR than would have been the case if borrowings were not used in lieu of capital contributions or in advance of related capital contributions that would only be made at a later date.

There can be no assurance that the Funds will have sufficient cash flow to meet their debt service obligations. As a result, the Funds' exposure to losses may be increased due to the illiquidity of their respective investments generally. Finally, in the case of borrowings which are secured by unfunded commitments, a Fund's limited partners whose unfunded commitments have been pledged may be called upon to fund their entire unfunded commitments to repay indebtedness and the failure of other limited partners of such Fund to honor their unfunded commitments may result in a limited partner's payment exceeding its pro rata share of the indebtedness that has been obtained by such Fund.

Portfolio Company Management Risks. 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. Although the General Partners and Genstar expect to monitor portfolio company management, management of each portfolio company will have day-to-day responsibility with respect to the business of such portfolio company. There can be no assurance that the existing management team of a portfolio company, or any new team installed by the General Partner of a Fund or Genstar, will be able to successfully operate the portfolio company or meet the applicable Fund's expectations.

General Economic Conditions. Changes in general economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets are expected to affect the value and number of investments made by the Funds or considered for prospective investment. The Funds' investments can be expected to be sensitive to the performance of the overall economy.

A negative impact on economic fundamentals and consumer and business confidence has increased market volatility and reduced liquidity, both of which could have a material adverse effect on the performance of the Funds' investments. No assurance can be given as to the effect of these events on the Funds' investments or investment objectives.

Financial Market Fluctuations. Material changes and fluctuations in the economic environment, for example, of the type experienced in and after 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect the Funds' ability to make investments and the value of investments held by the Funds. Any resulting economic downturn resulting from any such marketplace events and/or volatility in the financial markets could adversely affect the financial resources of portfolio companies and result in the inability of such portfolio companies to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund may suffer a partial or total loss of capital investment in such portfolio companies, which would, in turn, have an adverse effect on the Fund's returns. Such marketplace events also may restrict the ability of the Funds to make new investments, or sell or liquidate investments at favorable times or for favorable prices.

Furthermore, the public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by, among other reasons, the tightening of the credit markets and further financial turmoil and uncertainty. The repercussions of any market turmoil are unclear. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds looked to the public securities markets as a potential exit strategy, and there can be no assurance that the Funds will be able to exit from an investment by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable the Funds to sell these securities when the General Partners believe it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have a material adverse effect on the ability of the Funds to buy, sell and partially dispose of their portfolio companies. The Funds may be adversely affected to the extent that they seek to dispose of any of their investments in an illiquid or volatile market and the Funds may find themselves unable to dispose of investments at prices that the General Partners believe reflect the fair value of such investments. Future market conditions cannot be predicted.

Geopolitical Risks. An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on the Funds' returns. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Outbreaks of Infectious or Contagious Diseases. There have been a number of outbreaks of infectious illness in recent decades, including SARS, H1N1/09 flu, avian flu, ebola and, as of March 2020, there is an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared a “Public Health Emergency of International Concern.” The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain markets, including equity, debt and commodities markets. The global impact of the outbreak is rapidly evolving, and many governments have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, commodities, hospitality, tourism, entertainment and other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, as well as the scale of such impacts, are increasingly uncertain and difficult to assess.

Any public health emergency, including COVID-19 or other existing or new illness, or the threat thereof, could materially and adversely impact the value and performance of the Funds’ investments, the Funds’ ability to source, manage, value and divest investments and the Funds’ ability to achieve their investment objectives. In addition, the operations of the Funds, their investments, the General Partners and the investment manager may be significantly impacted, or even temporarily or permanently halted, as a result of actual or potential government quarantine measures, mandatory, voluntary or precautionary restrictions on travel or meetings, and other factors related to a public health emergency, including the potential adverse impact on the finances, freedom of movement or health of any such entity’s personnel. Any of the foregoing events could result in significant losses to the Funds. The extent of the impact of any public health emergency will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented (including any government quarantine measures and any voluntary and precautionary restrictions on travel or meetings), the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and markets, all of which are highly uncertain and cannot be predicted.

Third-Party Involvement. The Funds may co-invest with third parties through jointly owned acquisition vehicles, partnerships, joint ventures or other structures. In such situations, a Fund’s ability to control its equity investments will depend upon the nature of the joint investment arrangements with such partners and such Fund’s relative ownership stake in such investments. A Fund may be a minority investor in these circumstances. In addition, such arrangements may restrict such Fund’s ability to dispose of its investments for potentially significant periods of time. Such investments may involve risks not present in investments where a third party is not involved. A co-venturer or partner of a Fund may at any time have economic or business interests or goals which are inconsistent with those of such Fund and may be in a position to take (or block) action inconsistent with such Fund’s investment objectives. The Funds may be liable for certain actions of their respective co-venturers or partners. Co-investments may also involve higher costs than other investments. Co-venturers or partners potentially may include the Funds’ investors.

Non-U.S. Investments. The Funds may make investments outside of the United States, including in U.S.-based businesses that have substantial foreign operations. Non-U.S. securities involve certain risks 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 foreign currencies in which the Funds' foreign investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in, and relative illiquidity of, some foreign securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation; (iv) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; (v) obtaining foreign governmental approvals and complying with foreign laws and regulations; (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; (vii) less developed corporate laws regarding fiduciary duties and the protection of investors; and (viii) rudimentary anti-fraud and insider trading regulations. Genstar's historical returns on its U.S. investments may not be indicative of the results they may achieve on investments located in foreign countries. There may be no prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a portfolio company's assets, or otherwise materially affect the value of the portfolio company without the consent of the portfolio company's shareholders. Anti-dilution protection also may be very limited. In certain of these countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for the Funds to seek to enforce their rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

Risk of Loss. Performance of any investment is not guaranteed and as a result, there is a risk of loss of the assets of the Funds that may be out of Genstar's control. Genstar cannot guarantee any level of performance or that investors will not experience a loss of their account assets. Genstar can provide no assurance that the Funds will be able to generate returns or that the returns will be commensurate with the risks inherent in the Firm's investment strategy. The marketability and fair market value of any investment will depend upon a variety of factors beyond the control of the Funds and Genstar. The expenses of a Fund may exceed its income, and an investor in a Fund could lose the entire amount of its contributed capital. As a result, an investor should only invest in a Fund if the investor can withstand a total loss of its investment. Past performance of Genstar and the Funds is not indicative of future performance.

Equity Securities. The Funds are permitted to invest in common and preferred stock and other equity securities, including both public and private equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities

may be highly leveraged or subject to other risks such as limited product lines, contracts markets or financial resources. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting irregularities. The Funds may experience a substantial or complete loss on individual equity securities.

Debt Investments. Certain Funds are permitted to invest in debt securities, including, without limitation, higher yielding (and, therefore, higher risk) debt securities. Such debt may be secured or unsecured and may be structurally or contractually subordinated to substantial amounts of senior indebtedness. In the event of bankruptcy or liquidation of an issuer of such securities, there may not be enough proceeds to repay the holders of such securities following repayment to the holders of senior indebtedness. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. In certain cases, such debt will be rated below “investment grade” or will be unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer’s failure to make timely interest and principal payments. The market values of certain of these debt securities may reflect individual corporate developments. It is likely that a major economic recession could have a materially adverse impact on the value of such securities. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these debt securities.

Possible Hedging Activities. The Funds may, but are not required to, seek to minimize the risk of a decrease in the value of one or more investments by using certain hedging strategies. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve the intended result. These hedging strategies may limit the ability of the Funds to profit from the increase in the value of an investment above a certain price and may increase the cost of owning certain portfolio companies. While such hedging transactions may reduce certain risks, such transactions themselves may entail certain other risks, including counterparty credit risk and market liquidity risk. In addition, if judgments made with respect to interest rates, future stock prices, exchange rates, market conditions or trends are not correct, these hedging strategies could result in losses to the Funds. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices of derivatives. Thus, while the Funds and the portfolio companies may benefit from the use of hedging instruments, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Funds and the portfolio companies than if they had not used those hedging instruments. The Funds’ hedging activities will be subject to any limitation imposed by the de minimis exemption under Commodities Futures Trading Commission (“CFTC”) Rule 3.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable to the Funds at the applicable time.

Environmental Hazards. Under environmental laws enacted by U.S. federal and state governments, owners and lessees of property may be liable for the clean-up and removal of hazardous substances even where the present owner was not responsible for placing the hazardous substances on the property or where the property was contaminated prior to the time the owner took title. If any property acquired or leased by a portfolio company was found to have an environmental problem, the portfolio company could incur substantial costs and a Fund could suffer a complete loss of its investment in such portfolio company.

Currency Exchange Risk. Capital contributions to the Funds are payable in U.S. dollars and the Funds' assets are valued in U.S. dollars. Certain of the Funds' investments may be denominated in currencies other than the U.S. dollar, and therefore the value of such investments will depend in part on the relative strength of the U.S. dollar. The Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar, as well as the transaction costs associated with converting foreign currencies into U.S. dollars.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations ("Privacy Laws") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Firm, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Firm, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Firm, the General Partner, the Funds and/or their portfolio companies.

Control Position. The Funds will generally seek investment opportunities that allow the Funds to either acquire control or exercise significant influence over the management, operations and strategic direction of the portfolio companies in which they invest. The exercise of control and/or significant influence over a company imposes additional risks of liability for regulatory non-compliance, environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of the Funds to claims by such portfolio company, its security holders, its creditors and its regulators. While the

General Partners and Genstar intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Non-Controlling Investments. The Funds may make minority equity investments in portfolio companies where they may have limited influence. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of the Funds, and the Funds may not be in a position to control the investment policies of such portfolio companies or otherwise protect the value of their investment in such portfolio companies. This could result in the Funds' investments being frozen in minority positions that incur substantial losses. In addition, if a Fund takes a minority position in publicly traded securities as a "toehold" investment, such publicly-traded securities may fluctuate in value over the limited duration of such Fund's investment in such securities, which could potential reduce returns to limited partners. Therefore, there can be no assurance that the Funds will be able to realize the value of their investments and distribute proceeds in respect thereof in a timely manner. Furthermore, although the Funds generally seek board representation in connection with their minority investments, there is no assurance that such representation, if sought, will be obtained.

Board Participation. The Funds are expected to be represented on the boards of directors of certain of their portfolio companies and may have their representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Funds' investment strategy and may enhance the General Partners' and Genstar's ability to manage the Funds' investments, they may also have the effect of impairing the General Partners' ability to sell the related securities when, and upon the terms, they may otherwise desire, and may subject the General Partners, Genstar and the Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, each of the Funds will indemnify certain persons under the applicable limited partnership agreement, including the General Partner and Genstar.

Projections. The Funds may rely upon projections developed by Genstar or a portfolio company concerning a portfolio company's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of Genstar and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flow.

Adverse Publicity. Each of the Funds, the General Partners and the Firm face the risk of negative publicity, including in matters such as labor disputes and adverse environmental attention, as well as arising out of municipal and federal government scrutiny both in the United States and globally. Additionally, Portfolio Company and Manager employees could pursue claims against the Firm or the Funds, which may draw negative publicity, as well as negative news media attention.

Third-Party Advice. Each Fund, the General Partners and the Firm utilize the services of

attorneys, accountants and other consultants in their operations. Each Fund, the General Partners and the Firm generally rely upon such advisors for their professional judgment with respect to legal, tax and other regulatory matters. Nevertheless, there exists a risk that such advisors may provide incorrect advice from time to time.

Restrictions on Transfer and Redemption; No Right of Withdrawal. Interests in the Funds have not been registered under the Securities Act or any other U.S. or non-U.S. securities laws, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and applicable securities laws, or an exemption from registration is available. It is not expected that registration of the interests under the Securities Act or other securities laws will ever be effected. There is no public market for the interests, and none is expected to develop. In addition, the interests are not assignable or transferable without the consent of the applicable General Partner, which may be given or withheld in such General Partner's sole discretion, and redemptions are not permitted except in extremely limited circumstances as described in the Fund Documents. In addition, no such sale, transfer, assignment, pledge or other disposition may take place if it would cause a Fund to be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code or cause the assets of a Fund to be considered "plan assets" for purposes of ERISA. Except in extremely limited circumstances, voluntary withdrawals from a Fund are not permitted. Consequently, investors may not be able to liquidate their investments before the end of a Fund's term, and must be prepared to bear the risks of owning interests and contributing capital for an extended period of time.

Required Withdrawal. Each General Partner, in its sole and absolute discretion, may require an investor to withdraw from a Fund under certain circumstances set forth in the Fund Documents. Such required withdrawal may result in negative consequences, including the failure of such investor to recognize the full value of its investment in a Fund or to receive distributions in respect of its withdrawal in a timely manner.

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

Passive Investment. The management of the affairs of each Fund are vested exclusively in the applicable General Partner and the Firm, and each investor must rely upon the General Partner's and the Firm's ability to identify and consummate investments suitable for the Funds, properly manage the investments in portfolio companies, and determine the appropriate time and terms on which to exit such investments. Investors will have no control with respect to the day-to-day operations of the Funds and will not take part in the management or control of the business of the Funds. No investor will have the opportunity to evaluate for itself the relevant economic, financial and other information regarding the investments which the Funds will acquire. Investors will not receive the detailed financial information issued by portfolio companies

which is available to the General Partners. As a result, investors must rely on the ability of the General Partners and the Firm to make appropriate investments and to manage and dispose of such investments. No assurance can be given that the General Partners and the Firm will be successful in selecting suitable investments or that the objectives of the Funds will be achieved.

Valuation of Assets. There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, Genstar will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of Genstar. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by Genstar may give rise to conflicts of interest, as the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect performance calculations.

Diversification. The ability of a Fund to diversify its investments will depend upon the ultimate size of that Fund relative to the size of the available investment opportunities. To the extent the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies than anticipated and thus be less diversified. Furthermore, because a Fund's General Partner has the ability to concentrate its investments by investing a significant percentage of aggregate commitments, subject to certain limitations, in specific investments and an unlimited amount of its assets in a single industry, the overall adverse impact on a Fund of adverse performance of one portfolio company or industry may be considerably greater than if its General Partner were not permitted to concentrate its investments to such an extent. As a result, poor performance by one or more of its investments could severely affect a Fund's total returns and profitability. The Funds expect to make multiple investments in different industries, but unforeseen circumstances may cause them to limit the number and diversity of their investments.

Liability for Return of Distributions. Under Delaware and other applicable law, if the Funds are otherwise unable to meet their obligations, the limited partners may be obligated to return cash distributions with interest previously received by them if such distributions are deemed to be wrongfully paid to them and such limited partners knew at the time of such distributions that they were wrongfully paid. In addition, a limited partner may be liable under applicable federal or state bankruptcy laws to return a distribution made during the Funds' insolvency. The limited partners also may be required to return amounts distributed to them to fund the Funds' indemnity obligations.

Disclosure of Information. The General Partner of a Fund, Genstar and/or certain investors in a Fund may be required by law, regulation or otherwise to disclose certain confidential information relating to an investment of such Fund. Such disclosure may affect the ability of such Fund to realize its investment in such investment or the price that such Fund is able to obtain upon any subsequent realization or may otherwise adversely affect such Fund. In addition, as a result of increased regulations in the private funds and related industries, including

with respect to the sources of funds used in investments and other Fund activities, the General Partner of a Fund may request additional documentation from limited partners in such Fund in order to verify, among other things, such limited partners' and its beneficial owners' identities and the source of funds used to purchase the interests in the applicable Fund. The General Partner of a Fund may decline to accept a subscription on the basis of the information that is provided or if this information is not provided. In order to comply with applicable laws, rules, regulations and policies, the General Partner of a Fund may request additional information the limited partners of such Fund at any time. Such information may be provided to governmental and regulatory agencies without notification to the limited partners. The failure of a limited partner to comply with such a request may result in adverse consequences to such limited partner pursuant to the applicable limited partnership agreement. Further, the General Partners will take such steps as they determine in their sole discretion are necessary or appropriate to comply with applicable law, regulations, orders, directives or special measures.

In addition, the Funds, the General Partners, the Firm or their respective affiliates, service providers or agents may from time to time be required or may, in their discretion, determine that it is advisable to disclose certain information about the Funds and their investors, including, but not limited to, investments held by the Funds and the names and percentage interests of beneficial ownership thereof (and the underlying beneficial owners of such beneficial owners), to third parties, including local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, the General Partners, the Firm or a Fund. The General Partners and the Firm generally expect to comply with requests to disclose such information as they may determine, including through electronic delivery platforms; however, the General Partner or the Firm may determine not to make an investment or to cause the sale of certain assets for a Fund rather than make certain disclosures, including as a result of limitations contained in the Fund Documents, and such sale may be at a time that is inopportune from a pricing or other standpoint. In certain circumstances, the Funds, the General Partners, the Firm or any of their respective affiliates, service providers or agents, may be prohibited from disclosing, or may determine not to disclose, that the request has been made.

Disposition of Private Investments. Many of the Funds' investments will involve private securities, which are generally more difficult to sell than publicly traded securities, since there is often no liquid market, which may result in selling interests at a discount. In addition, in connection with the disposition of an investment in private securities, the Funds may be required to make representations about the business and financial affairs of a portfolio company typical of those made in connection with the sale of any business or be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchaser or underwriter of such investment to the extent that any such representations or disclosure document are determined to be inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Funds.

Recourse to Assets. Each Fund's assets, including any investments made by a Fund, are available to satisfy all liabilities and other obligations of such Fund. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and may not be limited to any particular asset, such as the asset representing

the investment giving rise to the liability. Accordingly, investors could find their interests in a Fund's assets adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excluded or excused by the General Partner.

Exculpation and Indemnification. Certain exculpation and indemnification provisions contained in the Fund Documents may limit the rights of action otherwise available to investors and other parties against persons identified under the Fund Documents. In addition, each Fund will be obligated to indemnify such persons under the Fund Documents in respect of the operations of such Fund, subject to certain limited exceptions set forth in the Governing Documents. The obligation to fund any indemnification will survive the termination of a Fund or an investor's withdrawal from a Fund. Certain investors may, for regulatory or policy reasons, not be permitted to fund indemnification obligations, or their ability to fund such obligations may be restricted. In those cases, a Fund may be required to satisfy any shortfall with respect to indemnification obligations even if such obligations are the direct result of a breach of representation, warranty or covenant to any such restricted investor.

Litigation. Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. The Funds, the General Partners or Genstar may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where the Funds exercise control or significant influence over a portfolio company's direction, including as a result of board participation. Such litigation can arise as a result of issuer defaults, issuer bankruptcies and/or other reasons. In certain cases, such issuers may bring claims and/or counterclaims against the Funds, the General Partners, Genstar and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against the Funds by third parties and paying any amounts pursuant to settlements or judgments would, to the extent that (i) the Funds have not been able to protect themselves through indemnification or other rights against the portfolio companies, (ii) the Funds are not entitled to such protections or (iii) the portfolio company is not solvent, be borne by the Funds pursuant to indemnification obligations and reduce net assets. Genstar, the General Partners and others may be indemnified by the Funds in connection with such litigation, subject to certain conditions. The costs associated with any such indemnity obligations would be borne by the Funds.

Expedited Transaction. Investment analyses and decisions by the General Partners may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the General Partners at the time an investment decision is made may be limited. Therefore, no assurance can be given that the General Partners will have knowledge of all circumstances that may adversely affect an investment.

Follow-On Investments. Following an initial investment in a portfolio company, the Funds may be asked to provide additional funds to, or have the opportunity to increase their investment in, such portfolio company or to fund additional investments through such portfolio company. There is no assurance that the Funds will make follow-on investments, as such term is defined in the respective Fund's Fund Documents, or that the Funds will have sufficient resources to, or be permitted to, make all such investments. Any decision by the Funds not to make follow-on investments or their inability to make them may have a

substantial negative impact on the portfolio company in need of such investment and may result in missed opportunities for the Funds or may result in the dilution of investments (in the event alternative capital is used to satisfy such additional funding needs). There can be no assurance that a follow-on investment will be successful.

Guarantees of Portfolio Companies. The Funds may guarantee the obligations of their portfolio companies. As a result, if any such portfolio company defaults on its obligations, the applicable Fund will be required to satisfy such obligations. In order to do so, such Fund may call capital, recall distributions or liquidate some or all of the remaining investments prematurely at potentially significant discounts to fair value.

Bridge Financings. From time to time, a Fund may provide interim financing (including issuing interim guarantees) to, or make investments that are intended to be of a temporary nature in equity or debt securities of, a portfolio company or any subsidiary thereof in connection with, or subsequent to, an investment by a Fund in such portfolio company. Any such investment may include assets that the applicable General Partner may not have caused the Fund to acquire on a stand-alone basis (including, without limitation, because the risk/return profile or other characteristics of such assets may not be desirable or appropriate for such Fund) and the General Partner may seek to reduce the Fund's exposure to such assets through disposition, refinancing, co-investment or another transaction. In these situations, a Fund's strategy may depend, in part, on its ability to sell, refinance or otherwise reduce its exposure to such investments after initially agreeing to consummate them. However, for reasons not always in Genstar's control, such financings may remain outstanding if, for example, refinancings or syndications do not occur as planned. Moreover, there can be no assurance in such instances that the terms of any such transaction will be attractive, including

because there may not be sufficient interest in or for the assets or investors or third parties may not accept all or a portion of the amount offered for co-investment. Any such Bridge Financing made by a Fund involves the risk of loss of the entire amount of such Bridge Financing. If a Fund is unable to complete such an anticipated transaction, its investments will be less diversified than they otherwise may have been and the Fund may have greater exposure to certain investments, regions and sectors than intended or desired, including to assets that a General Partner would not have acquired on a stand-alone basis or to investments that exceed the amount that is permitted to be invested in a single investment that does not involve Bridge Financing. To the extent that the Fund is unable to complete an anticipated transaction, it may also incur broken deal and related costs associated with the pursuit of such transaction.

Generally, in the case of a Fund reducing an investment involving Bridge Financing (including through disposition or co-investment), such transaction will be completed at a price negotiated by the applicable General Partner and the purchaser taking into account the then-relevant facts and circumstances, which may include the Fund's cost of such investment (and an allocable portion of costs and expenses) and other market events and forces. There can be no assurance that such transaction price will be equal to or more than a Fund's cost of such investment or that it necessarily or accurately reflect the then-market value of such investment, all costs and expenses associated therewith, or any interest or other carrying cost that would typically be associated with a loan. In addition, a Fund may face increased risk of inability to complete the transaction under certain market conditions, including when the investment has decreased in value while held by the Fund. Each Fund will be required to bear

the losses of such investment if such a transaction is not consummated or if required to sell the co-investment at a reduced price in order to reduce a Fund's exposure to such investment.

In addition, by making such Bridge Financing, a Fund may be subject to various laws and regulations applicable to lenders and the holding of such Bridge Financing could potentially subject a Fund to various "lender liability" risks. In such event, the interest rate, if any, on such Bridge Financing or the terms thereof may not adequately reflect the risk associated with the position taken by the Fund. Amounts distributed to investors in respect of a Bridge Financing will be made on a *pro rata* basis, outside of a Fund's distributions attributable to portfolio investments.

Investments Longer than Term. A Fund may make investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date it is required to be dissolved, either by the expiration of such Fund's term or otherwise. As a result, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time or retain or hold such investment during dissolution for an extended period of time, which will result in management fees being payable during such period. Further, investments distributed in-kind may be illiquid and there can be no assurance that any limited partner will be able to dispose of them at the value determined in accordance with the Fund Documents of the applicable Fund.

Contingency Reserves. Under certain circumstances, a General Partner may find it necessary in connection with a distribution to establish one or more reserves for contingent liabilities by holding back a portion of amounts otherwise distributable to the investors until resolution of such contingency or contingencies. As such, investors may be delayed in receiving certain distributions or unable to liquidate their entire investment in a Fund until such time as the General Partner has determined that the need for such reserves has ceased. For example, such reserves might be established if a Fund were subject to an audit by the IRS or involved in litigation, or the General Partner determines it is necessary to reserve capital for ongoing expenses of a Fund.

Recycling. Each General Partner has the right to recall or retain certain distributions as specified in the Fund Documents. Accordingly, an investor may be required to make aggregate capital contributions in excess of its commitment and, to the extent such recalled or retained amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

Excuse and Exclusion from Investments. Under certain limited circumstances, an investor may be excused from participating in an investment (including, without limitation, to avoid violations of law and violations of an investor's written policies disclosed to and accepted by the General Partner prior to making a commitment to a Fund) or a General Partner may exclude or limit the participation of an investor in an investment (including, without limitation, if an investor's participation is reasonably likely to have a "material adverse effect" on the applicable Fund or portfolio company or result in a violation of law). In any such circumstance, each other investor may be required to make an additional capital contribution to the Fund in respect of such investment, subject to certain limitations, thereby resulting in such other investor having an increased investment exposure in such portfolio company than such investor would otherwise have had but for such excuse or exclusion event.

Advisory Board. The General Partner of a Fund may in certain situations choose to seek the approval of the members of the applicable Fund's limited partner advisory board using established guidelines with respect to potential conflict of interest situations and limited partner advisory board approval may be required to resolve certain conflicts and other matters. Any such approval by a limited partner advisory board will be binding upon the applicable Fund and all of the limited partners of such Fund, including certain matters that are required to be approved by a client under the Advisers Act. Although limited partner advisory boards are intended to act as representatives of the limited partners, a limited partner advisory board may not have the same interests as all investors and members of a limited partner advisory board may prioritize their own interests over the applicable Fund's interests. Furthermore, the limited partner advisory boards cannot be expected to be expert in private equity investing, and certain of their determinations may, in fact, adversely affect the performance of the Funds. In the event that a matter is approved by the limited partner advisory board of a Fund or otherwise by the limited partners of a Fund, none of the General Partners, Genstar or any of their respective affiliates will be liable to such Fund or any of the limited partners of such Fund or be in breach of the applicable limited partnership agreement or any other agreement contemplated therein or applicable provisions of law or equity.

Item 9. Disciplinary Information

None.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

An affiliate of Genstar acts as the General Partner of each Fund. Various limited partnerships serve as General Partners of the Funds. For a description of material conflicts of interest created by the relationship among Genstar and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

The General Partners of certain Funds have filed for an exemption from registration as commodity pool operators in accordance with CFTC Rule 4.13(a)(3) and Genstar has filed for an exemption from registration as a commodity trading advisor in accordance with CFTC Rule 4.14(a)(8).

Broker-Dealers

Neither Genstar nor any of its management persons is registered, nor does any such person have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

Code of Ethics

Genstar has adopted a Code of Ethics (the “**Code of Ethics**”) which applies to Genstar and its affiliates and sets forth standards of business conduct that Genstar requires of its supervised persons. The Code of Ethics is intended to assist Genstar and its supervised persons in complying with the requirements of Rule 204A-1 under the Advisers Act, as well as provisions of the federal securities laws pertaining to insider trading.

The Code of Ethics contains a section entitled Procedures and Policy Statement on Insider Trading to inform employees and covered persons of what constitutes material, nonpublic information and the laws and requirements relating to insider trading and confidentiality and Genstar’s policies in that area.

The Code of Ethics also sets forth personal trading policies applicable to employees and certain family members and affiliates that are designed to address actual or potential conflicts of interest (or appearances of conflicts) with the Funds (the “**Policies**”).

Employees may not trade for themselves or recommend trading in the securities of a public company while in possession of material, nonpublic information concerning such company, or disclose such information to any person not entitled to receive it. Each employee is required to inform the Firm’s Chief Compliance Officer whenever such employee believes that he or she may have obtained material, nonpublic information regarding a public company. In accordance with the Policies, employees are not permitted to effect transactions individually in public companies that are portfolio investments of any of the Funds without the approval of the Chief Compliance Officer.

The Policies require all employees of Genstar, as well as employees and associated persons of affiliates of Genstar, to report brokerage transactions to the Chief Compliance Officer. Transactions in certain financial products, including certain mutual fund shares, U.S. government securities, and certain money market instruments may be excluded from such reporting requirements.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Genstar Capital, Chief Compliance Officer, Four Embarcadero Center, Suite 1900, San Francisco, CA 94111-4191.

Participation or Interest in Client Transactions

As described in the responses to Items 5 and 6, Genstar and the General Partners are generally entitled to receive management fees and Carried Interest from the Funds. The General Partners also make capital commitments to the Funds. Further, certain employees and affiliates of Genstar may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the management fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as

well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below. In addition, Genstar and its affiliates may receive fees from a Fund’s portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies and may also receive securities of a Fund’s portfolio company that were granted or paid in the recipient’s capacity as a director of such portfolio company or an affiliate thereof. Each of the foregoing may represent a material financial interest in the securities that Genstar recommends to the Funds.

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

Conflicts of Interest

Genstar and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund likely will conflict with the interests of Genstar, other Funds or their respective affiliates. Potential Conflicts of interest exist in the structure and operation of the Funds’ business. If any matter arises that any of the General Partners or Genstar determines in its good faith judgment constitutes an actual conflict of interest, such General Partner or Genstar, as applicable, will take such actions as it determines in good faith may be, or which pursuant to the applicable Fund’s limited partnership agreement are, necessary or appropriate to ameliorate the conflict. There can be no assurance that the General Partners and Genstar will ameliorate or resolve all conflicts of interest in a manner that is favorable the Funds or any particular limited partner. In addition, the Fund Documents contain provisions that, subject to applicable law, (a) reduce the duties, including fiduciary and other duties, to the Funds and the limited partners to which the General Partners would otherwise be subject, (b) waive duties or consent to the conduct of the General Partners that might not otherwise be permitted pursuant to such duties and (c) limit the remedies of limited partners with respect to breaches of such duties. Certain of these conflicts of interest, as well as a description of how Genstar addresses such conflicts of interest, can be found below.

Genstar expects, from time to time, to establish certain investment vehicles through which certain employees of Genstar or its affiliates, certain business associates, other “friends of the firm,” or other persons are permitted to invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as “co-investment vehicles,” generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. Each co-investment by a co-investment vehicle is required to be, subject to legal, tax, regulatory or other such considerations, on terms that are no more favorable to such co-investment vehicle than those received by the respective Fund. Third-party and limited partner co-investors may not always co-invest through a co-investment vehicle, and, therefore, are not subject to the “no more

favorable” requirement found in the Funds’ Fund Documents. Further, a co-investment vehicle’s terms could still be considered not more favorable than the Fund’s terms even if such vehicle is not required to pay Carried Interest or a management fee.

Resolution of Conflicts

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

- (1) A Fund will not make an investment unless Genstar believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant Fund Documents for the Funds;
- (3) Many of the Funds have established an advisory board, consisting of representatives of investors not affiliated with Genstar. The advisory boards meet as required to consult with Genstar as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, Genstar will be guided by its good faith discretion;
- (4) Where Genstar deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

Conflicts

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

Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities

Genstar serves as the investment manager to a number of private equity funds and may in the future serve as the investment manager to certain other funds or other entities. Conflicts could arise in the allocation of investment opportunities and in connection with the acquisition

and/or disposition of investments by the Funds.

In general, due to the sequential nature in which the Funds are formed, Genstar is generally actively pursuing new investment opportunities for a single Fund at any one time. As such, the Firm does not generally allocate investment opportunities, although Genstar expects from time to time to encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which includes, but are not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest alongside with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles may include employees, business associates and other “friends and family” of Genstar or its personnel; individuals and entities that are also investors in one or more Funds (“**Adviser Investors**”); and/or individuals and entities that are not investors in any Funds (“**Third Parties**”);
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) alongside with one or more Funds in particular transactions entered into by such Fund(s); and
- Adviser Investors and/or Third Parties acting as “co-sponsors” with Genstar with respect to a particular transaction.

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

The Funds are generally subject to investment allocation requirements (collectively, “**Investment Allocation Requirements**”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements may be set forth in the instrument under which the Fund was established (such as a Fund’s limited partnership agreement or private placement memorandum), or in side letters. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow Genstar discretion in making allocation decisions among the Funds, Genstar will follow the process set forth below.

Genstar must first determine which Funds will participate in an investment opportunity. Genstar assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s offering memoranda and Fund Documents. Prior to making any allocation to a Fund of an investment opportunity, Genstar determines what additional factors restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** Genstar may be required to offer an investment opportunity to

one or more Funds. This obligation to offer investment opportunities may be set forth in a Fund's offering documents and/or Fund Documents.

- **Related Investments:** Genstar may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.
- **Legal and Regulatory Exclusions:** Genstar may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

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

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;

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

Genstar will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. Such allocation processes are supervised by Genstar's Managing Directors, are reviewed by the Investment Committee (as defined below) and may require the consent of the applicable Fund's limited partner advisory board.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and whom to offer co-investment opportunities are made in the sole discretion of Genstar or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of Genstar or its related persons, (iv) where possible and appropriate, in the sole discretion of Genstar or its related persons, co-investment opportunities are expected to be offered to certain persons other than investors in the Funds (e.g., Third Parties) and (v) co-investors may purchase their interests in portfolio companies at the same time as the Funds, or may purchase their interests from the Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require Genstar to notify the recipients of such acknowledgements if there is a co-investment opportunity.

Genstar will determine if the amount of an investment opportunity exceeds the amount Genstar determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to Genstar and/or the Funds or management teams of the applicable portfolio company, SAB members, operating partners, introducers, lenders (or other capital providers) and other service providers (including consultants), persons serving as outside directors and other persons (which could include one or more limited partners, as applicable) with industry, geographic or other relevant expertise applicable to such investment, additional strategic investors and other investors whose allocation is determined by Genstar to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' Fund Documents and as set forth in the following paragraphs.

In exercising its discretion to allocate co-investment opportunities with respect to a particular

investment among the Funds and other potential co-investors, Genstar expects to consider some or all of a wide range of factors, which include, but are not limited to, the following:

- Genstar's evaluation of the size and financial resources of the potential co-investment party and Genstar's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns Genstar may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Genstar's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by Genstar;
- Genstar's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- Genstar's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, (i) executives of public companies and certain other persons who provide knowledge with respect to targeted industries, including individuals with CEO-level individual experience, may be investors in certain co-investment vehicles as these persons are a potential source of ideas that could benefit the Funds or (ii) if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, this may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity);
- Whether Genstar believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds;
- Whether limited partners have expressed an interest in co-investing; and
- The size of a limited partner's commitment.

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

In addition, to the extent Genstar has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Fund Documents, Genstar expects to consider the factors listed above in exercising such discretion. Subject to any restrictions in the Fund Documents of an applicable Fund, Genstar or its related persons may be asked to identify a limited number of Adviser Investors or Third Parties to potentially acquire the interest being transferred.

In the event Genstar determines to offer an investment opportunity to co-investors, there can be no assurance that Genstar will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. In the event that Genstar is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Fund which is not syndicated to co-investors as originally anticipated could significantly reduce the Fund's overall investment returns.

With respect to Genstar Capital Partners VIII, L.P. and Genstar Capital Partners IX, L.P. and their related investment vehicles, in the event that an investment opportunity exceeds a pre-determined percentage of aggregate commitments of the applicable Fund (inclusive of any reasonably anticipated follow-on investments related thereto), any such investment opportunity is intended to be allocated to a select group of limited partners ("**Opportunity Fund Investors**"), solely to the extent of the excess above such threshold. To the extent that the General Partner believes that it would receive more Carried Interest if a particular investment were made by the Opportunity Fund Investors instead of the Fund, the General Partner would have an incentive to allocate a greater portion of such investment to the Opportunity Fund Investors than it otherwise would have, and vice versa. While the foregoing is mitigated by the largely formulaic approach to allocating investment opportunities as between the applicable Fund and the Opportunity Fund Investors, whether or not an opportunity will be deemed to exceed aggregate commitments and allocated to the Opportunity Fund Investors will be influenced, in part, by the General Partner's determination of any reasonably anticipated follow-on investments related to such investment.

The appropriate allocation between Funds, Adviser Investors and Third Parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by Genstar and its affiliates in their good faith discretion, consistent with the Fund Documents of the Funds, as applicable. As a general matter, such expenses and fees are allocated within a fund family based on committed capital. Across fund families, such expenses and fees are allocated based on capital invested in common transactions. Co-investors will typically bear their *pro rata* share of such expenses and fees. Although Genstar will allocate such expenses to all affected Funds in its discretion, there can be no assurance that such expenses and fees will in all cases be allocated appropriately. In addition, co-investors may not agree to pay or otherwise bear expenses and fees related to unconsummated co-investments (and in certain circumstances, co-investors may not bear such expenses and fees because they have not been identified as of the time such potential investment ceases to be pursued). In such event, such expenses and fees will be considered operating expenses of and be borne by the applicable Fund. There may be occasions when one Fund (the “**Payor Fund**”) pays an expense common to multiple funds (the “**Allocated Funds**”) (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. While Genstar believes it is highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund.

Each Fund is authorized to sell down an interest in its portfolio companies to co-investors. Subject to the applicable Fund Documents, Genstar is permitted to charge (or may decide not to charge) a co-investor (such as a Fund Investor or Third Party) interest costs for the time period between the closing of the applicable Fund’s investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

In exercising its discretion to allocate investment opportunities and fees and expenses, Genstar will be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, Genstar will have an incentive to allocate investment opportunities to the Funds from which Genstar or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, principal executive officers and other personnel of Genstar invest indirectly in and may be permitted to invest directly in Funds, and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances present potential conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Conflicts Related to Purchases and Sales

Potential conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels of a portfolio company’s capital structure. Potential conflicts arise in

determining the terms of investments, particularly where the Funds may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company. Certain clients of Genstar may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided, each Fund will supply such additional capital in such amounts, if any, as determined by Genstar. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of Genstar in a portfolio company may also raise the risk of using assets of a client of Genstar to support positions taken by other clients of Genstar. Employees and related persons of Genstar have made or may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds or clients of Genstar's affiliate have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds or clients of Genstar's affiliate have invested.

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

Cross-Transactions

Genstar is not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions. While unlikely, in certain cases, Genstar is authorized to cause a Fund to purchase investments from another Fund or client managed by Genstar or an affiliate thereof, or it may cause a Fund to sell investments to another Fund or client managed by Genstar or an affiliate thereof. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or Genstar might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, Genstar, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Genstar and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, Genstar will obtain any required Fund approvals, including if required that of a Fund's limited partner advisory board in accordance with the terms of such Fund's limited partnership agreement.

Principal Transactions

In connection with Genstar's management of the Funds, Genstar and its affiliates may engage in principal transactions. Although Genstar does not anticipate entering into principal transactions, Genstar has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including (i) obtaining any required approvals, including that of the applicable Fund's limited partner advisory board (as may be required) and (ii) making any disclosures to the applicable Fund(s) required by Section 206 of the Advisers Act.

Management of the Funds

Genstar manages a number of Funds that may have investment objectives similar to one another. Genstar may in the future establish one or more additional investment funds with investment objectives that are substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*" above. In addition, it is expected that employees of Genstar responsible for managing a particular Fund will also have responsibilities with respect to other Funds managed by Genstar, including Funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such

joint and several borrowing arrangements when Genstar determines it is in the best interests of the Funds.

Follow-on Investments

Investments to finance follow-on acquisitions present potential conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partners and Genstar

Genstar is authorized, in its discretion, to contract with any related person of Genstar (including but not limited to a portfolio company of a Fund) to perform services for Genstar in connection with its provision of services to the Funds. When engaging a related person to provide such services, Genstar may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Genstar generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with certain services providers, and from time to time such service providers are expected to include: (i) Genstar or a related person of Genstar (including but not limited to a portfolio company of a Fund) or (ii) an entity with which Genstar or its affiliates or a member of their personnel has a relationship or from which Genstar or its affiliates or their personnel otherwise derives financial or other benefit; or (iii) certain limited partners or their affiliates. This discretion subjects Genstar to conflicts of interest, because although Genstar selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly returns of the relevant Fund, Genstar has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest.

There is a possibility that Genstar, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Genstar), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Genstar will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Genstar generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether

or not Genstar has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Genstar expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Genstar information about markets and industries in which Genstar operates (or is contemplating operations) or will provide other services that are beneficial to Genstar or one or more other Funds. Genstar expects to be subject to a potential conflict of interest in making such recommendations, in that Genstar has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Genstar Capital Partners VIII, L.P. and its related investment vehicles, Genstar VIII Opportunities Fund I, L.P. and its related investment vehicles, Genstar Capital Partner IX, L.P. and its related investment vehicles and Genstar IX Opportunities Fund IX, L.P. and its related investment vehicles have hired Apex Fund Services, a Fund portfolio company, to provide fund administration services. With respect to Genstar Capital Partners VIII, L.P. and its related investment vehicles, prior to engaging Apex Fund Services, the General Partner of Genstar Capital Partners VIII, L.P. and its related investment vehicles obtained Advisory Board consent to this arrangement.

Genstar, its affiliates, and members, officers, principals and employees of Genstar and its affiliates are permitted to buy or sell securities or other instruments that Genstar has recommended to Funds. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds. Such transactions are subject to the policies and procedures set forth in Genstar's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of Genstar have made large capital investments in or alongside the Funds, such persons may have conflicting interests with respect to the applicable investments.

Fee Structure

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

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Carried Interest under the terms of the Fund Documents of such Funds. Such General Partners are affiliates of Genstar. The existence of the General Partners' entitlements to Carried Interest creates an incentive for the General Partners to cause the applicable Funds to make more speculative investments than they would otherwise make in the absence of such performance-based compensation. In addition, recent legislation generally requires a three-year holding period for a portfolio investment in order for a General Partner's allocable share of gain from such portfolio investment that is attributable to Carried Interest to be taxed at

preferential long-term capital gains tax rates. This new holding period requirement incentivize the General Partners to cause the Funds to hold portfolio investments longer than they would have, or take or fail to take other actions in order to lengthen or maintain the holding period of a portfolio investment.

Providers of Operations Support

The General Partners and the portfolio companies will from time to time retain other companies and individuals (“**Operations Support Providers**”), which may be affiliates of the General Partners, employees of such affiliates, portfolio companies of other of Genstar’s Funds, third party consultants (including operating partners, specialized consultants, external executives, and industry advisory roundtable members), or “senior advisors”. The Operations Support Providers are engaged to provide operational support, specialized operations and consulting services and similar or related services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies (“**Operations Support Services**”). These services may include support to the General Partners or portfolio companies regarding, among other things, the company’s management (including serving in management positions or participating in determining corporate strategy), the company’s supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters.

Pursuant to the Fund Documents of the Funds, fees and expenses associated with Operations Support Services (“**Operations Expenses**”) are paid and/or reimbursed by portfolio companies and/or the Funds. Operations Expenses (including Operations Expenses incurred in connection with a Genstar-affiliated Operations Support Provider) will be determined at the discretion of the General Partners taking into account the particular Operations Support Services, may include a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation to the Operations Support Provider, and may otherwise be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service will be made by the General Partners, in their good faith discretion. Operations Expenses may also be incurred in respect of portfolio companies prior to the closing of the investment. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Funds, such Operations Expenses will be allocated among the Funds as determined by the General Partners or Genstar, as applicable, in its discretion. To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Funds or a portfolio company, such Operations Expenses will not reduce any fees otherwise payable to Genstar or its affiliates. The General Partners’ good faith determination as to whether a service is an

Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Fund and its investors.

Related Services

As described in Item 5 above, Genstar and its affiliates may perform Related Services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds. Such fees will be in addition to any management fees or Carried Interest paid by the Funds to Genstar. Consistent with the Fund Documents, Genstar may incur expenses, and a portfolio company or other third person may reimburse Genstar for such expenses, including, without limitation, variable travel expenses incurred in accordance with Genstar's travel policy as in effect from time to time, which may include expenses for chartered or first-class travel; expenses associated with the structuring, negotiating, making, sourcing (including any retainers, success and finder's fees and other compensation paid to contractors), researching, acquiring, monitoring, restructuring, holding, selling and otherwise disposing of, or otherwise related to, such Fund's proposed or actual investments; all third party expenses relating to unconsummated transactions (i.e., broken deal expenses, break-up fees and costs that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such parties) and temporary investments, variable administrative expenses (such as research), lodging, meals and entertainment, due diligence expenses (including fees for attending conferences the primary purpose of which is sourcing investments), brokerage commissions and fees, underwriting commissions and discounts; expenses related to recruitment of executive staff; legal, accounting, investment banking, consulting and professional fees and other fees, costs and expenses, including those relating to any co-investment vehicles formed in connection therewith) incurred by Genstar in connection with its performance of services for such portfolio company. Such reimbursements are not subject to the sharing arrangements described in Item 5. Additionally, since the term of the management agreements with portfolio companies may exceed ten years (and may be subject to automatic extensions and renewals), there are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of such fees. These fees may be substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company. This creates a conflict of interest between Genstar and its affiliates and the Funds and their investors because the amounts of these fees and reimbursements may be substantial and the Funds and their investors generally do not have an interest in these fees and reimbursements. Genstar determines the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the Funds. Genstar and its affiliates will, in some circumstances, reduce the amount of management fees paid by the applicable Fund in connection with the receipt of the applicable Fund's share of such fees. The amount and nature of this reduction varies from Fund to Fund and is set forth in the Fund Documents of the applicable Fund. Entities other than Funds that participate in investments alongside the Funds (such as entities through which Genstar and certain employees and affiliates of Genstar invest alongside the Funds) may have a right to share in such fees, and management fees will generally not

be reduced in connection with the receipt of such entities' share of such fees.

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

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among particular investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Genstar or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, including with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, Genstar and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any specific investor. However, conflicts may arise if certain limited partners have objectives that conflict with each other or those of the Funds. The General Partners may organize parallel investment vehicles to facilitate, from a legal, tax or regulatory standpoint, investments by certain foreign or other classes of investors, the structure and terms of which may differ from that of the Funds, but will invest proportionally in all transactions on effectively the same terms and conditions of the Funds.

Business with Portfolio Companies and Investors

Given the collaborative nature of Genstar's business and the portfolio companies in which the Funds have invested, there are often situations where Genstar is in the position of recommending portfolio company services to other portfolio companies. Genstar may have a conflict of interest in making such recommendations, in that Genstar has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

Genstar may have an incentive to recommend the products or services of certain investors in the Funds, certain Third Parties or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

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

Genstar may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

Genstar has service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services to businesses that are competitors of Genstar. Genstar may have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide Genstar information about markets and industries in which Genstar operates or is interested or will provide other services that are beneficial to Genstar. There is a possibility that Genstar, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. In addition, Genstar and the Funds' portfolio companies may engage common service providers. In such circumstances, there may be a conflict of interest between Genstar, on the one hand, and a Fund and its portfolio companies, on the other hand, in determining whether to engage such service providers.

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

Positions with Portfolio Companies

Members, officers and employees of Genstar may serve as directors of portfolio companies. Such persons are required to remit any remuneration they may receive as directors to the applicable Funds. In addition, such persons may leave the employment of Genstar or its affiliates and become members, officers or employees of a portfolio company. Such persons will have a conflict of interest between their duties to Genstar and to the portfolio companies.

Members of the SAB and Operating Executives.

Genstar has created the SAB, consisting of senior executives with significant industry transaction, investment or operating experience. SAB members consult with the General Partner of the applicable Fund on various matters, including issues relating to investments, general market trends, specific transactions and management assessment. Additionally, as part of its strategy, Genstar has entered and may enter into certain strategic relationships with operating executives to provide certain services in connection with sourcing investments, due diligence and/or providing operating management to portfolio companies. SAB compensation is generally paid by Genstar. In connection with services to portfolio companies from time to time, SAB members also (a) receive cash and/or non-cash (e.g., equity) consideration for their services from the applicable portfolio companies and (b) invest directly in one or more portfolio companies. Any such cash or non-cash consideration received by an SAB member from a portfolio company will not be deemed to be Transaction Fees subject to offset pursuant to the applicable limited partnership agreement. In addition, certain

consideration payable to SAB members or other operating executives in connection with due diligence on potential investments may be borne by the Funds.

Side Letter Agreements

The General Partner of each Fund, on behalf of such Fund, has entered, or in the future may enter, into letter agreements or other similar agreements, so-called “side letters,” with one or more of such Fund’s investors, which provide such investor(s) with additional, different and/or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights than such limited partners have pursuant to the applicable Fund’s limited partnership agreement or subscription agreement. As a result of such side letters, certain investors may receive additional benefits that other investors do not receive. The General Partner of a Fund, on behalf of such Fund, may enter into such side letters with any party as such General Partner may determine in its sole and absolute discretion at any time and any rights or terms so established in a side letter with an investor will not require the approval of any other investors. However, the Fund Documents of a Fund generally provide investors with the right to review and elect the benefits of any other investor’s side letter to the extent applicable. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by the Fund Documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Other Potential Conflicts

Genstar and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies of or investors in such Fund. In the event of a significant dispute or divergence of interests between Funds, Genstar and/or its affiliates, the parties may engage separate counsel in the sole discretion of Genstar and its affiliates, and in litigation and other circumstances, separate representation may be required. Additionally, Genstar, the Funds and the portfolio companies of the Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between Genstar, on the one hand, and the Funds and the portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Genstar may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund

to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

The General Partner of each Fund may cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including Managing Directors and employees) in kind, while disposing of limited partners' shares of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund, because the General Partner may have an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, the General Partner, or its affiliates, may receive distributions in kind from an investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner may act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

The General Partner of each Fund, or its affiliates, may lend money to the applicable Fund. Such lending arrangements create conflicts of interest between the applicable General Partner or affiliate and the Fund acting as borrower.

The General Partner of each Fund, or its affiliates, may withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which Genstar and its related persons seek to alleviate conflicts of interest among the Funds or other persons.

Mezzanine Provider. Genstar has previously granted particular funds, investors or accounts (the "**Mezz Providers**") exclusive positions as preferred providers of mezzanine debt for investments made by certain Funds. While Genstar does not currently have any such agreements in place in respect of the Funds, it is authorized in the future to grant Mezz Providers exclusive positions as preferred providers of mezzanine debt or other debt and debt-like securities for investments made by the Funds. In connection with any such agreements, Genstar is authorized to receive fees and Carried Interest from or in respect of the Mezz Providers, (i) which fees and Carried Interest would not be for the benefit of the applicable

Fund or its limited partners and (ii) the receipt of which creates potential conflicts of interest when Genstar selects the provider of mezzanine debt, other debt and debt-like securities for the Funds' investments. In any such circumstances, Genstar would have an incentive to choose the Mezz Providers over other mezzanine debt providers. In addition, the Mezz Providers, if any, may have a conflicting interest with other Funds in certain circumstances due to holding different tranches of portfolio company securities (e.g. in a default scenario). Further, conflicts may arise in determining the terms of investments, as the Funds and the Mezz Providers would likely invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise potential conflicts of interest. In the event that investments are made by the Mezz Providers, if any, the interests of a Fund may be in conflict with the interests of such Mezz Providers, particularly in circumstances where the underlying company is facing financial distress. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds and any Mezz Providers may or may not provide such additional capital, and if provided, the Funds and the Mezz Providers will supply such additional capital in such amounts, if any, as determined by the Mezz Providers. Genstar believes this potential conflict of interest is mitigated by the fact that (i) Genstar would be under no obligation to use the Mezz Providers, (ii) investment decisions for the Mezz Providers are not made by Genstar and (iii) Genstar will, in all circumstances, select lenders for its investments solely on the basis of the terms offered by such lenders to the applicable portfolio company and in a manner consistent with its fiduciary duties.

Item 12. Brokerage Practices

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

Selection of Brokers and Dealers

From time to time, the Firm may use a broker to effect transactions in public securities resulting from, or in connection with, portfolio investments. For each of the Funds, Genstar has full discretionary authority over the purchase and sale of investments (including the size of such transactions), the broker or dealer, if any, to be used to effect transactions and commissions paid to such broker or dealer. In placing each transaction for a Fund involving a broker-dealer, Genstar will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

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

In order to monitor best execution, the Firm will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of Genstar and each Fund.

Genstar does not currently receive soft dollar benefits or client referrals from broker-dealers in connection with Fund transactions.

Aggregation of Trades

Genstar and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions are expected to may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. Genstar and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest.

In such cases, Genstar and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction. Genstar will only aggregate orders for multiple Funds, as long as aggregating would be in the best interests of each participating Fund.

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

Item 13. Review of Accounts

Genstar has an investment committee comprised of senior investment professionals that is responsible for oversight of the investment process and for the Funds' investment decisions (the "**Investment Committee**"). The Investment Committee meets as required by the investment portfolios and its members are Jean-Pierre L. Conte, J. Ryan Clark, Robert S. Rutledge, Anthony Salewski, Eli P. Weiss and David J. Golde. All of Genstar's investment professionals meet weekly to review all potential new and existing portfolio investments, and any issues raised during the weekly meeting requiring the Managing Directors' review

will be brought to the Investment Committee.

Limited partners in the Funds are provided with audited annual financial reports and unaudited quarterly reports. Limited partners are also provided with written tax information for the preparation of U.S. federal income tax returns. Genstar and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

Genstar and its affiliates do not directly or indirectly compensate any person who is not a supervised person of the Firm for client referrals. However, Genstar or its affiliates may utilize a placement agent to assist in the placement of investor interests in the Funds. The fees paid to any such placement agent generally would be in the form of a percentage of capital committed by investors. Any placement agent would generally be a broker-dealer registered under the Securities Exchange Act of 1934.

For details regarding economic benefits provided to Genstar by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, Genstar expects, in certain instances, to receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies. Because its portfolio companies offer such discounts to customers other than Genstar and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, Genstar believes that the potential for conflicts of interest relating to such discounts is mitigated. Discounted prices or better terms offered by a portfolio company to Genstar, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

Item 15. Custody

Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”) defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client’s accounts or ownership of or access to client funds or securities. The adviser does not have custody of client funds or securities, however, affiliates of the adviser, specifically the General Partner or managers of the Funds, are deemed to have custody of Fund assets. All assets and securities of the Funds are held by qualified custodians with the exception of assets that are considered to be “privately offered securities” under the Custody Rule. Fund limited partners receive annual financial statements audited by an independent public accounting firm within 120 days. Fund limited partners are urged to carefully review such statements and compare these statements to the quarterly statements provided by the adviser.

Item 16. Investment Discretion

Genstar, including its affiliated investment managers, has entered into an investment management agreement with each Fund. Each such agreement, together with the management authority granted to each Fund’s General Partner pursuant to the Fund’s limited

partnership agreement, provides Genstar with full discretion to determine investments to be purchased and sold on behalf of the Funds and the terms of the related transactions. Limitations on Genstar's investment discretion are set forth in the investment management agreements with, and the limited partnership agreements of, the Funds.

Item 17. Voting Client Securities

While the securities evidencing the private equity investments made by the Funds are not typically the subject of proxies, there could be certain circumstances where Genstar, having discretionary authority over the Funds, may be asked to vote the securities of the Funds on restructuring or other corporate matters. Genstar will ensure that a record of each securities position held by each Fund is maintained and, where any such vote is to occur, the Firm will ensure that it receives all relevant information, disclosure materials and such proxies or consents as are necessary for it to be able to cast votes in a timely manner.

Genstar will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interest of a Fund. If Genstar determines that there is no material conflict of interest, then it will make the voting determination and take the required voting action. If Genstar determines that, due to a conflict of interest, it is not capable of making an independent determination as to the voting decision, then Genstar will seek to resolve such conflict in an appropriate manner, which may include soliciting input from the applicable Fund's limited partner advisory board. Genstar will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of a Fund. The Funds cannot direct Genstar's vote in a particular solicitation. Each Fund is controlled by its General Partner (Genstar's affiliate) and, as such, each Fund is aware of how the Firm voted with respect to such Fund's securities.

A copy of the Firm's proxy voting policies and procedures will be provided to any Client and prospective Client upon request. In addition, any investor may obtain specific information as to how certain proxies for securities held in a Fund were voted upon the request of such information.

Item 18. Financial Information

Genstar does not believe that it has any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients and has never filed for bankruptcy.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to Genstar.