

Item 1: Cover Page



Catterton Management Company, L.L.C.

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Part 2A of Form ADV: Firm Brochure

March 30, 2020

This Brochure provides information about the qualifications and business practices of Catterton Management Company, L.L.C. If you have any questions about the contents of this brochure, please contact us at (203) 629-4901 and/or compliance@lcatterton.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Catterton Management Company, L.L.C. is available on the SEC's website at www.adviserinfo.sec.gov. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

L Catterton is required to identify and discuss material changes made to this brochure since its last update filed on March 29, 2019. No material changes have been made to this brochure. However, enhanced disclosure is provided regarding matters previously disclosed since the last annual update, including with respect to (i) fees and expenses, (ii) risk factors (iii) other financial industry activities and affiliations and (iv) conflicts of interest. In addition, *L* Catterton routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices. You are encouraged to review this brochure in its entirety.

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Item 4: Advisory Business

For purposes of this brochure, unless otherwise noted or made clear by the context, “*L Catterton*” means each of Catterton Management Company, LLC (“CMC”) and Catterton Latin America Management Co. (“CLAM”). As used in this brochure, “we,” “us” and “our” refer to *L Catterton* and its investment advisory business.

L Catterton is a Greenwich, Connecticut-based investment advisory firm founded in 1989. *L Catterton* provides investment advice to a series of private investment funds regarding the selection, monitoring and realization of private equity investments in middle-market consumer growth companies (“Advisory Services”).

CMC provides investment advisory services to:

- a series of affiliated buyout funds that focus on portfolio investments exceeding \$75 million of expected invested equity (“Buyout Funds”); and
- a series of affiliated growth-oriented funds that focus on portfolio investments below \$75 million of expected invested equity (“Growth Funds”).

CLAM provides investment advisory services to:

- a series of affiliated funds that focus on portfolio investments in companies in the South American, Central American and Mexican consumer sector (“LatAm Fund”).

CMC and CLAM satisfy the requirements of filing an umbrella registration as set forth in Form ADV’s General Instructions. For purposes of this brochure, and unless otherwise noted, CMC is the filing adviser and CLAM is the relying adviser.

The Buyout Funds, Growth Funds and LatAm Fund are collectively referred to herein as the “*L Catterton Funds*” or “our clients” and each individually as a “Fund.” Where required by applicable regulation, the term “our clients” also includes special purpose vehicles that we may form for tax, regulatory or other purposes in connection with specific portfolio investments (“Special Purpose Vehicles”).

CMC is principally owned by *L Catterton Management Limited* (“LCML”), a limited company formed under the laws of England and Wales. CLAM is a wholly-owned subsidiary of CMC. References herein to *L Catterton* or LCML may, where the context so requires, be inclusive of activities performed solely outside the United States by other direct or indirect subsidiaries of LCML. Additional disclosure about the global activities of LCML are included in Sections 5, 10 and 11 of this brochure.

CMC and CLAM provide advisory services solely to the *L Catterton Funds*. The relationship between us and each Fund is governed by the limited partnership agreement (or equivalent organizational document) of such Fund (“Organizational Documents”), separate investment management agreements between *L Catterton* and each Fund (each a “Management Agreement”), and/or side letters with investors (“Side Letters”). Our advisory services are not tailored to individual investors in a Fund, but are provided in accordance with the investment strategy of each *L Catterton Fund*, which is to participate in private equity investments in middle-market consumer growth companies, including, without limitation, acquisitions, management buyouts, and recapitalizations. Any investment restrictions on our advisory services are imposed in the Organizational Documents or Management Agreements for a Fund or in Side Letters.

Side Letters refer to agreements that we or our affiliates have entered into with specific Fund investors which have the effect of establishing rights under, or altering or supplementing, the terms of Organizational

Documents, in respect of the investor to whom such Side Letter is addressed. The terms of Side Letters vary and include, but are not limited to, the following:

- impose restrictions on participation in certain investments or types of investments made by the Fund in accordance with the excuse provisions of the applicable Organizational Document;
- provide access to information or impose additional notification or reporting requirements on the general partner of the Fund;
- provide consent to certain transfers or withdrawals by an investor;
- limit indemnification obligations of an investor;
- acknowledge an investor's desire to be offered co-investment opportunities;
- provide rights or terms necessary in light of particular legal, public policy or regulatory characteristics of an investor; and/or
- otherwise provide benefits to certain investors not provided to investors in such Fund generally.

We expect to enter into additional Side Letters with investors in any future funds that may include similar or different terms. We will not enter into a particular Side Letter if we determine that the provisions contained in such Side Letter would be disruptive to the applicable Fund or its investment strategy. Disclosure of applicable Side Letter practices is made to investors in accordance with the Organizational Documents of the applicable Fund. L Catterton has in the past and may in the future enter into arrangements with investors or potential investors that result in economic or other concessions that are more advantageous than those applicable to investors in the Fund generally. In addition to economic concessions, these arrangements may provide other terms different from and potentially more advantageous than terms offered to investors generally, including with respect to participation in co-investment opportunities.

As of December 31, 2019, we managed approximately \$14.0 billion in regulatory assets under management, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

A. Fees

Each of the *L Catterton Funds* is exempt from registration under the Investment Company Act of 1940, as amended (“Company Act”). The securities of each of the *L Catterton Funds* are not registered under the Securities Act of 1933 (“Securities Act”), as amended, and are offered only to qualified investors, typically institutional investors and eligible high-net-worth individuals. As a result, this brochure will be delivered only to “qualified purchasers” and “knowledgeable employees” as those terms are defined in the Company Act.

The Funds pay *L Catterton* a management fee. The precise amount of, and the manner and calculation of, the management fees for each Fund are established by *L Catterton* through negotiations with investors in the applicable Fund and are set forth in the Organizational Documents for each Fund. The amount of the management fees for each Fund are typically reduced following expiration of each Fund’s commitment period or in the event a successor fund is closed. Management fees are payable quarterly in advance and are paid by capital contributions from investors in each Fund made pursuant to capital call notices delivered by the general partner of each Fund. Alternatively, management fees may be drawn from subscription facilities established pursuant to borrowing provisions set forth in the Organizational Documents for each Fund (which facilities are repaid by investors), paid out of cash otherwise distributable to the investors, including when a portfolio investment of a Fund is sold and the proceeds are distributed to investors. Upon termination of the Management Agreement with any *L Catterton Fund*, we will return to such Fund’s investors any paid but unearned portion of the management fee. In general, such fees are pro-rated from the date of termination to the end of the period to which the advance fee applied. Management fees are otherwise generally subject to waiver or reduction by *L Catterton* in its sole discretion. The provisions of the Organizational Documents for each Fund allow *L Catterton* to collect management fees from a limited partner that has defaulted on its capital commitment even after such limited partner has committed such default.

The amount of the management fee payable may be offset against a portion of other fees received by *L Catterton* net of unreimbursed expenses, regardless of whether the unreimbursed expenses were incurred in connection with activities for which the fees were received, (“Management Fee Offset”), each of which are described more fully below. Each Management Fee Offset results in a reduction of the management fee payable by an investor in a Fund. The portion of other fees received by *L Catterton* and the types of other fees received by *L Catterton* that reduce the management fee payable by an investor varies across the *L Catterton Funds* and is disclosed in and governed by, in each case, the Organizational Documents for each Fund.

L Catterton provides services to and receives fees from certain portfolio companies of the Funds pursuant to agreements between *L Catterton* and individual portfolio companies (“Monitoring Services”). Monitoring Services provided by *L Catterton* are generally provided through *L Catterton*’s representative(s) on the portfolio company’s board of directors with assistance from *L Catterton*’s investment professionals. Services provided are broadly related to strategic planning, oversight and support of senior management both broadly and in specific functional areas, planning the company’s financing arrangements and acquisition or disposition activity, bolstering risk management processes and improving the company’s capture and reporting of performance metrics and other similar services. Fees due for the provision of Monitoring Services are generally fixed and due in periodic installments, but may be waived or deferred at *L Catterton*’s sole discretion. Additional information about the circumstances under which *L Catterton* has waived or deferred fees due for the provision of Monitoring Services is included in Item 11 of this brochure. The amount of fees for Monitoring Services is usually agreed upon at the time of a Fund’s initial investment

in a portfolio company. *L Catterton* is also reimbursed for out-of-pocket expenses incurred by *L Catterton* personnel in connection with serving on the portfolio company's board of directors or equivalent and the provision of Monitoring Services, including expenses for travel (including expenses associated with first-class or business-class airfare or travel by private plane, rail or other means of transportation, including ground transportation (including car rentals, car services and other private transportation to and/or from *L Catterton*'s offices in connection with the performance of Monitoring Services), lodging (including expenses associated with lodging near *L Catterton*'s offices incurred in connection with the performance of Monitoring Services), the cost of meals and entertainment expenses (including, as applicable, expenses incurred in relation to events with portfolio company management, customers, clients, borrowers, brokers, service providers or other relevant parties, including meals at *L Catterton*'s offices), expenses related to meetings or other events other than meetings of a board of directors, expenses related to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), certain legal, tax, accounting or consulting expenses and similar out-of-pocket expenses, as well as other expenses, incurred by *L Catterton* in connection with or related to its performance of Monitoring Services for a portfolio company. Fees received by *L Catterton* for Monitoring Services are subject to the Management Fee Offset. However, reimbursements for expenses incurred in connection with the provision of Monitoring Services are not subject to the Management Fee Offset.

L Catterton has received fees and expects to receive fees in the future in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, unconsummated transactions and similar transactions involving portfolio companies of the Funds or fees received in connection with an unconsummated transaction ("Activity-Based Fees"). Activity-Based Fees may also be received in connection with a Fund's initial investment in a portfolio company. Activity-Based Fees received by *L Catterton* are subject to the Management Fee Offset.

The *L Catterton* Funds may jointly own a portfolio company with another *L Catterton* Fund or pooled investment vehicles managed, sponsored or advised by an affiliate of *L Catterton*, in particular *L Catterton* Europe SAS or *L Catterton* Asia Advisors (the pooled investment vehicles managed, sponsored or advised by these entities, the "Foreign Funds"). In the event a portfolio company is jointly owned with another *L Catterton* Fund or a Foreign Fund, the amount of any fees received for Monitoring Services and any Activity-Based Fees will be allocated in a manner agreed to by the relevant *L Catterton* management companies. Similarly, *L Catterton* may enter into economic and/or other fee sharing arrangements with respect to one or more co-investors with respect to Monitoring Services or Activity-Based Fees that would otherwise be received entirely by *L Catterton* and subject to the Management Fee Offset. In these instances, it is anticipated that in most cases allocation of fees otherwise receivable entirely by *L Catterton* will be pro rata based on the relative investment amounts of each *L Catterton* Fund (excluding the portion attributable to commitments made by a Fund's general partner) and Foreign Fund or co-investor, in which case the portion of fees subject to the Management Fee Offset will be reduced.

Fees are also received by Vault Co. ("Vault"), a business consulting and operations improvement services firm that provides services solely to portfolio companies of the *L Catterton* Funds. The nature of services provided by Vault includes detailed consulting on matters related to the improvement of a company's operational and financial results. These detailed services are focused on one or more functional areas and may be in relation to pricing, marketing, sales, e-commerce, information technology, manufacturing/supply-chain, procurement, talent management and executive recruitment, or similar services that are otherwise provided by third-party operational consulting firms. Vault is also reimbursed for out-of-pocket expenses incurred in connection with performing services to these portfolio companies. Fees received by Vault are not subject to the Management Fee Offset. However, Vault is operated as a cooperative such that any profits earned by Vault in excess of a working capital reserve are refunded back

to portfolio companies that engaged Vault during the prior calendar year on a pro rata basis. Additional information about conflicts that arise with respect to Vault is included in Item 11.

From time to time, *L Catterton* or portfolio companies engage and retain senior advisors, senior operating executives, advisors, consultants and other similar professionals (“Senior Advisors”) who have longstanding professional relationships with *L Catterton*. In certain cases, Senior Advisors may be former employees of *L Catterton* or Vault. Similarly, but in the case of the LatAm Fund only, *L Catterton* has engaged the services of Regional Executive Directors. Senior Advisors and Regional Executive Directors may provide a variety of services to *L Catterton* or portfolio companies, including supplementary deal sourcing, company monitoring and operating skills, senior executive experience, regional market expertise and assistance with conducting due diligence of targeted investments. These Senior Advisors and Regional Executive Directors are not employees or affiliates of *L Catterton*. The nature of the relationship with each such Senior Advisor and Regional Executive Director varies significantly.

In addition to compensation and expense reimbursement that these Senior Advisors and Regional Executive Directors may receive from *L Catterton*, these Senior Advisors and Regional Executive Directors may also receive payments from a portfolio company and/or other entities, including payments related to service on the board of directors of a portfolio company by a Senior Advisor or the Regional Executive Directors. Additionally, Senior Advisors only may be paid equity or cash fees and be granted the opportunity to co-invest alongside an *L Catterton* Fund in investment opportunities in which the Senior Advisor had a significant role in sourcing, performing due diligence or executing. None of the compensation, expense reimbursement or any other payment received by a Regional Executive Director or Senior Advisor or any other advisor, consultant or other similar professional will be deemed paid to or received by *L Catterton* or subject to a Management Fee Offset.

Additional information about conflicts that arise with respect to the fees discussed in this section is included in Item 11.

B. Expenses

L Catterton bears the costs and expenses associated with the performance of services under the Management Agreements. The Organizational Documents for each Fund provide that certain other expenses will be borne by the relevant Fund. Such expenses generally include the costs and expenses incurred in developing, identifying, evaluating, sourcing, bidding on, negotiation, structuring, obtaining regulatory approvals for, and pursuing the consummation of any transaction by a Fund (including those related to transactions that are not consummated); costs, fees and expenses of holding or selling any investment by a Fund, including record-keeping expenses, expenses associated with establishing and maintaining alternative investment vehicles and any intermediate entities including associated audit and custodial expenses, travel and accommodation expenses related to such entities, including the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, interest, fees and other obligations arising out of any borrowings or the incurrence of indebtedness by the Funds permitted under the Organizational Documents of a Fund; fees and expenses of outside advisors to the fund (including custodians, outside counsel, consultants (which, for the avoidance of doubt, include the fees of consulting firms engaged by *L Catterton* for the benefit of a Fund or portfolio company), accountants, valuation services, and other similar professionals or advisors, including third-party fund administrators, employees of which may dedicate significant or substantially all of their time to the Funds or spend all or a significant majority of their business time at *L Catterton*’s offices, depositaries appointed pursuant to the EU Alternative Fund Managers Directive, the costs of maintaining computer software and hardware and other technological systems provided by outside advisors and used in connection with the pursuit, consummation, holding or selling of any investment by a Fund); costs of reporting to investors in the Funds and of any annual or other meetings

of investors in the Funds (including limited partner advisory boards, which costs and expenses include set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses), including the costs associated with attendance at such meetings by personnel affiliated with *L Catterton* and persons that assist with logistical details associated with such meetings; taxes, fees or other governmental charges levied against a Funds or a Fund's income or assets or in connection with a Fund's business or operations, including all out-of-pocket fees, costs and expenses, if any, incurred in connection with a Fund's legal, tax, regulatory and statutory compliance with U.S. federal, state, local, non-U.S. or other law or regulation; insurance (including premiums of any direct and officer liability or other insurance, including insurance of which *L Catterton* and/or its affiliates are also beneficiaries) and cybersecurity insurance premiums, indemnity or litigation expense; and costs associated with the winding-up and liquidation of a Fund.

The costs and expenses incurred in developing, identifying, evaluating, sourcing, bidding on, negotiation, structuring, obtaining regulatory approvals for, and pursuing the consummation of any transaction by a Fund (including those related to transactions that are not consummated) may include, without limitation, research expenses (including the fees and expenses of third party providers of consumer or other industry research or survey work performed and/or used in connection with the decision to consummate or not consummate a transaction, including fees related to the retainer of such third party providers through the entire investment period of a specific Fund, subscriptions to and services provided by data providers and data analytics firms, third party research or expert network firms, third-parties engaged to create and perform surveys and other qualitative research, the costs associated with attendance at conferences or similar events, and other similar expenses), travel expenses (including expenses associated with first-class or business-class airfare or travel by private plane, rail or other means of transportation, including ground transportation (including car rentals, car services and transportation to and/or from *L Catterton*'s offices in connection with pursuit of any transaction), lodging (including expenses associated with lodging near *L Catterton*'s offices incurred in connection with the pursuit of a transaction), the costs of meals (including meals at *L Catterton*'s offices), fees and expenses due for any transaction diligence or transaction-related services provided by legal, financial, accounting, consulting or other third party advisors or any lenders, investment banks and other financing sources (including financing, commitment, origination and similar fees and expenses), finder's fees, and other out-of-pocket costs and expenses related to the pursuit of a transaction. The terms of agreements with certain transaction diligence service providers retained to provide services throughout the entire investment period of a specific Fund require the payment of such fees and expenses through a combination of cash and equity in all transactions undertaken by a Fund, even where the service provider has not provided services in connection with a specific investment. Further, in certain circumstances, a portion of the cash fee payable is paid in the form of a co-invest participation alongside the Buyout Funds and Growth Funds in portfolio investments, even where the service provider has not provided services in connection with a specific investment. We expect to offer similar compensation arrangements to certain of our other consultants, operating partners and advisors in the future.

Costs and expenses associated with completed transactions generally will be reimbursed by portfolio companies, capitalized as part of the acquisition price of the transaction, or reimbursed by the Fund to *L Catterton* at the time a transaction is consummated. Amounts reimbursed by portfolio companies, capitalized as part of the acquisition price of the transaction, or reimbursed by the Fund to *L Catterton*, may also include certain prepaid costs, fees and expenses of holding or selling the investment by the Fund, including those related to financial audits, tax preparation and tax advisory services, insurance premiums and insurance advisory services and other expenses determined on a case-by-case basis at the time of the investment. From time to time, *L Catterton* has in the past and may in the future offer the opportunity to co-invest directly in a portfolio company to a party that ultimately elects not to participate in the investment. In these instances, the non-participating investors do not share in the costs and expenses associated with the consummated transaction. In other instances, *L Catterton* has in the past and may in the future enter

into fee-sharing arrangements whereby the opportunity to co-invest directly in a portfolio company is offered to a party that agrees to share in the costs and expenses associated with a transaction, even if that transaction is not consummated. In these circumstances, the party sharing in the costs and expenses of an unconsummated transaction would receive a portion of any “break fees” that would otherwise be receivable solely by the participating *L Catterton* Fund.

In addition, *L Catterton*, from time to time, engages one or more fund administrators or similar service providers to perform certain functions in relation to a Fund, which services may include tasks related to fund accounting and reporting, including assistance with preparation of the Funds’ financial statements, coordination of the Funds’ legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the valuation process and investor correspondence, investor data management and reporting requests as well as data collection required for various regulatory reporting with which the Funds are required to comply. In certain instances, employees of such service providers dedicate substantially all of their time to the Funds or spend all or a significant majority of their business time at *L Catterton*’s offices. These expenses related to such service provider employees are borne by the Funds.

Costs and expenses associated with transactions that are not consummated will be reimbursed by the Fund to *L Catterton* or, if not reimbursed by the Fund, will reduce the amount of the Management Fee Offset. *L Catterton* has in the past and may in the future establish a co-investment vehicle that is required or permitted to invest alongside certain of the *L Catterton* Funds in all portfolio companies in which those Funds invest. Separately, *L Catterton* has in the past and may in the future offer the opportunity to co-invest directly in a portfolio company to a party. If the potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will be borne by the *L Catterton* Fund(s) allocated the investment and the co-investment vehicle, but not to the party to which the co-invest opportunity was offered, unless such party has previously contractually agreed to share in any such expenses. For more information on co-investment opportunities, including how *L Catterton* allocates these co-investment opportunities, please see the conflicts of interest disclosures in Item 11 of this brochure.

From time to time *L Catterton* will be required to decide whether certain other fees, costs and expenses should be borne by *L Catterton*, a Fund, a portfolio company, co-investors and/or a third-party (each, an “Allocable Party”) and if so, how such fees costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or, fees, costs and expenses may be allocated among multiple Allocable Parties. *L Catterton* allocates fees, costs and expenses in accordance with a Fund’s Organizational Documents. To the extent not addressed in the Organizational Documents of a Fund, *L Catterton* will make allocation determinations among Allocable Parties on a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by *L Catterton* in its sole discretion). *L Catterton* will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

Funds also reimburse *L Catterton* for expenses related to the organization and marketing of the Fund (“Organizational Expenses”), including, without limitation, fees and disbursements of attorneys and other professionals, including certain costs associated with the performance of activities related to the organization and marketing of the Fund performed by employees of *L Catterton*, travel and lodging

expenses consistent with those previously described in this Item 5, the costs incurred in connection with participation in capital introduction conferences, the costs of maintaining computer software and hardware and other technological systems provided by outside advisors and used in connection with the organization and marketing of the Fund, and expenses associated with the preparation and filing of any forms, schedules and filings required by various U.S. and non-U.S. laws and regulations. Organizational Expenses incurred by *L Catterton* in excess of a limit set forth in the Organization Documents of a Fund are the sole responsibility of *L Catterton*.

The Organizational Documents for certain *L Catterton* Funds permit the allocable share (as determined by *L Catterton* in good faith) of the compensation (including, without limitation salary, benefits, bonus and payroll taxes) of any personnel or other overhead expenses (including, without limitation, rent, property taxes and utilities allocable to workspaces) associated with the provision of legal, tax, accounting or administrative services to the Fund to be treated as an expense of the applicable Fund. These personnel are employees of *L Catterton* and provide accounting services (including preparation of financial statements and financial administration of the Funds and their investment holding vehicles, valuation of the assets of the various *L Catterton* Funds in accordance with requirements set forth in the Organizational Documents of the various *L Catterton* Funds, treasury and other cash management functions related to accounting of a Fund's assets and related activities), tax services (including the preparation and review of tax returns and fulfillment of tax reporting obligations related to operation of the various *L Catterton* Funds, the determination, payment and administration of any taxes levied against the Funds and their investment holding vehicles), legal services (including the provision of advice related to the organization and formation of new *L Catterton* Funds), and services of an accounting, legal, tax or administrative nature related to activities undertaken in connection with the development, identification, evaluation, sourcing, bidding on, negotiation, structuring, obtaining regulatory approvals for, and pursuing the consummation of investments by the various *L Catterton* Funds (regardless of whether such investments are subsequently consummated), the monitoring, holding or selling of portfolio investments of the *L Catterton* Funds, fulfillment of reporting obligations to limited partner investors in the *L Catterton* Funds, including obligations originating from Side Letters, and related activities. Such personnel may provide these services in respect of multiple *L Catterton* Funds or matters, including in respect of matters related solely to *L Catterton* and in any such circumstance the benefits or costs of any such personnel and related overhead expenses will be allocated in *L Catterton*'s sole discretion taking into consideration the usage of such personnel. These allocation methodologies may include: requiring personnel to periodically record and allocate their time with respect to the *L Catterton* Funds and/or the portfolio companies; *L Catterton* approximating the portion of time a person has spent with respect to a particular *L Catterton* Fund and/or portfolio company; the assessment of an overall dollar amount (for instance, based on a fixed fee) that *L Catterton* believes represents a fair recoupment of expenses and a market rate for such services; and any other methodology determined by *L Catterton* to be appropriate under the circumstances. While *L Catterton* may (in its discretion) obtain benchmarking data regarding third party rates for similar services, relevant comparisons may not be available for a variety of reasons, including as a result of lack of a substantial market of providers or users for such service, confidentiality reasons and the bespoke nature of certain services. As a result, market comparisons may not (and often do not) result in precise comparable data for certain services. Conflicts may arise in the allocation of personnel and their time among the *L Catterton* Funds, particularly in connection with funds that may involve substantially more time and resources than other funds. Additionally, certain of these services may also be performed by third parties that provide the same or similar services and the expenses associated with engaging such third parties may also qualify as fund expenses under the Organizational Documents of the *L Catterton* Funds.

Additional information about conflicts that arise with respect to the expenses discussed in this section is included in Item 11.

Given the nature of the *L* Catterton funds' investment program, transactions through broker-dealers are limited. Therefore, investors in *L* Catterton funds do not generally incur brokerage costs and circumstances in which brokerage costs are incurred directly by an *L* Catterton fund are infrequent. A discussion of our brokerage practices may be found in Item 12 of this brochure.

Additional information about expenses that may be incurred directly or indirectly by investors in the *L* Catterton Funds is included in policies and procedures adopted by *L* Catterton. These policies and procedures are available to current or prospective investors upon request.

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

The *L* Catterton Funds may be subject to a "carried interest" or performance fee that is paid to the Fund's general partner. The "carried interest" is assessed in connection with the disposition of an underlying investment by a Fund according to each Fund's Organizational Documents and is paid out of cash otherwise distributable to investors. Carried interest is typically measured as a percentage of the profits of an *L* Catterton Fund and is negotiated separately for each Fund at a rate consistent with industry standards and in compliance with the Advisers Act.

While performance fee arrangements create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities, each of the *L* Catterton Funds generally have materially identical fee structures. In addition, we have implemented procedures designed to ensure that the *L* Catterton Funds are treated fairly in the allocation of investment opportunities, and to prevent this potential conflict of interest from influencing the allocation of investment opportunities among or between the *L* Catterton Funds. Additionally, the governing agreements of our funds generally place restrictions on our ability to allocate investments to more than one of the Buyout Funds, Growth Funds or LatAm Fund at any particular point in time. Our investment allocations are documented as part of our regular investment processes, taking into account our allocation policy and the terms of the governing documents of the applicable *L* Catterton Funds. Please see Item 11 below for additional information relating to how conflicts of interests are generally addressed by *L* Catterton.

Item 7. Types of Clients

CMC and CLAM provide investment advice solely to the *L* Catterton Funds. Investment advice is provided directly to the *L* Catterton Funds and not individually to investors in any such Fund.

Each of the *L* Catterton Funds is exempt from registration under the Company Act. The securities of each of the Funds are not registered under the Securities Act and are offered only to qualified purchasers as defined in the Company Act, and include, among others, institutional investors and eligible high-net-worth individuals. We have also offered the opportunity to invest in the *L* Catterton Funds to our personnel that qualify as knowledgeable employees as defined in Rule 3c-5 of the Company Act and to certain other qualified institutions or individuals, including value-added resources to the Funds and LCML, CMC and/or CLAM, personal references, family members and personal friends of *L* Catterton personnel and former employees that have left *L* Catterton in good standing. We expect to continue these practices in connection with any new Funds.

We typically impose a minimum investment in connection with participating in an *L* Catterton Fund although these minimums generally may be waived in our discretion.

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

A. Methods of Analysis and Investment Strategies

The *L Catterton Funds* primarily participate in private equity and equity-related investments in middle-market consumer growth companies, including, for example, acquisitions, management buyouts or recapitalizations. We seek to closely partner with entrepreneurial owners and/or management teams of portfolio companies to grow their companies. *L Catterton's* investment approach is based on (i) its extensive network of differentiated relationships developed over its 30-year history; (ii) a highly analytic proprietary investment process for identifying and screening investment opportunities; and (iii) a value creation approach predicated on operational improvements. Our investment approach generally follows a five-step process described more fully below:

Vertical Process: *L Catterton* performs research and consumer insights to analyze the root drivers of consumer behavior, including key consumer demographic, cultural, and lifestyle trends, as well as economic and market fundamentals, and uses the results of this analysis to develop a list of targeted segments, or verticals, within the consumer market. The Vertical Process is performed by dedicated resources within *L Catterton* and through the engagement of third-parties to assist on particular topics.

Deal Sourcing: Using the results of research performed during the Vertical Process, *L Catterton* prioritizes the relative attractiveness of various categories within each vertical and develops a proactive list of targeted companies. Additionally, *L Catterton* sources potential transactions through a network of lenders, investment bankers, brokers, lawyers, accountants, other investment firms, strategic partners, companies operating in the consumer space and management and directors of these companies, and others that refer potential transactions to *L Catterton*, including *L Catterton's* Senior Advisors and Regional Executive Directors.

Underwriting: Once target companies are identified, we engage in a detailed due diligence process for each potential investment that may include, but not be limited to (i) visiting the company and meeting with its management team; (ii) an in-depth evaluation of operations, infrastructure, staffing, cost structure, financial controls, and the company's overall business model; (iii) aggregating and evaluating primary and secondary research on the company and industry; (iv) speaking with industry experts, customers, suppliers, and individual references for the management team and key shareholders; (v) performing consumer research to validate the consumer demand and value proposition of the target company; and (vi) developing a financial model, including various sensitivities on the operating economics and exit assumptions in order to determine the appropriate valuation and capital structure for the proposed investment. Execution of our due diligence efforts includes both internal and external resources, the expenses of which are addressed in Item 5.

Active Portfolio Management: Following the closing of any new investment transaction, *L Catterton* typically initiates a series of activities aimed at increasing the value of the investment. These activities may include, but not be limited to, execution of a post-investment business plan developed prior to the investment; providing strategic, operating, financial, industry or other advice; identifying and recruiting key members of management; serving on the Board of Directors of the portfolio company; among others. Where agreed-to by a portfolio company, Vault may be involved in the performance of activities during this phase of the investment lifecycle. Any fees received in relation to performance of these activities are described in Item 5.

Exit: *L* Catterton continuously measures the prospects of any specific investment against its value in the public equity and private acquisition markets with a focus on realization and takes advantage of exit opportunities as it deems appropriate.

B. Risks

The performance of prior investments made by the *L* Catterton Funds is not indicative of any expected future results. Investments in the *L* Catterton Funds involve significant risks. There can be no assurance that any investment will meet its objectives, or that an investor will receive a return of all or any portion of its capital. Investors in an *L* Catterton Fund are encouraged to review the private placement memorandum and Organizational Documents applicable to each Fund for a discussion of the specific risks applicable to such Fund and should also consider the following risks:

1. *Risks Applicable to all L Catterton Funds*

a) Partnership Risks

Each of the *L* Catterton Funds is generally formed as a partnership. The following risks describe those related to investment in a partnership generally and those risks related to investment in a partnership with the terms generally applicable to the *L* Catterton Funds.

Long-Term and Illiquid Investments; Market Risks. An investment in an *L* Catterton Fund requires a long-term commitment with no certainty of return. Interests in the Funds have not been registered under the Securities Act, as amended, or any other applicable securities laws, and therefore are subject to restrictions on transfer. In addition, the Funds are not obligated to redeem any investor's interest and the governing agreements of each Fund's Organizational Documents contain significant restrictions on the ability of any investor to assign, sell, exchange or transfer any of their interests, rights or obligations with respect to their investments in a Fund without the prior written consent of the general partner of the respective Fund, which may give or withhold consent in its sole and absolute discretion. No market exists for the interests in the Funds, and none is expected to develop. Consequently, an investor should not expect to liquidate its investment in any Fund readily and must be able to bear the economic risk of its investment in a Fund for a substantial period of time. Many of each Fund's investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize on such investments in a timely manner. Distributions in kind of illiquid securities to investors may be made in certain circumstances. Although certain investments by the Funds may generate current income, 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. While an investment may be sold at any time, this will occur typically a number of years after the investment is made. Certain investments by the Funds may be in securities that are or become publicly traded (but there can be no assurances that such securities will ever be listed on a securities exchange). Such investments may involve economic, political, interest rate and other risks, any of which could result in an adverse change in the market price. In addition, in some cases the Funds may be prohibited by contract, legal or regulatory reasons or other limitations from selling such securities for a period of time so that the Funds are unable to take advantage of favorable market prices.

Changes in Environment. Each of the *L* Catterton Funds' investment programs are intended to extend over a period of years, during which the business, economic, political, regulatory, consumer and technology environment within which the Funds operate are expected to undergo substantial changes, some of which may be adverse to the Funds. In particular, changes in consumer trends can occur rapidly and with little notice. Any such changes may be adverse to the Funds and portfolio companies, and the Funds may not be able to respond effectively to such changes over the remainder of the Funds' investment program. The

General Partner will have the exclusive right and authority (within limitations set forth in the Organizational Documents) to determine the manner in which the Funds respond to such changes. Prospective investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures previously exercised by *L Catterton* in the past may not be successful, or even practicable, during a Fund's term.

Management by a General Partner. All decisions with respect to the management of each Fund's assets and the operation of the Funds are ultimately made exclusively by the general partner of the respective *L Catterton* Fund. Investors have no right to participate in the management of a Fund or to make any decisions with respect to the investments to be made by a Fund. Consequently, investors must rely entirely on the general partner with respect to the selection of investments and management of each Fund. The success of each Fund will depend greatly upon the skill and expertise of the *L Catterton* professionals managing each Fund and its investment program, but there can be no assurance that the professionals associated with *L Catterton* today will continue to be associated with *L Catterton* throughout the life of the current *L Catterton* Funds or any future *L Catterton* Fund.

Limited Operating History. At formation, each *L Catterton* Fund is established as a new entity with no operating history and the private equity investment industry in which each Fund is engaged is highly competitive. There can be no assurance that any Fund will be able to locate and complete investments which satisfy a Fund's rate of return objectives or that investments by a fund will achieve targeted returns or returns comparable to those achieved by *L Catterton* Funds in the past.

Availability of Investments. *L Catterton* expects to be highly selective in applying the Fund's investment criteria. There can be no assurance that any Fund will be able to locate and complete investments that satisfy its investment objectives and criteria. Scarcity of appropriate investment opportunities may also impact the terms on which any such opportunities are made available. The activity of identifying, structuring, completing and realizing attractive private equity transactions is highly competitive and involves a high degree of uncertainty. Each Fund may be competing with other funds, investors and corporate buyers for investments in desirable portfolio companies. As a result, there may be fewer attractively priced investment opportunities than would otherwise be available, which could have an adverse impact on the length of time required for each Fund to become fully invested.

Limited Number of Investments. Since each Fund may only make a limited number of investments and since many of each Fund's investments involve a high degree of risk, poor performance by a single investment could substantially and adversely affect the total returns to investors in an *L Catterton* Fund.

Limited Diversification. Each of the *L Catterton* Funds intends to concentrate on investments in the consumer industry and, as a consequence, the Partnership will be less diversified for industry risk than other, more broadly focused funds. As a result of the Fund's sector focus, the effect on the Fund's returns of certain factors that have a greater impact upon the sectors than on other industry sectors may be more pronounced than in more broadly focused funds.

Global Economic Conditions; Market Dislocation. Economic conditions globally may affect each of the Fund's activities. Interest rates, general levels of economic activity, the price of securities, commodities and other assets and participation by other investors in the financial markets may affect the value and number of investments made by a Fund or considered for prospective investment. Global market and economic conditions have been, and continue to be, disrupted and volatile and could materially and adversely impact the Funds in a variety of ways and may include impacts that cannot be anticipated at this time.

Risks Arising from Provision of Managerial Assistance. Each of the Funds (or the general partner of a Fund or its management and employees on behalf of the Fund) expects to obtain rights to participate substantially in, and to influence substantially the conduct of, the management of portfolio companies held by a Fund (including, but not limited to, rights to board seats). Accordingly, the designation of directors and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors and/or indemnification obligations in connection therewith. While the general partner of each Fund and L Catterton intend to manage each of the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Indemnification. Each of the respective general partners of the L Catterton Funds, L Catterton and the members, partners, employees, agents and affiliates of each of them, will be entitled to indemnification from the Funds, except in certain circumstances. The assets of the applicable Fund will be available to satisfy these indemnification obligations, and investors may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of each L Catterton Fund.

Side Letters. Each of the L Catterton Funds, or the general partner on behalf of the respective L Catterton Fund, may enter into a number of Side Letters with one or more investors. Additional information regarding Side Letters is disclosed in response to Item 4.

Consequences of a Default. If an investor in an L Catterton Fund fails to pay when due installments of its capital commitment to the respective Fund, and the contributions made by non-defaulting investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially adversely affect the returns to investors (including non-defaulting investors) in the applicable Fund. If an investor defaults, it may be subject to various remedies as provided in the applicable Fund's Organizational Documents, including, without limitation, reductions in its capital account balance, preclusion from further investment in the Fund, forced sale of its investment at a discount to actual value and forfeiture of its investment.

Investments Longer than Term. The Funds may make Investments that may not be advantageously disposed of prior to the date the applicable Fund will be wound up and dissolved, either by expiration of the applicable Fund's term or otherwise. Although L Catterton expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution during the winding up and dissolution of a Fund and each Fund has a limited ability to extend its term, a Fund may have to sell, distribute or otherwise dispose of Investments at a disadvantageous time as a result of the commencement of its winding up and dissolution.

Tax Matters. It is intended that each of the Funds will be treated as a partnership for U.S. federal income tax purposes, and not as an association taxable as a corporation, and will be operated in a manner such that the Funds should not be treated as a "publicly traded partnership" for U.S. federal income tax purposes (however, no ruling on this question will be obtained from the Internal Revenue Service). As a result of the Funds being treated as partnerships for U.S. federal income tax purposes, each partner in the Fund, in determining its U.S. federal income tax liability, will take into account annually its allocable share of items of income, gain, loss, deduction and credit of the Funds, without regard to whether it has received distributions from a Fund. As is generally the case for similar private equity investment vehicles, an investment in the Funds will give rise to a variety of complex U.S. federal income tax and other tax issues for limited partner investors. Certain of those issues may relate to special rules applicable to certain types of investors, such as tax-exempt entities, life insurance companies, banks, individuals, dealers in securities and non-U.S. persons and entities. It is anticipated that the Funds will not be able to furnish the partners' Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. In such event, each

partner will have to file requests for extension of the time for the filing of their U.S. tax returns. Limited partner investors in the Funds should carefully consider disclosures made in the Organizational Documents for each *L Catterton Fund* regarding this and other tax matters before making a decision to invest.

Additionally, various countries have adopted regulations and entered into intergovernmental agreements concerning the multilateral exchange of information as a means to combat tax evasion. Included among these new regulations and intergovernmental agreements are the U.S. Foreign Account Tax Compliance Act (“FATCA”) and the Common Reporting Standard (“CRS”) adopted by the Organization for Economic Cooperation and Development (the “OECD”). One or more of these regimes apply to the *L Catterton Funds* and require the General Partner to collect and share with applicable taxing authorities information concerning limited partner investors. A limited partner investor’s failure to provide the required information may result in the application of withholding taxes. These withholding taxes could also, under certain limited circumstances, apply to the *L Catterton Funds* if they fail to comply with certain reporting obligations to authorities in the U.S., the Cayman Islands, Canada and the United Kingdom.

FOIA and Similar Laws. To the extent that the general partner of a Fund determines in good faith that, as a result of the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, an investor or any of its affiliates may be required to disclose information relating to the Fund, its affiliates or any entity in which an investment is made (other than certain fund-level, aggregate performance information as described in the Organizational Documents applicable to each Fund), the general partner of a Fund may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such investor. This may result in certain investors receiving less information about a Fund than other investors in the same Fund.

Cyber Security Breaches and Identity Theft. Information and technology systems of *L Catterton* and its portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, *L Catterton*, a Fund and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in *L Catterton’s*, a Fund’s and/or a portfolio company’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In addition, *L Catterton* and its portfolio companies may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity systems, identity theft, unauthorized use of proprietary information, adverse customer or investor reaction or litigation. Such a failure could harm *L Catterton’s*, the Fund’s or a portfolio company’s reputation and otherwise affect their business and financial performance. Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such portfolio companies.

Risk Management. The Fund’s methods of seeking to minimize investment strategy and other risks may not accurately address future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. In certain situations a Fund may be unable to, or may choose not to, implement risk management strategies because of the costs involved or other relevant circumstances or

business judgments, and even if risk management strategies are utilized, such strategies cannot fully insulate a Fund from the risks inherent in its planned activities. No risk management system is fail-safe.

Use of Leverage. The *L Catterton Funds* have in the past and may in the future borrow funds or enter into other financing arrangements for various reasons, including, depending on the *L Catterton Fund*, to pay certain fees and expenses otherwise discussed in Item 5 of this brochure, to make or facilitate new or follow-on investments, to fund capital contributions at the closing of an investment, or in other circumstances that may arise from time to time and are otherwise permitted by the Organizational Documents applicable to the *L Catterton Funds*. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all partners in such Fund on a pro-rata basis, including the general partner. In addition, debt facilities for certain *L Catterton Funds* are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by the applicable Fund.

Although borrowings by the Funds have the potential to enhance overall returns that exceed such Fund's cost of funds, such borrowings may, during limited periods, increase the potential exposure of the Funds to a particular investment above the level that the Fund would typically have had an investment been limited to equity. Any such borrowings may further diminish returns (or increase losses on capital) to the extent overall returns are less than a Fund's cost of funds. In addition, borrowings by a Fund are secured by capital commitments made by investors in a Fund and the documentation relating to such borrowings provides that during the continuance of a default under such borrowings, the interests of the investors may be subordinated to such Fund-level borrowing. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through a Fund facility, such Fund's investors generally make correspondingly later capital contributions and the Fund bears the expense of interest on such borrowed funds. As a result, the use of borrowed funds at the Fund level can impact the calculation of returns.

Valuation of Assets. There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, *L Catterton* will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. While valuations are subject to extensive review, 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 differs 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 *L Catterton* gives rise to conflicts of interest, including that valuations impact *L Catterton's* track record.

Coronavirus Outbreak Risks. The recent global outbreak of the novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect the Fund's investments and the industries in which they operate. Furthermore, *L Catterton's* ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to carry out the Funds' investment strategies and objectives and the *L Catterton's* business and to satisfy its obligations to the Funds, investors, and pursuant to applicable law, has been, and will continue to be, impaired. The spread of COVID-19 among *L Catterton's* personnel and its service providers would also significantly affect the *L Catterton's* ability to properly oversee the affairs of the Funds (particularly to

the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a Fund's investment activities or operations.

b) Portfolio Company Risks

The following risks describe those related to the specific portfolio investments made by the *L Catterton Funds*.

Growth Company Investments. The strategy of each of the *L Catterton Funds* includes investing in high-growth companies. High-growth companies may be more volatile due to their limited product lines, markets or financial resources, or their susceptibility to major setbacks or downturns. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle-market companies, could make it difficult for a Fund to react quickly to negative economic or political developments.

Risks in Effecting Operating Improvements. In some cases, the success of each Fund's investment strategy will depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to identify or implement such restructuring programs and improvements successfully.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although *L Catterton* will be responsible for monitoring the performance of each investment by the respective Fund and generally intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with the Fund's plans and/or objectives.

Additional Capital. Certain of the portfolio companies may be expected to require additional financing to satisfy their working capital requirements or growth or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio company. A portfolio company may have to raise additional capital at a price unfavorable to the existing investors in the Fund invested in the portfolio company. In addition, a Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such portfolio company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect the investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that portfolio companies of the Funds will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Leverage. Many portfolio companies of the *L Catterton Funds* employ leverage at the portfolio company level. While investments in leveraged companies offer the opportunity for greater capital appreciation, such investments may also involve a higher degree of risk, including the risk of recessions, operating variances and other general business and economic risks, as well as the other risks described within this section. Rising interest rates may significantly increase interest expense owed by portfolio companies,

which may cause losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the *L Catterton Funds* may suffer a partial or total loss of capital invested in the portfolio company.

Joint Venture Investments. The Funds may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the participating Fund, or may be in a position to take (or block) action in a manner contrary to the applicable Fund's investment objectives. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. The Funds may also hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies.

Bridge Financing. Each of the Funds may provide bridge financing in connection with one or more of its equity investments. The Fund providing such bridge financing will bear the risk of any changes in capital markets which may adversely affect the ability of a portfolio company to refinance any bridge investments. If the portfolio company were unable to complete a refinancing, the Fund could have a long-term investment in a junior security or that junior security might be converted to equity.

Contingent Liabilities on Dispositions. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. The Fund also may be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate or for other matters. These arrangements may result in contingent liabilities for which the general partner of the applicable Fund may establish reserves or escrows or which might ultimately have to be funded by the investors in the Fund making contributions to the Fund out of previous distributions from the Fund. Additionally, investors receiving a distribution from the Fund in violation of certain applicable laws or regulations will, under certain circumstances, be obligated to recontribute such distribution to the Fund.

Investment in Restructurings. The Funds may make investments in restructurings, which involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause any such portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the applicable Fund to certain additional potential liabilities that may exceed the value of the Fund's original investment therein. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to the investors in the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize investments made in the form of debt as equity contributions.

Fraud. There can be no assurance that the general partner of a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor its investments on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio

company. Such inaccuracy or incompleteness may adversely affect the value of a Fund's securities and/or other investments in such portfolio company. In certain investments, a Fund will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners, if applicable, in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Anti-Corruption Laws and Regulations. Economic sanction laws in the United States and other jurisdictions may prohibit *L Catterton*, *L Catterton's* professionals and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may restrict a Fund's investment activities.

The U.S. Department of Justice, the SEC and foreign authorities vigorously enforce the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and similar regulations adopted by various other countries. Any determination that *L Catterton* has violated the applicable anti-corruption laws or anti-bribery laws could subject *L Catterton* to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect *L Catterton's* business prospects and/or financial position, as well as a Fund's ability to achieve its investment objective and/or conduct its operations.

Environmental, Social and Governance Matters. While ESG is only one of the many factors *L Catterton* will consider in making an investment, there is no guarantee that *L Catterton* will successfully implement and make investments in companies that creates positive environmental, social or governance ("ESG") impact while enhancing long-term shareholder value and achieving financial returns. To the extent that *L Catterton* engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of *L Catterton* will depend on *L Catterton's* skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on *L Catterton's* view of certain ESG-related and other factors, carries the risk that *L Catterton* may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by *L Catterton*.

Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by *L Catterton* or any judgment exercised by *L Catterton* will reflect the beliefs or values of any particular investor. In evaluating a company, *L Catterton* is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause *L Catterton* to incorrectly assess a company's ESG practices and/or

related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or *L Catterton's* assessment of such practices may change over time.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of *L Catterton*, service providers to *L Catterton* or the *L Catterton Funds* and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such *L Catterton Funds* and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such *L Catterton Funds*. *L Catterton* has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that *L Catterton* will be able to identify or prevent such misconduct.

Market Disruption, Health Crises, Terrorism and Geopolitical Risk. *L Catterton* is subject to the risk that war, terrorism, global health crises or similar pandemics, and other related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of *L Catterton's* investments. War, terrorism and related geopolitical events, as well as global health crises and similar pandemics have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic, political and health conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of *L Catterton's* investments. At such times, *L Catterton's* exposure to a number of other risks described elsewhere in this section can increase.

2. *Risks Applicable to the Buyout and Growth Funds Only*

Non-U.S. Investments. Each of the Buyout and Growth Funds may invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Partnership), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the applicable Fund and/or investors in the applicable Fund with respect to the Fund's income and possible non-U.S. tax return filing requirements for the Fund and/or the investors in the Fund. Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies. In particular, investments in United Kingdom-based businesses may be impacted by the legal, political and economic uncertainty generally resulting from the anticipated exit of the United Kingdom from the European Union.

3. *Risks Applicable to the Growth Funds Only*

Seed Investments. Certain of the Growth Funds may engage in financing transactions involving debt and/or equity securities entered into between the Growth Fund and very early stage companies that operate in categories and with attributes that make them attractive investment candidates but for their nascent stage of development (a “Seed Investment”) to facilitate a potential future investment by the Growth Fund or another investment fund or managed account managed or sponsored by *L Catterton*, including the Growth Fund’s successor fund. Such Seed Investments may be made with the consent of only one member of the Growth Fund’s Investment Committee after limited due diligence. As a result, Seed Investments will have relatively higher risk of a loss of the Fund’s investment than other investments made by *L Catterton*.

4. *Risks Applicable to the LatAm Fund Only*

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

Political and Sovereign Risk. Governments of certain Latin American nations have exercised and continue to exercise considerable influence over many aspects of their respective private sectors. In many cases, the government owns or controls many companies, including some of the largest (such as energy and utility companies), with the potential to impact the broad economic and market conditions in the country. In addition, companies operating in Latin America potentially face a political environment characterized by extensive and rapid change, with heightened risk of rapid regulatory shifts, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries or the value of the LatAm Fund’s portfolio investments in such countries.

Nationalization/Expropriation. Historically, foreign-owned businesses operating in much of Latin America have faced threats or action by national and provincial-level governments amounting to nationalization, expropriation or confiscatory taxation rates. If a portfolio company of the LatAm Fund were to face such government action, there can be no assurance that the LatAm Fund would receive adequate compensation for any losses incurred.

Risks from Economic Reform. Over the last two to three decades, Latin American governments generally have sought to enact reforms loosening state control over the economy and moving towards a more market-oriented system. This process has resulted in economic dislocations leading, in some cases, to severe inflation, socio-political pressures, currency depreciation and lower production, which in turn have caused the governments in certain Latin American countries to re-evaluate the nature and pace of market reforms. There can be no assurance that these reforms will continue or, if continued, will be successful. Furthermore, there can be no assurance that the process will not be reversed.

U.S. Dollar Denomination of Interests. Interests in the LatAm Fund are denominated in U.S. dollars. Investors subscribing for interests in the LatAm Fund in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be non-U.S. exchange regulations applicable to investments in non-U.S. currencies in certain jurisdictions. Each

prospective investor should consult with his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the interests.

Currency and Exchange Rate Risks. A substantial portion of the LatAm Fund's investments, and the income received by the LatAm Fund with respect to such investments, may be denominated primarily in currencies other than U.S. dollars. However, the books of the LatAm Fund will be maintained, and capital contributions to and distributions from the LatAm Fund generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by the LatAm Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the LatAm Fund. In addition, the LatAm Fund will incur costs in converting investment proceeds from one currency to another.

Investment and Repatriation Restrictions. Certain Latin American countries have laws and regulations that currently limit or preclude direct foreign investment, and occasionally governments in the region have proposed or debated increasing capital controls on financial inflows and outflows. Prior government approval for foreign investments or inflow of follow-on foreign capital for an existing portfolio investment may be required under certain circumstances, and the process of obtaining these approvals may require a significant expenditure of time and resources. Repatriation of investment income, capital and the proceeds of sale by foreign investors may require governmental registration and approval in some countries. Investments in Latin American entities may require significant government approvals under corporate, securities, exchange control, foreign investment and other comparable laws and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. In addition, Latin American governments from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities transfers or the imposition of exchange controls making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the LatAm Fund to distribute the amounts realized from such investment at all or may force the Partnership to distribute such amounts other than in U.S. dollars, and therefore a portion of the distribution may be made in foreign securities or currency.

Taxation Risks. Tax laws and practices in some Latin American nations are undergoing rapid change and reform and are not as clearly established as in the United States and most of Western Europe. These tax regimes are subject to varying interpretations, frequent changes and inconsistent enforcement at all levels of government. Tax changes could occur during the term of the LatAm Fund that may adversely affect the LatAm Fund and its investments. The LatAm Fund intends to invest in a number of different taxing jurisdictions, any of which may change their tax laws and enforcement policies, possibly with retroactive effect. Consequently, the LatAm Fund may face unfavorable tax treatment in various Latin American countries, which may have a material adverse effect on the LatAm Fund's investments or the feasibility to make investments in certain countries. Each prospective investor should carefully review the tax matters discussed in the Organizational Documents for the LatAm Fund and is advised to consult its own tax advisor as to the income tax consequences to an investment in the LatAm Fund.

Sovereign Debt Risks. While many Latin American governments have made attempts to reduce debt, several governments in the region have high levels of outstanding debt and/or negative fiscal balances. If these governments are unsuccessful in reducing their debt, improving their debt management policies or increasing their fiscal balances, interest rates may remain high, foreign investment may be discouraged, investment grade status may not be attainable and continued improvement in the macroeconomic environment may not materialize. Certain countries have either defaulted or undertaken extensive restructuring of their sovereign debt in recent years. Each of these factors may negatively affect the performance of the LatAm Fund and of its Latin American investments.

Enforcement of Civil Liabilities and Legal Rights. It is likely that most of the directors and officers of Latin American portfolio companies will reside outside the United States. It is also likely that all or substantially all of the assets of such portfolio companies will be located in Latin America. As a result, it may be difficult for the LatAm Fund to effect service of process within the United States on these persons or to enforce judgments against them in U.S. courts. In addition, many Latin American countries provide inadequate legal remedies for breaches of contract, including settling disputes with local partners with whom the LatAm Fund may enter into joint ventures. The LatAm Fund may have difficulty in successfully pursuing certain claims as the effectiveness of the judicial systems in the countries in which the LatAm Fund may invest may be low or vary, particularly as compared to the judicial system of the United States and other developed countries. Additionally, to the extent that the LatAm Fund may obtain a judgment but is required to seek enforcement in the courts of a Latin American market there can be no assurance that a court will enforce such judgment.

Economic Interdependence; Market Dislocation. The interdependence of economies in some Latin American nations has deepened over the years, with the effect that economic difficulties in one country often spread throughout Latin America. A significant decline in the economic growth or a sustained economic downturn in any one Latin American country could cause a material adverse impact on its trade partners or the general balance of trade and remittances inflows in the region, resulting in lower economic growth and impaired business results for companies operating in the region. A contagion effect, in which an entire region or class of investment is disfavored by international investors, could negatively affect the economies of countries where the LatAm Fund may invest. Further, impacts from the United States can disproportionately impact Latin America. Negative events in the U.S. economy, such as the sub-prime mortgage downturn and shocks in the U.S. fixed income markets, have caused significant dislocations, illiquidity and volatility in the U.S. structured credit, leveraged loan and high-yield bond markets, the effects of which spilled over into the wider global financial markets. To the extent that similar marketplace events occur, this may lead to an overall weakening of Latin American economies. Any resulting economic downturn could adversely affect the financial resources of the LatAm Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the LatAm Fund could lose both invested capital in and anticipated profits from affected portfolio companies. Such marketplace events may also cause a decrease in the availability of financing (and an increase in the interest cost) for investment in Latin America, which may impair the LatAm Fund's ability to consummate certain transactions or cause the LatAm Fund to enter into transactions on less attractive terms. No assurance can be given that the LatAm Fund's portfolio will not be adversely affected by effects in countries outside of where investments are located.

Inflation and High Interest Rates. Latin American countries have experienced substantial real and nominal interest rates and, at times, debilitating rates of inflation in the recent past. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economy and the securities markets of Latin American countries. There can be no assurance that significant inflation and interest rates increases will not have a material adverse effect on the LatAm Fund's investments.

FCPA and Anti-Bribery Considerations. In certain Latin American countries, there is generally a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. The general partner of the LatAm Fund, L Catterton's professionals and the LatAm Fund are committed to complying with the FCPA, the UK Bribery Act and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the LatAm Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the LatAm Fund to act successfully on investment opportunities and for certain portfolio companies to obtain or retain business. In addition, the

LatAm Fund may in certain circumstances be held liable under these anti-corruption laws and regulations for the activities of the portfolio companies.

Corporate Disclosure; Accounting Standards; Lack of Transparency and Market Data. Accounting standards, practices and procedures of Latin American portfolio companies may not necessarily meet generally accepted accounting principles, and accounting, auditing and reporting practices of Latin American portfolio companies may not conform to the standards commonly applied in the United States or Western European countries. A lack of consistent accounting practices and procedures may result in less reliable and less detailed information than investors expect in other countries with more developed market economies and regulation. The LatAm Fund may be required to make investment decisions and valuations on the basis of information that is less complete and less reliable than customarily available elsewhere. While the LatAm Fund will endeavor to conduct appropriate due diligence in connection with each investment, no guarantee can be given that the LatAm Fund will be able to obtain the information or assurances that an investor in the United States or Western Europe would obtain before proceeding with an investment. In addition, the LatAm Fund may not be able to obtain as much publicly available information with respect to Latin American issuers of securities as is regularly published by U.S. issuer of publicly traded securities. Latin American reporting standards, which differ from U.S. GAAP in a number of respects, will typically be used by Latin American portfolio companies. Since accounting, auditing, financial and other reporting standards, practices and disclosure requirements in Latin American countries are not equivalent to those in the United States and certain European countries, less information may be available to the LatAm Fund.

Minority Shareholder Protections. In Latin American countries, the protections afforded to minority shareholders are different from, and may be less than, those afforded to minority shareholders in the United States. If the LatAm Fund were to make a minority investment, it may be more difficult for the LatAm Fund to enforce its rights against directors or controlling shareholders than it would be for minority shareholders of a U.S. company.

Standards of Care for Directors and Officers. Although an effort has been made in some Latin American countries to improve standards pursuant to which directors and officers of public and certain private companies act, neither Latin American business practices nor a body of case law has sufficiently developed that may give directors or officers guidance as to how to act. This may make it more difficult for the LatAm Fund to hold directors and officers of its portfolio companies accountable.

Corruption and Security. Crime and corruption (including extortion and fraud) continue to be prevalent in certain countries in Latin America and pose a risk to businesses in the region. In certain countries, the threat of kidnapping for senior executives will likely create additional costs, which will be borne by the LatAm Fund or the local portfolio company, for the provision of adequate security for company personnel or other personnel monitoring the portfolio company. Threats or incidents of crime and corruption may force the LatAm Fund to cease or alter certain activities or to liquidate certain investments, which may cause losses or have other negative impacts on the LatAm Fund or its investments.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

Certain entities controlled by or under common control with *L Catterton* serve as general partners of the *L Catterton Funds*.

As discussed in Item 1, CMC is affiliated with CLAM, a separate investment adviser. CMC and CLAM satisfy the requirements of filing an umbrella registration as set forth in Form ADV's General Instructions. CLAM and CMC are each advise only private funds, CMC has its principal office and place of business in the United States, CMC and CLAM are under common supervision and control, are operated as a single investment advisory firm, and are subject to the same Code of Ethics and compliance program, both of which are administered by our Chief Compliance Officer, pursuant to the requirements of the Advisers Act.

Each of CMC and CLAM file as exempt commodity pool operators under Commodities Futures Trading Commission Regulation 4.13.

In addition, and as discussed in Item 1, CMC is principally owned by LCML. LCML is also the sole direct or indirect owner of *L Catterton Europe SAS*, *L Catterton Real Estate Sàrl* and *L Catterton Asia Advisors* and partial owner of *LCH Partners Limited* (collectively, the "Foreign Advisors"). Each of the Foreign Advisors operate separately from CMC and CLAM. The Foreign Advisors have sought and received regulatory permissions, authorizations and registrations that correspond to the specific nature and location of the business of the Foreign Advisors, including the following:

- *L Catterton Europe SAS*, an investment advisory business registered with the French Autorité des marchés financiers that also reports as an exempt reporting adviser under Section 203(m) of the Act under SEC file number 802-76687 and its direct subsidiary, *L Catterton UK Advisors Limited*, an investment advisory business authorised by the United Kingdom's Financial Conduct Authority;
- *L Catterton Asia Advisors*, an investment advisory business registered with the Financial Services Commission of Mauritius that also reports as an exempt reporting adviser under Section 203(m) of the Act under SEC file number 802-75565 and its direct subsidiary, *L Catterton Singapore Pte Ltd.*, an investment advisory business registered with the Monetary Authority of Singapore;
- *L Catterton Real Estate Sàrl*, an investment advisory business registered with the Luxembourg Commission de Surveillance du Secteur Financier; and
- *LCH Partners Limited*, an investment advisory business licensed by the Guernsey Financial Services Commission.

For a description of certain conflicts of interest created by these activities, see Item 11 below.

Neither we nor any of our management persons are registered, or have an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, or an associated person of the foregoing types of entities.

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

A. Code of Ethics

L Catterton has adopted a written Code of Ethics designed to comply with Rule 204A-1 under the Advisers Act. The Code of Ethics establishes standards of conduct and personal trading procedures, including certain pre-clearance and reporting obligations, applicable to all persons that *L Catterton*'s Chief Compliance Officer has designated as an access person. All employees of *L Catterton* have been designated as access persons. Additionally, the Chief Compliance Officer may, and has, from time to time, designated other non-employees of *L Catterton* as access persons by virtue of the services that they provide for or alongside *L Catterton*. Under the Code of Ethics, access persons are prohibited from trading in the securities of any issuer that appears on a restricted list maintained by the Chief Compliance Officer. All access persons are required to file certain periodic reports with *L Catterton* as required under Rule 204A-1 under the Advisers Act. Violations of the Code of Ethics may subject an access person to disciplinary action. A copy of the Code of Ethics is available to any investor or prospective investor in the *L Catterton* Funds upon written request to: Chief Compliance Officer, *L Catterton*, at the address listed on the front page of this brochure.

In addition to the Code of Ethics, *L Catterton* has adopted policies and procedures to address other potential conflicts of interest arising with respect to the personal activities of *L Catterton* personnel. These policies and procedures provide guidance and set standards related to the giving and receipt of gifts and entertainment, engagement in outside business activities, appropriate characterization of professional qualifications, personal investments, personal political activities, the use of social media and other matters specifically relevant to *L Catterton*'s business.

B. Participation or Interest in Client Transactions

L Catterton personnel, or entities affiliated with such personnel or *L Catterton*, invest in the *L Catterton* Funds through the general partner. Value-added resources to the Funds and *LCML*, *CMC* and/or *CLAM*, personal references, family members and personal friends of *L Catterton* personnel and former employees that have left *L Catterton* in good standing, where otherwise eligible to invest in a Fund, also invest through the general partner. No management fee is charged nor carried interest taken on investments held by such persons. These investors do, however, pay for their pro rata share of certain expenses in the same manner as other investors in the Funds. However, such investments are otherwise made on substantially the same terms and conditions as those otherwise applicable to investors in the *L Catterton* Funds.

Neither *L Catterton* nor any of its advisory affiliates or their employees anticipates selling a security to any of the Funds or purchasing a security from any of the Funds. These types of transactions are generally referred to as principal transactions. However, in the event that *L Catterton* seeks to enter into a principal transaction, *L Catterton* is required by the terms of the Organizational Documents of the *L Catterton* Funds to first make written disclosure to the advisory board formed for each Fund and obtain its prior consent to the transaction.

L Catterton may cause a Fund to make an investment in a portfolio company in which *L Catterton* personnel may otherwise have a personal financial interest. In the event the personal financial interest is more than de minimis, the Organizational Documents of the *L Catterton* Funds require advisory board approval for such investments. In addition, *L Catterton* has adopted policies and procedures to address these situations. Those policies and procedures generally require that the *L Catterton* personnel owning such a financial interest is restricted from selling the interest as part of a transaction involving an *L Catterton* Fund and, to the extent that the individual is a member of the investment committee for the *L Catterton* Fund, must abstain from voting on whether to consummate the transaction.

C. Conflicts of Interest

L Catterton, its related entities and its personnel engage in a broad range of activities. In the ordinary course of conducting these activities, the interests of an *L* Catterton Fund may conflict with the interests of other *L* Catterton Funds, *L* Catterton or its related entities and personnel, including those of the Foreign Advisors and the Foreign Funds. To address certain specific conflicts, *L* Catterton has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest and the Organizational Documents for each of the *L* Catterton Funds contain specified procedures for managing or obtaining client consent for conflicts of interests, including obtaining consent for any conflict from an advisory committee comprised of investor representatives that is given the power to waive such conflicts after disclosure of material information related to the conflict. However, from time to time, conflicts of interest arise that are not specifically addressed in the Organizational Documents for a Fund. *L* Catterton's determination as to the appropriate resolution of such conflicts is and will be made using *L* Catterton's best judgment, in good faith, and in a manner consistent with its legal obligations, but in its sole discretion. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Certain of the conflicts of interest arising in the course of *L* Catterton's business, and in the course of the operation and management by *L* Catterton of any of the *L* Catterton Funds, are described below.

Allocation of Investment Opportunities among the L Catterton Funds and the Foreign Funds. CMC and CLAM manage the Buyout Funds, the Growth Funds and the LatAm Fund. The Foreign Advisors manage the Foreign Funds, which consist of a series of European funds, Asia funds and Real Estate funds (together with the Buyout, Growth and LatAm Funds, the "Permitted Funds"). The Organizational Documents for each of the Buyout and Growth Funds permit limited investments in Latin America, Europe and Asia. The Organizational Documents for the LatAm Fund and each of the European funds and Asia funds will permit limited investments in the United States and Canada. As a result, *L* Catterton may encounter situations in which it must determine how to allocate investment opportunities among various Permitted Funds.

The Permitted Funds may invest together in new investments, subject to the allocation principles set out in their respective Organizational Documents. *L* Catterton has adopted written policies and procedures relating to the allocation of investment opportunities and will make allocation determinations consistently therewith. Those policies and procedures incorporate the allocation principles set out in the Organizational Documents for the *L* Catterton Funds. In general, those principles require *L* Catterton to allocate investment opportunities on a basis that *L* Catterton reasonably determines in good faith to be fair and reasonable taking into account the location of the principal executive offices or a majority of the assets or facilities of a target portfolio company or the location in which the target portfolio company generates their revenue or profits from sales and the amount of equity capital necessary to complete the investment. Other factors considered in making an allocation determination may include, but not be limited to, one or more of the following: portfolio construction considerations generally and the risk/return profiles of investments in a particular Permitted Fund; the relative amounts of capital available for investment; composition of each Permitted Fund's portfolio and each Permitted Fund's investment concentration parameters; cash flow considerations; suitability for follow-on investments; diversification (including the actual, relative or potential exposure of a Permitted Fund to the type of investment opportunity in terms of its existing portfolio), industry and other allocation targets; the nature and extent of involvement in the transaction on the part of the respective teams of each Permitted Fund, including in due diligence efforts; centrality of an investment to a Permitted Fund's investment strategy; stage of development of the potential investment; the availability of other suitable investments for each Permitted Fund; potential need and ability to meet needs for follow-on investments; the ability of the deal team of a particular Permitted Fund to complement or be helpful in efforts to

consummate a transaction; the extent to which participation by a particular Permitted Fund or deal team of a particular Permitted Fund is seen as positive by the seller; the extent to which participation by a particular Permitted Fund may facilitate opportunities to expand the business of a portfolio company into new geographies generally within the primary investment mandate of a Permitted Fund; the extent to which participation by a particular Permitted Fund may make available particular geographic or other specialized expertise of professionals otherwise dedicated to a particular Permitted Fund, including those involved in either a deal team or operating capacity; risk considerations, tax implications, legal, contractual or regulatory constraints and any other relevant limitation imposed by or condition set forth in the organizational documents of a particular Permitted Fund; and other considerations deemed relevant by *L Catterton*, including the business and strategy of the target company, its current and planned market opportunities, target consumers/customers, and primary counter-parties. The relevance of each factor will vary from investment opportunity to investment opportunity, with no single criteria consistently outweighing others.

L Catterton will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Permitted Fund or (ii) the profitability of any Permitted Fund. The application of the factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Permitted Fund will participate in all investment opportunities that fall within its investment objectives. In certain circumstances, *L Catterton* may allocate an investment opportunity falling within the investment objectives of multiple Permitted Funds solely to a single Permitted Fund, such that other Permitted Funds will not be allocated any portion of such investment opportunity. Generally, this decision will be based on a consideration of the factors listed in the immediately preceding paragraph.

In the event that a Permitted Fund participates in the same portfolio investment as another Permitted Fund, such participation will be made on substantially the same terms and conditions, subject to applicable legal, tax, regulatory or other similar considerations. However, any one participating Permitted Fund may not be in a position to assume a pro rata share of subsequent investments in a portfolio company. Co-investments by multiple Permitted Funds will generally be sold or otherwise disposed of concurrently in like proportions by all participating Permitted Funds, and only on substantially the same terms and conditions, subject to applicable legal, tax, regulatory or other similar considerations. However, there can be no assurance that any particular Permitted Fund will dispose of an investment at the same time or on the same terms as other participating Funds.

L Catterton may encounter situations in which it must determine how to allocate investment opportunities among the various Buyout, Growth or LatAm Funds. Generally, new investment opportunities are allocated to a successor Buyout, Growth or LatAm fund upon the acceptance of commitments into the successor fund. However, in certain circumstances, *L Catterton* may elect to allocate a new investment opportunity to an existing Buyout, Growth or LatAm Fund even after the acceptance of commitments into a successor Buyout, Growth or LatAm Fund. Where *L Catterton* makes this decision, it will do so in accordance with the Organizational Documents of the applicable Funds and on a basis that *L Catterton* reasonably determines in good faith to be fair and reasonable, taking into account the factors previously identified in this section.

Finally, pursuant to the Organizational Documents for certain of the Growth Funds, the relevant Growth Funds are permitted to make investments in portfolio companies, subject to certain limitations, to facilitate a potential future investment in the same portfolio company by the same Growth Fund, a successor Growth Funds, or other Permitted Funds (“Seed Investments”). In the event a successor Growth Fund or other Permitted Fund makes an investment in a portfolio company that has been designated as a Seed Investment, the Growth Fund that made the Seed Investment is permitted to sell all or a portion of the investment to a successor Growth Fund or other Permitted Fund. The decision to allocate a future investment opportunity in a portfolio company in which a Seed Investment has been made will be made on a basis that *L Catterton*

reasonably determines in good faith to be fair and reasonable, taking into account the factors previously identified in this section.

Allocation of Co-Investment Opportunities. Pursuant to the terms of the Organizational Documents for each Fund, co-investment opportunities may be offered in relation to certain investments by an *L Catterton* Fund. *L Catterton* will first determine if the amount of an investment opportunity exceeds the amount *L Catterton* determines would be appropriate for the *L Catterton* Funds and any such excess may be offered to one or more co-investors. *L Catterton* does not expect to offer co-investment with respect to all investments made by the Funds and an investment in an *L Catterton* Fund does not entitle any investor to allocations of co-investment opportunities. Opportunities to co-invest may, and typically will, be offered to some and not other investors or to third parties who are not investors in a Fund (including consultants, joint venture partners, persons associated with a portfolio company and other third parties). The allocation of co-investment opportunities may involve a benefit to *L Catterton* including, without limitation, fees or carried interest from the co-investment opportunity and commitments to the *L Catterton* Funds. There may be circumstances where an amount that could have otherwise been invested by a particular *L Catterton* Fund is instead allocated to one or more co-investors. *L Catterton* makes allocation determinations consistent with its Organizational Documents and in accordance with its written policies and procedures relating to the allocation of co-investment opportunities. In general, these policies and procedures require a determination of the appropriate size of investment for a Fund (and thereby the amount of available co-investment), a determination of those investors most appropriate to participate in the co-investment as determined in *L Catterton*'s sole discretion, and a documentation of the reasons specific investors were selected to participate in the co-investment. Factors considered in selecting which investors to contact regarding a specific co-investment opportunity or in selecting which investor should be selected to participate in a particular co-investment opportunity include, but are not limited to, one or more of the following: an investor's stated desire to evaluate co-investment opportunities, including the size and type of opportunities of interest to a potential co-investor and terms agreed to with specific investors in an *L Catterton* Fund related to their interest in co-investment opportunities; contractual obligations to present co-investment opportunities; *L Catterton*'s evaluation of the size and financial resources of a potential co-investor and *L Catterton*'s perception of the ability of that potential co-investor to participate effectively and expeditiously in the investment opportunity and follow-on financings (including whether the potential co-investor has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required); any confidentiality concerns *L Catterton* may have that may arise in connection with providing potential co-investors with specific information related to the investment opportunity or in order to permit such potential co-investor to evaluate the investment opportunity; the ability of a potential co-investor to aid in operating or monitoring an investment opportunity or the possession of certain expertise by a potential co-investor and whether the potential co-investor has any existing positions in the investment opportunity; *L Catterton*'s past experiences and relationships with the potential co-investor, including an evaluation of whether the investment opportunity may subject the potential co-investment party or the transaction to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the potential co-investment party would act upon the investment opportunity if offered or that the transaction would close on the contemplated schedule; *L Catterton*'s evaluation of whether a particular potential co-investment party has provided value in the sourcing or establishment of relationships, participating in diligence and/or negotiations for such potential transaction; *L Catterton*'s evaluation of whether the profile or characteristics of the potential co-investor may have a positive or negative impact on the viability or terms of the proposed investment opportunity and whether the co-investor may provide strategic value to the portfolio company; whether *L Catterton* believes, in its sole discretion, that allocating investment opportunities to a potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that may indirectly provide longer-term benefits (including strategic, sourcing or similar benefits) with an existing or prospective investor in the *L*

Catterton Funds and/or *L Catterton* and whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of current or future *L Catterton Funds* or *L Catterton*.

The factors above are not listed in order of importance or priority and *L Catterton* is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation.

Cross Transactions. In certain cases, *L Catterton* may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because such buy and sell transactions may not fully expose such transactions to market forces and a Fund may therefore not receive the best price or terms otherwise possible. *L Catterton* will approach these scenarios in accordance with the Organizational Documents for each Fund, each of which provide for approval of certain transactions that may qualify as cross transactions, and in its sole discretion, in each case using good faith and its best judgment.

Secondary Transactions. Where *L Catterton* or its affiliates have discretion over a secondary transfer of interests in an *L Catterton Fund* pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, *L Catterton* will do so in its sole discretion and in accordance with any requirements set forth in the Organizational Documents for the applicable Fund. Factors considered in performing these activities include, but are not limited to, one or more of the following: *L Catterton's* evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; *L Catterton's* past experiences and relationships with the potential purchaser, including a consideration of whether the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future *L Catterton Funds* and/or *L Catterton*; the existence of investments by the prospective purchaser in other *L Catterton Funds* or the likelihood that the prospective purchaser may commit to a future *L Catterton Fund*, the expected amount of negotiations required in connection with a potential purchaser's investment; whether the potential purchaser would subject *L Catterton*, the applicable Fund, or its or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; and such other facts and considerations as *L Catterton* deems appropriate under the circumstances in exercising such discretion. The relevance of each factor will vary in each circumstance, with no single criteria consistently outweighing others.

Allocation of Fees and Expenses. From time to time *L Catterton* will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or *L Catterton* on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or, expenses may be allocated among multiple Funds and entities. *L Catterton* will allocate fees and expenses incurred in connection with the organization and management of a Fund in accordance with the Organizational Documents for each Fund or to the extent not addressed in such documents or agreements in its sole discretion, in each case using good faith and its best judgment. A conflict of interest could arise in *L Catterton's* determination whether certain costs or expenses incurred in connection with the organization and management of a Fund are to be borne by *L Catterton*, a Fund, multiple *L Catterton Funds*, or some combination thereof. In addition, determinations made by *L Catterton* in this regard could later be determined by *L Catterton* after a subsequent review of allocations to be inaccurate, in which case *L Catterton* will undertake measures to correct such circumstance. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

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

Devotion of Time. *L Catterton*’s personnel will devote such time as may be reasonably necessary to conduct the business affairs of any particular *L Catterton* Fund in an appropriate manner. However, such personnel will work on other projects, including the operations of *LCML*, the other *L Catterton* Funds, as well as other affiliated or unaffiliated advisory clients, including the Foreign Funds or on other, unrelated matters, and conflicts may arise in the allocation of *L Catterton*’s resources. In addition *L Catterton* may in the future organize, sponsor, manage, and operate additional investment funds, including funds with investment objectives that may overlap to some extent with those of the *L Catterton* Funds and *L Catterton* personnel will work on these additional funds. Finally, *L Catterton*’s personnel have in the past and may in the future leave the employment of *L Catterton* to become an officer or employee of a portfolio company, a third-party with which *L Catterton*, an *L Catterton* Fund or a portfolio company maintains a business relationship, or Vault. While the devotion of time of certain *L Catterton* personnel is governed by the Organizational Documents of the *L Catterton* Funds, there can be no assurance that personnel will remain employed by *L Catterton* and that such personnel will, after departure, not be compensated directly or indirectly by a portfolio company or an *L Catterton* Fund for services similar to those previously provided by the person while employed by *L Catterton*. In certain circumstances, personnel that have been compensated directly or indirectly by a portfolio company or an *L Catterton* Fund may join or return to *L Catterton* as an employee.

Related Services. As described in Item 5, *L Catterton* provides additional services, including Monitoring Services, to portfolio investments of the *L Catterton* Funds for which it may receive fees, including Activity-Based Fees. These fees are generally established upon the initial consummation of an investment, are paid in cash and a portion of these fees are generally subject to a Management Fee Offset. Particularly in instances where a Fund’s investment will result in control of the portfolio company, a potential conflict of interest exists in the determination of any such fees with the portfolio company because any portion of fees not subject to a Management Fee Offset are retained by *L Catterton* and there may not be an independent third-party involved on behalf of the relevant portfolio company.

Additionally, and as described in Item 5, in certain cases *L Catterton* has provided the management of a portfolio company with the opportunity to defer, reduce or eliminate the fees due from such portfolio company for provision of Monitoring Services. The decision to waive or defer these fees is made by *L Catterton* in its sole discretion. *L Catterton* has elected to waive or defer fees due from a portfolio company for provision of Monitoring Services under a variety of circumstances, including the following: the demands of lending institutions that may provide a variety of debt financing options to portfolio companies; cash flow considerations at a portfolio company; and a conclusion by *L Catterton* that the financial resources of the portfolio company would be more effectively deployed on other value creation opportunities or for other purposes, including the performance of operational improvement projects performed by third-party

operational consulting firms or Vault. Where *L Catterton* has made this option available for portfolio companies owned by the Funds in relation to services that are performed by Vault, a conflict of interest exists because fees received by Vault are not subject to a Management Fee Offset. Adherence to the policies and procedures discussed below under the Vault sub-heading are designed to mitigate this conflict. A copy of these policies and procedures are available to current or prospective investors upon request.

L Catterton has in the past and may in the future also facilitate a portfolio company's entry into agreements regarding group procurement and other operational initiatives that may result in discounts, fees, better pricing, rebates, commissions or similar payments being paid to participating companies. *L Catterton* may participate in such group procurement programs and initiatives and thereby benefit in a manner that creates a potential conflict of interest. *L Catterton* believes, however, that such agreements benefit participating portfolio companies due to increased access to quality products and services at beneficial pricing and any benefit derived by *L Catterton* will be only at the same rate as portfolio companies.

Allocation of Monitoring and Activity-Based Fees. As described in Item 5, the *L Catterton* Funds may jointly own a portfolio company with another *L Catterton* Fund, a Foreign Fund, and/or co-investors. Where *L Catterton* jointly owns a portfolio company with another *L Catterton* Fund or a Foreign Fund, the amount of any fees received for Monitoring Services and any Activity-Based Fees will be allocated in a manner agreed to by the relevant *L Catterton* management companies. Similarly, *L Catterton* may enter into economic and/or other fee sharing arrangements with respect to one or more co-investors with respect to Monitoring Services or Activity-Based Fees that would otherwise be received entirely by *L Catterton* and subject to the Management Fee Offset. It is anticipated that in most cases allocation of fees otherwise receivable entirely by *L Catterton* will be pro rata based on the relative investment amounts of each *L Catterton* Fund and Foreign Fund or co-investor.

To the extent a Management Fee Offset relates to more than one Fund, *L Catterton* shall allocate the resulting reduction in management fees among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company. Generally, the portion of a Management Fee Offset allocable to capital invested by a Fund, co-investment vehicle or third-party investor that does not pay management fees will be retained by *L Catterton* and such amounts will not offset any management fee.

Vault. As described in Item 5, Vault is a business consulting and operations improvement services firm that provides services solely to portfolio companies of the *L Catterton* Funds. The focus of Vault's operations is to improve the operational results of *L Catterton*'s portfolio companies in a manner that improves *L Catterton*'s investment returns rather than generating an independent profit in the manner of a third-party performing the same services. This management philosophy and the underlying policies and procedures adopted to implement it also seek to ensure that Vault provides its services on terms (including cost) that are prevailing in the market or better. If Vault were to generate profits not reinvested in the business, the owners could receive a dividend distribution. To avoid any conflict that this scenario would otherwise create, Vault is managed and its operations budgeted to achieve breakeven results annually. Additionally, beginning with the year ended 2015, any profits generated by Vault, in excess of a working capital reserve, will be refunded back to portfolio companies that engaged Vault during the prior calendar year on a pro rata basis. Therefore, the owners of Vault should not have a personal financial incentive to direct portfolio company business to Vault. In addition, Vault has adopted procedures designed to ensure that portfolio company personnel make the independent decision to engage Vault (e.g. all consulting agreements between Vault and a portfolio company must be approved and signed by a portfolio company officer or director who is not otherwise affiliated with *L Catterton*). Of course, the portfolio companies may otherwise be generally controlled by an *L Catterton* Fund and therefore officers of a portfolio company may nonetheless face a conflict of interest in approving a consulting agreement with Vault.

Transition of Personnel. Over time, certain existing and former employees of *L Catterton* may transition to a role at Vault or at a portfolio investment of an *L Catterton* Fund. Conversely, existing and former employees of Vault or a portfolio investment of an *L Catterton* Fund may transition to a role at *L Catterton*. Conflicts may arise as a result of these transitions where the costs associated with compensating such persons transitions from *L Catterton* to Vault or a portfolio investment or vice versa. *L Catterton* will attempt to resolve any such conflicts in good faith, and in any event in accordance with the Organizational Documents of the applicable Funds and any agreements between *L Catterton*, Vault and/or portfolio investments of the *L Catterton* Funds.

Outsourcing Arrangements. Services required by an *L Catterton* Fund (including some services historically provided by *L Catterton* or its affiliates to the Funds) may, for reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties in the discretion of *L Catterton*. *L Catterton* has an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of its personnel. The performance of a service for an *L Catterton* Fund in-house by *L Catterton* personnel does not and will not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future. The costs and expenses of any such third-party service providers will, where otherwise permissible under the Organizational Documents for the Funds, be borne by the Funds.

Conflicts Related to Purchases and Sales. *L Catterton* Funds from time to time make investments in portfolio companies in which other Funds of *L Catterton* have already made an investment. Decisions about what action should be taken in a variety of situations, including situations involving portfolio companies in financial distress, follow-on acquisitions by a portfolio company or a Fund, and circumstances in which a portfolio company is in need of additional capital, may impact Funds invested in the same portfolio company differently. *L Catterton* will attempt to resolve any such conflicts in good faith, and in any event in accordance with the Organizational Documents of the applicable Funds. However, there can be no assurance that such conflicts of interest or actions taken by *L Catterton* in respect of one fund will not have an adverse effect on another Fund.

In addition, *L Catterton* will, from time to time, consider, and reject an investment opportunity on behalf of one *L Catterton* Fund, and another *L Catterton* Fund, or affiliates of *L Catterton*, including employees, may subsequently determine to make an investment in the same company. A conflict of interest arises because the investing party is likely to benefit from the initial evaluation, investigation and due diligence undertaken by *L Catterton* on behalf of the original Fund considering the investment. In such circumstances, the investing party will not be required to make any payment to the original Fund for the value of the work performed by *L Catterton* on behalf of the original Fund.

L Catterton may give advice or take actions with respect to, the investments of one or more *L Catterton* Fund that may not be given or taken with respect to other *L Catterton* Funds with similar investment programs, objectives or strategies. As a result, *L Catterton* Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, an *L Catterton* Fund may not be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another *L Catterton* Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, where more than one *L Catterton* Fund of *L Catterton* (or its affiliates) invest in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time and on the same terms. Investments disposed of at different times will likely be disposed of at different

valuations and, as a result, each *L Catterton Fund* may realize different returns as compared to the same investment held by another *L Catterton Fund*.

Conflicts Related to Co-Investing with Third-Parties. The Funds, from time to time, co-invest with third-parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a third-party is not involved. Such risks include, among other things, the possibility that the third-party may have differing economic or business goals than those of the Fund, or that the third-party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third-party 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.

Portfolio Company Conflicts. In certain cases, a Fund's portfolio company may compete with another Fund's portfolio company. A conflict of interest may arise in these instances because advice and recommendations provided by *L Catterton* to a portfolio company may have adverse consequences to a competitor portfolio company owned by another Fund. When providing advice to any such portfolio company that is a competitor of another Fund's portfolio company, *L Catterton* may consider the interests of one portfolio company and is not obligated to, and need not, consider the interests of, or potential consequences to, such competitor portfolio company.

In addition, *L Catterton* receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, *L Catterton* is better able to anticipate macroeconomic and other trends, and otherwise develop investment strategies. *L Catterton* has already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to *L Catterton*, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, *L Catterton* may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. *L Catterton* has in the past utilized and is likely in the future to utilize such information to benefit *L Catterton*, its affiliates or certain Funds in a manner that may otherwise present a conflict of interest but does not intend to specifically disclose such conflicts to the relevant Funds.

L Catterton and its affiliates may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow *L Catterton*, the *L Catterton Funds* and the *L Catterton Funds'* portfolio companies to better discern economic or other trends and developments. *L Catterton* believes that all *L Catterton Funds* benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across *L Catterton's* businesses and the *L Catterton Funds'* portfolio companies. However, information sharing may involve conflicts of interest between the *L Catterton Funds* and/or between the *L Catterton Funds* and *L Catterton*. Data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by *L Catterton* and its affiliates, without the source of the data being directly compensated. *L Catterton* and its affiliates may utilize such data outside of *L Catterton Fund* activities in a manner that may provide a material benefit to *L Catterton* without directly compensating or otherwise benefitting the *L Catterton Funds*. As a result, *L Catterton* may have an incentive to pursue investments (on

its own behalf or on behalf of the *L Catterton Funds*) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits *L Catterton* and/or investments held by other *L Catterton Funds*.

In certain circumstances, *L Catterton* may receive credits generated by activities performed by portfolio companies through participation in programs offered through group purchasing organizations. In these circumstances, *L Catterton* will not retain any credits received except to the extent that such credit is generated from its own activity. Credits received in connection with activities performed by portfolio companies will be utilized for the benefit of the portfolio company that performed the activity that generated the credit in accordance with directions received from the respective portfolio company.

Positions with Portfolio Companies. Employees of *L Catterton* serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciary duties among the two portfolio companies may create a conflict of interest. Such employees are required to remit any remuneration they may receive as directors to the applicable Funds. In addition, employees of *L Catterton* have in the past, and may in the future, leave the employment of *L Catterton* or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies. Decisions made by a director may subject *L Catterton* or a Fund 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, the *L Catterton Funds* will indemnify *L Catterton* and its principals, partners and employees from such a claim.

Conflicts Related to Financing by a Portfolio Company. A current portfolio company of an *L Catterton Fund* ("Lender") is in the business of providing debt financing to consumer businesses and as such provides financing to other portfolio companies of the same Fund and other *L Catterton Funds*. *L Catterton* personnel are involved in decisions about both the equity investment by an *L Catterton Fund* in a portfolio company and the debt provided by the Lender, however any debt provided by the Lender must be approved by management of the portfolio company and/or a majority of the non-*L Catterton* members of the board of directors, or equivalent. Conflicts in respect of the Lender's financing transactions arise in determining the terms of any financing arrangement, and questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest. This conflict is mitigated by the Lender's adoption of measures designed to ensure its independence in making all financing decisions, which include, but are not limited to, the engagement of third-party legal, tax and accounting advisors and adherence to a credit process managed in part by a credit and risk management consultant that is compensated by the portfolio company.

Carried Interest. The fee structure of the *L Catterton Funds*, in particular the existence of the carried interest described in Item 6, may create an incentive for *L Catterton* to operate a Fund in a riskier or more speculative manner than would be the case absent such arrangement. In addition, *L Catterton* is incentivized to hold on to investments that have poor prospective for improvement in order to receive ongoing management fees in the interim and, potentially, a more likely or larger carried interest distribution if such asset's value appreciates in the future.

Diverse Limited Partner Group. The investors in the *L Catterton Funds* may have conflicting investment, tax and other interests with respect to their investments in an *L Catterton Fund*. As a consequence, conflicts of interest may arise in connection with decisions made by *L Catterton*, including with respect to the nature or timing of dispositions of investments, and such decisions may be more beneficial for one investor than for another, especially with respect to the investors' individual tax situations. In making such decisions, *L Catterton* will consider such investment and tax objectives of the individual *L Catterton Fund* and its investors as a whole, not the investment, tax or other objectives of any investor individually. In addition, *L Catterton* has entered into arrangements with specific Fund investors which have the effect of establishing rights under, or altering or supplementing, the terms of Organizational Documents. These Side Letter arrangements are discussed in greater detail in Item 4 of this brochure. Finally, *L Catterton* has entered into, and may in the future enter into, arrangements with potential anchor investors that provide terms different from and potentially more advantageous than terms offered to investors generally in connection with any future *L Catterton Funds*.

Legal Counsel and other Service Providers. *L Catterton*, its personnel and the Funds will generally engage common legal counsel and other advisers. Firms engaged to provide legal counsel will also represent *L Catterton* from time to time in a variety of different matters. Each firm may also act as counsel to a portfolio company, equity sponsors of a portfolio company, other creditors of a portfolio company or an agent therefore, a party seeking to acquire some or all of the assets or equity of a portfolio company, or a person engaged in litigation with a portfolio company. Furthermore, these firms are not representing the interests of any investor (and has no duty to any investor) in connection with an *L Catterton Fund*, absent an express agreement to the contrary with such investor. Representation by each firm of the Funds, *L Catterton*, the general partner of each Fund, and their affiliates is limited to specific matters as to which they have been consulted by such persons. There may exist other matters which could have a bearing on the *L Catterton Funds*, *L Catterton*, the general partner of each Fund and/or their affiliates or portfolio companies as to which a firm has not been consulted. In addition, no firm undertakes to monitor the compliance of the general partner of each Fund, *L Catterton* and their affiliates with the investment program, valuation procedures and other guidelines and terms set forth in each Fund's Organizational Documents, nor does any firm monitor compliance with applicable laws. No firm has investigated or verified the accuracy or completeness of the information set forth in Organizational Documents concerning each *L Catterton Fund*. As a result, prospective investors should seek their own legal, tax and financial advice before making an investment in the Partnership.

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

Item 12. Brokerage Practices

Our business is advising the *L* Catterton funds on making opportunistic private equity investments in private securities. Accordingly, as a general matter we do not advise our clients on investments in public securities, and generally do not transact business through broker-dealers. However, in situations where we may need to select a broker-dealer, we will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all client securities transactions.

We do not have any soft dollar arrangements in place that would require us to give any specified amount of brokerage to any broker-dealer, and it is our policy to not accept any soft dollar benefits. We may receive unsolicited research from brokers, dealers and banks through which we execute portfolio trades or hold accounts. In circumstances in which we use such research, the quality and ability to receive research may factor into the selection of brokers, dealers and banks executing portfolio trades. Even in these cases, the broker-dealer's ability to achieve superior execution for our clients remains the primary factor influencing the selection of a broker-dealer.

In the event that we cause the *L* Catterton Funds to trade through a broker-dealer, we will seek to aggregate orders whenever practicable and cost-efficient.

Item 13. Review of Accounts

L Catterton closely monitors the portfolio companies of the *L* Catterton Funds and generally maintains an ongoing oversight position in such portfolio companies. In addition to our active oversight, each portfolio company provides us with regular reports regarding its financial status and performance, except in the rare instances where our quantum of control is immaterial, in which case we receive public information. Our Investment Committees perform periodic comprehensive reviews of each portfolio company.

Investors in the *L* Catterton Funds typically receive written quarterly reports after each of the three calendar quarters end and a written annual report that is accompanied by audited financial statements for the applicable *L* Catterton Fund, capital account and quarterly financial statements, and a summary of the portfolio investments for the applicable *L* Catterton Fund. All investors in the *L* Catterton Funds are also invited to an annual investor meeting. *L* Catterton from time to time, in its sole discretion, provides additional information relating to the *L* Catterton Funds or particular portfolio companies to one or more investors in such Fund as it deems appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to *L Catterton*, please see Items 5 and 11 above.

In certain instances, *L Catterton* and its employees receive discounts or complementary access to products and services provided by portfolio companies of the *L Catterton* Funds or from third parties with whom *L Catterton* or the Funds otherwise maintain a business relationship. In certain circumstances, these discounts or complementary access to products may also be shared by *L Catterton* with third parties. Additionally, *L Catterton* and its employees may receive “miles,” “points” or credit in loyalty/status programs usually associated with airline travel, hotel stays or car rentals, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to *L Catterton* and/or its employees even though the cost of the underlying service will be borne by an *L Catterton* Fund or portfolio company. The value of these discounts, complementary access to products or other intangible benefits are not subject to the Management Fee Offset.

While not a client solicitation arrangement, *L Catterton* or our affiliates may, from time to time, enter into arrangements in which third-parties will assist in the capital raising efforts of one or more of the *L Catterton* Funds in exchange for a fee (such person, a “Placement Agent”). The fee paid to such a Placement Agent may be calculated as a percentage of funds raised by the Placement Agent, as specifically negotiated between *L Catterton* and the Placement Agent and memorialized in a written agreement. Neither *L Catterton* nor its affiliates will engage a Placement Agent that is not duly registered as a broker-dealer with FINRA in the United States.

Item 15. Custody

L Catterton relies on the “audit exemption” under the Advisers Act custody rule (i.e. rule 206(4)-2(b)(4). As a result, investors in the *L* Catterton Funds will not receive account statements from the Fund’s custodians.

Item 16. Investment Discretion

We have discretionary authority to manage the portfolios of each of the *L* Catterton Funds. This authority is limited by the applicable *L* Catterton Fund's Organizational Documents.

Item 17. Voting Client Securities

Investments by the *L* Catterton Funds generally involve investments in securities acquired through privately negotiated transactions. However, because *L* Catterton may be deemed to have authority to vote proxies related to the portfolio companies of the *L* Catterton Funds, Catterton has adopted proxy policies and procedures.

Generally, *L* Catterton will vote proxies in a manner that it determines in its discretion serves the best interests of the applicable Fund, taking into account relevant factors that *L* Catterton determines to be appropriate at the time of the vote, which may include: (i) the impact on the value of the returns of the Fund; (ii) alignment of portfolio company management's interest with the Fund's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between the Fund and the portfolio companies in which it invests, including the continued or increased availability of portfolio information and (iv) industry and business practices. *L* Catterton may also adopt specific procedures for voting proxies where *L* Catterton determines that it has, or may be perceived to have, a conflict of interest. These procedures will be designed to facilitate *L* Catterton's effort to vote proxies in accordance with the best interests of the applicable Fund.

Investors in the *L* Catterton Funds may request further information regarding our proxy voting policies and procedures and how we have voted on specific proxies from our Chief Compliance Officer, who will maintain a record of such requests.

Item 18. Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to clients.

We have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

This Item is not applicable. We are not registered with any state securities authority.