

INVESTMENT ADVISER BROCHURE

MAINSAIL MANAGEMENT COMPANY, LLC

**Mainsail Management Company, LLC
One Front Street
Suite 3000
San Francisco, CA
www.mainsailpartners.com**

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Mainsail Management Company, LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (415) 391-3150. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

The Management Company is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding the Management Company is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

The Management Company filed its most recent Form ADV Part 2 on May 30, 2019. This annual amendment updates the description of the business practices of the Management Company and its affiliates.

ADVISORY BUSINESS

The Management Company, a Delaware limited liability company and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Management Company commenced operations in 2004.

The Management Company's clients include the following (each, a "**Fund**," and together with any future private investment fund to which the Management Company or its affiliates provide investment advisory services, the "**Funds**"):

- Mainsail Partners, L.P. ("**Fund I**")
- Mainsail Partners II, L.P. ("**Fund II**")
- Mainsail Partners III, L.P. ("**Fund II**")
- Mainsail Partners IV, L.P. ("**Fund IV**")
- Mainsail Partners V, L.P. ("**Fund V**")
- Mainsail Partners Executive Fund V, L.P. ("**Executive Fund V**")
- Mainsail Co-Investors III, L.P. ("**MCOI III**")
- Mainsail Incentive Program, LLC ("**MIP**")

The following general partner entities are affiliated with Mainsail:

- Mainsail GP, LLC
- Mainsail GP II, LLC
- Mainsail GP III, LLC
- Mainsail GP IV, LLC
- Mainsail GP V, LLC

(each, a "**General Partner**" and together with the Management Company and their affiliated entities "**Mainsail**").

Each General Partner is subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Management Company.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Mainsail’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of portfolio companies, the partners and other personnel of Mainsail or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Mainsail’s advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a “**Memorandum**”), limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**” and together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; such arrangements generally do not and will not create an adviser-client relationship between Mainsail and any investor. The Funds or the General Partners have entered into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, from time to time and as permitted by the Governing Documents, Mainsail expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants, Extended Network Advisors (as defined below) and other service providers, Mainsail’s personnel and/or certain other persons associated with Mainsail and/or its affiliates (*e.g.*, through MIP or another vehicle formed by Mainsail’s principals to co-invest alongside the Funds’ transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Mainsail’s sole discretion, Mainsail reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2019, Mainsail managed \$1,263,926,158 in client assets on a discretionary basis. Mainsail is controlled by Gavin M. Turner (the “**Principal**”).

FEES AND COMPENSATION

In general, Mainsail receives a management fee (the “**Management Fee**”) and a carried interest in connection with advisory services. MIP and MCOI III do not pay a management fee and are not subject to a carried interest. Executive Fund V does not pay a management fee. Mainsail and/or its affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation offsets in whole or in part the management fees otherwise payable to Mainsail to the extent provided in the Governing Documents. Investors in a Fund also bear certain expenses.

Management Fees

Management Fees paid by the relevant Funds to Mainsail are based upon a percentage of such Funds’ investor capital commitments (“**Commitments**”), subject to certain reductions, as more fully described in the Partnership Agreement of the applicable Fund. Fund I and Fund II no longer pay a Management Fee. The Management Fees for Fund III, Fund IV and Fund V range from 2.00% to 2.25% of Commitments per annum, payable quarterly in advance. Such Management Fee generally will be payable until all portfolio investments are disposed of or completely written off or until Mainsail’s relationship to a Fund is terminated for other reasons. Upon certain events specified in the relevant Partnership Agreement, including expiration of a Fund’s investment period, the Management Fee will be reduced. Installments of the Management Fee Payable for any period other than a full semi-annual or quarterly period are adjusted on a *pro rata* basis according to the actual number of days in the period.

To the extent provided in the applicable Governing Documents, Mainsail will be permitted to receive certain fees and other amounts from portfolio companies and/or the Funds. With respect to Fund III, after payment of out-of-pocket expenses, 50% of all financial advisory fees, consulting fees (excluding qualified consulting fees), finder, commitment or placement fees and directors’ fees that are paid to or received by Mainsail GP III, LLC or its affiliates and termination or break-up fees received by Fund III will offset the Management Fee in the year received. A portfolio company’s or prospective portfolio company’s reimbursement of expenses, directors’ fees and compensation for services paid to an operating partner and qualified consulting fees, do not offset or reduce the Fund III Management Fee. With respect to Fund IV, after payment of out-of-pocket expenses, 50% of all financial advisory fees, investment banking and similar fees, transaction fees, disposition fees, monitoring fees, consulting fees, finder fees, commitment fees, placement fees or directors’ fees that are paid to or received by Mainsail GP IV, LLC or its affiliates and termination or break-up fees received by Fund IV, in all cases in excess of \$1,500,000 per year, will offset the Management Fee in the year received. A portfolio company’s or prospective portfolio company’s reimbursement of expenses, and compensation for services paid to certain operating partners, do not offset or reduce the Fund IV Management Fee. With respect to Fund V, the Management Fee in each calendar year will be offset as set forth in the Governing Documents by an amount equal to 50% of any External Fees that are paid to or received by Mainsail GP V, LLC or its affiliates in such calendar year attributable to Partners not designated as “affiliated partners” by the General Partner; provided that the first \$1.5 million of External Fees of the type described in clause (i) below that are paid to or received by Mainsail GP V, LLC or its affiliates in such calendar year shall not offset the Management Fee. With respect to Fund V, “External Fees” include (i) directors’ fees, consulting fees, recruiting fees, talent fees, advisory fees or similar fees paid to the General

Partner with respect to Fund V investments (including for assistance with respect to sales, marketing, finance and accounting, product management, engineering, technology development, technology implementation, customer success, operations, human resources, leadership, general management, acquisition integration/rationalization or similar services); (ii) transaction fees paid to the General Partner with respect to Fund V investments; and (iii) break-up fees with respect to Fund V transactions not completed that are paid to the General Partner, in each case net of certain expenses as set forth in the Governing Documents; but not including, in any event, (x) any amount received by the General Partner, the Extended Network Advisors (as defined below) or any other person from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity, including any full-time externship, secondment or similar arrangement, for such portfolio company (including reimbursement for any compensation, including any bonuses, and employee benefits provided by Mainsail) or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by any Extended Network Advisor to a portfolio company or prospective portfolio company or (y) any fees approved by the Advisory Committee. Payment by Mainsail of a sourcing bonus to a Mainsail employee, whether or not reimbursed by a Fund, does not offset or reduce the Management Fee.

Additionally, as further described below and in the applicable Governing Documents of certain Funds, it is Mainsail's practice to retain certain Extended Network Advisors and utilize its Operations Team to provide services to (or with respect to) certain portfolio companies in which one or more such Funds invest. Extended Network Advisors generally receive compensation and other amounts described herein, but no such amounts will result in additional offsets to the Management Fee. Mainsail expects that compensation will be paid by portfolio companies and received by the Management Company with respect to services provided by the Operations Team, which will partially offset the Management Fee subject to the limitations set forth in the applicable Governing Documents.

Certain Governing Documents permit Mainsail to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Partnership Agreement as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to a Fund. The limited partners of a Fund would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of Mainsail in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by Mainsail and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in a Fund, resulting in a net additional benefit to Mainsail.

Carried Interest

Mainsail receives a carried interest with respect to each Fund other than MIP and MCOI III equal to 20% of all realized profits, as more fully described in the Governing Documents. The carried interest distributed to Mainsail is subject to a potential giveback at the end of life of each Fund if Mainsail has received excess cumulative distributions.

It is expected that any future Funds will have a similar fee structure.

Other Information

Mainsail is permitted to exempt certain “**affiliated partner**” investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Mainsail and any other person designated by Mainsail. The General Partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by Mainsail and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Mainsail professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, Mainsail has the right to permit investors, affiliated with Mainsail or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds. Mainsail retains flexibility to structure its compensation from investors and is authorized in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor’s capital account

Principals or other current or former employees of Mainsail generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Mainsail or its affiliates.

In addition to the Management Fee and carried interest payable to Mainsail, each Fund bears certain expenses. As set forth in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce Management Fees, including: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund’s portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been

offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services (including any deal sourcing bonus payable to an employee of Mainsail with the title “Associate” or “Senior Associate”); (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research (including fees and expenses associated with multimedia, analytical, database, news or other third-party research services and related terminals for the delivery of such services), auditing, administration (including fees and expenses associated with the Fund’s third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services or software), consulting (including consulting and retainer fees and other compensation paid to Extended Network Advisors, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative, monitoring or reporting tools (including subscription-based services) for the benefit of the Fund or the limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Advisory Committee (including any costs and expenses incurred by representatives of the General Partner, the Advisory Committee members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Committee); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any Partner or other person pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s); (xviii) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment

vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xix) the termination, liquidation, winding up or dissolution of the Fund and the General Partner; (xx) defaults by partners with respect to the payment of any capital contributions or other payment obligations; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxii) complying with any filing obligation, law or regulation related to the activities of the Fund (including fees and expenses of the General Partner incurred in connection with or as a result of the operation of the Fund); (xxiii) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents; (xxiv) any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making or holding an investment in the same entity as one or more other investment vehicles (other than the Fund) managed or controlled by the General Partner or any of its affiliates; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner; (xxvi) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the Governing Documents); (xxvii) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxviii) unreimbursed expenses and unpaid fees of the Extended Network Advisors; (xxix) compliance or regulatory matters related to the Fund, except as set forth in the Partnership Agreement; (xxx) any industry conferences attended by Mainsail and/or portfolio company personnel; (xxxi) any summit or meeting (whether in person, telephonic or electronic) intended primarily for executives, officers and/or employees of portfolio companies held or coordinated by the General Partner or any affiliate thereof; (xxxii) any travel, lodging, meals, gifts, mementos or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities (including closing dinners or similar events); (xxxiii) any organizational expenses; (xxxiv) any placement fees; and (xxxv) any other fees, costs, expenses, liabilities or obligations approved by the advisory committee. The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of Mainsail and/or its affiliates. The foregoing shall be Fund expenses notwithstanding that they may be specially treated or excluded from being characterized as an expense under GAAP. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly and indirectly, than many other pooled investment products, such as mutual funds. As set forth in "Brokerage Practices," while Mainsail expects the Funds to primarily engage in private transactions, to the extent a Fund incurs brokerage fees, they will be borne by such Fund.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expenses or obligations, without interest. While Mainsail believes such circumstances to be highly

unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Mainsail, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Mainsail's related policies and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, the full amount of any fees and expenses generated in the course of evaluating any such proposed transaction generally would be borne by the Fund, and not by any potential co-investors that would have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such expenses.

Mainsail and/or its affiliates generally have discretion over whether to charge the fees discussed herein or other compensation to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Mainsail and/or its affiliates on the other hand.

Operations Team and Extended Network Advisors

Additionally, Mainsail has created an operations team (the “**Operations Team**”) comprised of persons that are employees of Mainsail or an affiliate primarily to provide assistance to portfolio companies with respect to recruiting, sales, marketing, finance and accounting, product management, engineering, technology development, technology implementation, customer success, operations, human resources, leadership, general management, acquisition integration/rationalization, board of directors services and other similar services. Mainsail expects that significant compensation will be paid by portfolio companies and received by Mainsail with respect to the services provided by the Operations Team (which compensation will partially offset the Management Fee subject to the limitations set forth in the applicable Partnership Agreement). It is also Mainsail's practice to retain or recommend that a Fund and/or its portfolio companies, as applicable retain or employ industry advisors and former executives, third party consultants (including external executives), Executives-in-Residence, Advisory Council members, Executive Chairpersons and other professionals (“**Extended Network Advisors**”), which may include affiliates of Mainsail, employees or former employees of such affiliates, portfolio companies of other funds managed by Mainsail or its affiliates. The Extended Network Advisors are expected to regularly provide services to, or in connection with, a Fund in relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies.

Such services include sales, marketing, finance and accounting, product management, engineering, technology development, technology implementation, customer success, operations, human resources, leadership, general management, acquisition integration/rationalization, board of directors services and/or other operations services, and include services of the type generally provided by the Operations Team. Any compensation, including fees, incentive equity, equity grants or other stock awards, and any reimbursement of certain travel and other costs, received by Extended Network Advisors is expected to be paid by a portfolio company or prospective portfolio company (which payments are not included as External Fees and will not otherwise offset or reduce the Management Fee) or directly by the Fund. An Extended Network Advisor also may invest in portfolio companies in which such person has been, or is expected to be, involved. The use of the Operations Team and Extended Network Advisors subjects Mainsail to conflicts of interest, as discussed under “Risks of Investment – Operations Team and Extended Network Advisors” and “Conflicts of Interest” below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” Mainsail receives a carried interest allocation on certain realized profits in the Funds. Mainsail also manages MIP and MCOI III which are not charged carried interest. This could present a conflict of interest because Mainsail has an incentive to favor accounts for which it receives the highest performance-based compensation. Mainsail seeks to address the potential for conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Mainsail or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Mainsail generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Mainsail provides investment advice solely to its Funds, and references throughout this Brochure to “clients” and to Mainsail’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Investment Company Act**”). The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Mainsail and its affiliates and members of their families, Extended Network Advisors or other service providers retained by Mainsail.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

Fund I generally has a minimum investment amount of \$1 million for third-party investors. Each of Fund II, Fund III and Fund IV generally has a minimum investment amount of \$2 million for third-party investors. Fund V generally has a minimum investment amount of \$5 million for third-party investors. Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act. Mainsail generally is permitted to waive such minimum investment amounts and qualification requirements in its sole discretion.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Mainsail focuses on growth buyouts of “bootstrapped” lower middle market software companies. Mainsail defines the lower middle market as companies with annual revenues of at least \$5 million and enterprise values below \$100 million (and ideally below \$75 million). Mainsail seeks to make initial equity investments of \$20-60 million in majority, and in certain cases minority, equity positions with limited use of debt and strong governance and legal terms. Mainsail believes that the combination of this model investment structure with the quality of the target companies creates the opportunity for asymmetric reward for the risk taken by the Funds. Mainsail seeks to increase shareholder value through the active management and support of its portfolio companies led by the Operations Team. Mainsail places great importance on mitigating risk throughout the investment process by seeking to perform extensive due diligence, secure favorable deal structure and legal terms, and follow a consistent and disciplined investment strategy.

There can be no assurance that Mainsail will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

Mainsail seeks to utilize the following methods of analysis and investment strategies when formulating investment advice or managing assets for the Funds:

- Capitalize on the Lower Middle Market Opportunity – Mainsail believes there exists a significant opportunity to invest in lower middle market software businesses that benefit from additional funding and the utilization of best practices to sustain or increase their growth rates. Mainsail believes that because these companies are smaller than those usually targeted by most private equity firms, there is generally less competition from professional investors, resulting in the potential for more attractive valuations and legal terms.

- **Leverage Software Sector Expertise** – Mainsail primarily targets investments in the software sector in the United States and Canada. Mainsail’s investment and operations principals have developed extensive knowledge in this sector through the course of Mainsail’s history, and through their years of experience before joining Mainsail.
- **Target “Bootstrapped” Companies** – Mainsail intends to target companies that have established operating histories, annual growth in revenues in excess of 30%, and strong gross margins of 60% or greater. Additionally, Mainsail intends to target companies that have grown to these levels without the use of external institutional financing (i.e., “bootstrapped”). Mainsail believes this characteristic is an indicator of a high-quality company with successful products, strong entrepreneurs, and favorable market dynamics.
- **Adhere to Strict Investment Criteria** – Mainsail believes that disciplined adherence to this strategy can result in investments with reduced risk and the potential for attractive returns. Mainsail strives to mitigate risk on a systematic basis throughout its investment process by conducting extensive due diligence, structuring its investments with senior preferred securities, utilizing limited leverage, securing board of directors representation, and ideally acquiring affirmative voting control of the company.
- **Execute Proprietary Investment Sourcing Program** – Mainsail believes it has built a robust direct origination program that is intended to generate attractive - and ideally proprietary - investment opportunities, while also generating real-time, valuable, and actionable market insights. Data and relationships created through the program are stored in a proprietary database that is used to drive Mainsail’s investment activity and data-driven decision making.
- **Accelerate Growth through Sourcing and Executing Add-on Acquisitions** – Mainsail utilizes its robust direct origination program to identify potential add-on acquisitions for its portfolio companies.
- **Drive Shareholder Value Creation through Proactive Operational Involvement** – Mainsail seeks to increase shareholder value through active involvement in each portfolio company in partnership with management. To help achieve this goal, Mainsail aims to support the recruitment of the management team and the board of directors, marketing and sales program development, strategic planning, financial budgeting, technology implementation, corporate development and exit process management. Mainsail’s Operations Team is purpose-built to assist the management teams of bootstrapped software companies with operational change.
- **Exit into the more liquid Middle Market** – Mainsail intends to seek liquidity for investors by having the Funds sell portfolio companies to strategic acquirers, private equity firms, and the portfolio companies of private equity firms, ideally at expanded multiples. Mainsail expects the significant amount of capital in the “middle market” to provide a liquid segment of the market for Mainsail to sell into at attractive exit valuations. Mainsail believes by growing companies into the well capitalized middle market, Mainsail expects there will be an opportunity to sell these businesses at higher valuation multiples than it paid upon its initial investment.

Risks of Investment

Each Fund and its investors bear the risk of loss that Mainsail's investment strategy entails. The risks involved with Mainsail's investment strategy and an investment in a Fund include, but are not limited to:

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

Future and Past Performance. The performance of the General Partner's principals' (the "Principals") prior investments is not necessarily indicative of the Fund's future results. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the expected risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which the Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Fund's investment once made.

Concentration of Investments in the Software Sector. The Fund's investments are generally concentrated in the software products and/or technology enabled services (collectively, "Software") sector. Concentration in a single sector may involve risks greater than those generally associated with a more diversified strategy, including significant fluctuations in returns. A number of factors contribute to challenging conditions for businesses in the Software sector, including: (i) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (ii) rapidly changing and difficult to predict market conditions and consumer preferences; (iii) short product life cycles; (iv) scarcity of and high demand for management, technical, scientific, research and marketing personnel with appropriate training; (v) the possibility of lawsuits related to patents and other intellectual property and their associated rights; and (vi) rapidly changing investor sentiments and preferences with regard to Software sector investments. Some or all of the Fund's portfolio companies will compete in this volatile environment, and such competition may result in significant downward pressure on the prices of such portfolio companies' products and/or services. As a result of the likely concentration of the Fund's investments in the Software sector, any instability, fluctuation or general decline in the Software sector will likely not be offset by investments in other industries not similarly affected.

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

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners will be required to bear Management Fees through the Fund during the Investment Period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the Partnership Agreement.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for the Fund primarily through making private equity investments as described herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Principal has previously made investments or have internal operational experience.

Lower Middle Market Companies. Investments in lower middle-market companies such as those that the Fund primarily invests in, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in larger companies. Small companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology than larger companies. In addition, future growth may be dependent on obtaining additional financing, which may not be available on acceptable terms when required. Further, there may be a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-sized companies specifically, could make it difficult for the Fund to react quickly to negative economic or political developments.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Fund may invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests.

Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the

Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

Leveraged Investments. The Fund may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency. The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

Capital Calls and Credit Facilities. The General Partner may fund the making of investments or payment of expenses with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, one or more assets of the Fund, i.e., asset-backed facilities, or the undrawn Commitments of investors, i.e., subscription lines) prior to calling capital contributions. The Fund may hold investments funded through credit facilities without repayment of such borrowings for an extended period of time. To the extent provided in the Partnership Agreement, any such borrowing may remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that may decrease net returns of the Fund. Conflicts of interest may arise in that the use of such facilities may, and likely would, delay the need for limited partners to make certain contributions to the

Fund, which may enhance the Fund's performance figures and thereby benefit the General Partner and its affiliates. Payment of Fund expenses through capital calls rather than borrowings would not require the Fund to pay interest on such amounts. Interest may accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments or pay such expenses, or repay borrowings used to fund such investments or pay such expenses, are actually made to the Fund by a limited partner. For purposes of distributions by the Fund, limited partners would not receive a preferred return accrual on the amount invested by the Fund until such time as capital may be called from limited partners in respect of the investment. The use of leverage by the Fund to make investments and/or to pay expenses also will result in interest expense and other costs to the Fund that may not be covered by Fund distributions or appreciation of Fund investments. If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed to the limited partners without a preferred return accrual on the amount invested by the Fund (due to the absence of invested capital funded by limited partners) prior to the determination of carried interest distributions. Accordingly, borrowings by the Fund may support the distribution of proceeds to limited partners and increase the potential carried interest for the General Partner; however, the interest incurred by the Fund due to such borrowing would reduce the carried interest received by the General Partner. Subject to the limitations in the Partnership Agreement, if any, this conflict of interest may incentivize the General Partner to permanently fund the acquisition and ongoing capital needs of investments of the Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

Notwithstanding the foregoing, to the extent that the Fund is unable to obtain a credit facility, determines that the terms of such facility would not be appropriate for the Fund or otherwise determines not to use such facility or access to such facility otherwise becomes unavailable, the General Partner may determine to draw down capital contributions in advance and hold them in reserve in order to make investments and/or satisfy fees and expenses and other capital needs as such needs arise in the future.

Limited Transferability of Fund Interests. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Partners. After a distribution of securities is made to the Partners, many Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Partners may be lower than the value of such securities determined pursuant to the Partnership Agreement,

including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the Principals currently, and may in the future, manage or advise other investment funds besides the Fund and the Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Principals. Limited partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend on the actions of the General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner (including the departure of one or more Principals) may have an adverse effect on the Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

Risks in Effecting Operating Improvements. The success of the Fund's investment strategy is likely to depend, in part, on the ability of the General Partner to assist in sustaining the growth rates of, and/or effecting improvements in, the operations of certain portfolio companies. Identifying and implementing operational improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements may divert the attention of key portfolio company personnel and disrupt normal business. There can be no assurance that the General Partner will be able to successfully assist in sustaining growth rates and/or identifying and implementing operational improvements.

Additionally, it is expected that the Operations Team and the Extended Network Advisors will provide assistance to one or more portfolio companies. The General Partner and its affiliates exercise discretion over the allocation of Operations Team time and attention and recommendations of Extended Network Advisors, which time and attention and recommendations, as applicable, generally will not be focused evenly across the Fund's portfolio companies, or across the portfolio companies of the Fund and those of other funds managed by the General Partner or its affiliates. There can be no assurances that any assistance provided by the Operations Team or the Extended Network Advisors will have the intended impact or improve the performance of any portfolio company, and portfolio companies that receive less Operations Team and Extended Network Advisor time and attention relative to other portfolio companies may not have similar performance improvements.

Projections. Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with

adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities. The United States, pursuant to the “Foreign Account Tax Compliance Act” or “FATCA” has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, the Organisation for Economic Co-operation and Development (“OECD”) has published a global Common Reporting Standard for the exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to the Fund and/or alternative investment vehicles and may require the General Partner to collect and share with applicable taxing authorities information concerning limited partners (including identifying information and amounts of certain income allocable or distributable to them). A limited partner’s failure to provide required information may result in withholding taxes, government-imposed penalties, expulsion from the Fund and/or alternative investment vehicles or other potential remedies.

Tax Liability Considerations. The Fund may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by a taxing authority, a limited partner might be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority’s review of the Fund may result in a review of the returns of some or all of the limited partners, which examination could result in adjustments to the tax consequences initially reported by the Fund and affect items not related to a limited partner’s investment in the Fund. If such adjustments result in an increase in tax liability for any year, the Fund or one or more of the limited partners may also be liable for interest and penalties with respect to the amount due. The legal and accounting costs incurred in connection with any taxing authority’s review of the Fund’s tax returns will be borne by the Fund. The cost of any review of a limited partner’s tax return will be borne solely by the limited partner. The taxation of partnerships and partners is complex. Prospective limited partners are strongly urged to review applicable disclosure and to consult their own tax advisors.

Conflicting Investor Interests. Limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its Partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the

private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the 2008-2009 downturn in the U.S. and global financial markets, may complicate or prevent the Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, recently enacted U.S. federal income tax legislation treats certain allocations of capital gains to service providers by partnerships such as the Fund as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of the Principals, employees or other individuals associated with the Fund, the Management Company or the General Partner who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund.

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

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

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to

jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability on regulated entities.

Cybersecurity Risks. The information technology systems of the Management Company, the General Partner, the Fund, the Fund's portfolio companies and/or their respective affiliates 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 (including fires, tornadoes, floods, hurricanes and earthquakes). Although the Management Company and its affiliates have implemented various measures designed to manage risks relating to these types of events, and generally intend to encourage portfolio companies to do the same, such risks may be beyond the control or ability of the Management Company, its affiliates or portfolio companies to manage, and if such a system is compromised, becomes inoperable for an extended period of time or ceases to function properly, the Management Company, the General Partner, the Fund and/or a portfolio company may be required to spend time and/or incur expenses seeking to fix or replace such system or otherwise remedy the effects of such issues. The failure of such a system and/or disaster recovery plan may cause significant interruptions in the Management Company's, the General Partner's, the Fund's and/or a portfolio company's operations and may result in a failure to maintain the security, confidentiality or privacy of sensitive data (including information relating to limited partners and/or the beneficial owners of limited partners, prospective Fund investments and/or portfolio company performance, follow-on investments and/or exits). Such a failure could harm the Management Company's, the General Partner's, the Fund's, a portfolio company's, a limited partner's or a beneficial owner of a limited partner's reputation, subject such person(s) to legal claims, or otherwise affect the business and financial performance of such person(s).

United Kingdom ("UK") Exit from the European Union (the "EU"): On March 29, 2017, the UK formally notified the European Council of its intention to leave the EU ("Brexit"). After a number of iterations, the European Commission and the UK's negotiators reached agreement on the terms of the UK's withdrawal from the EU, and these terms have been approved by the UK and EU Parliaments. The UK formally left the EU on January 31, 2020 after which the UK entered the transition period specified in the withdrawal agreement, which is scheduled to end on December 31, 2020. During this period, it is expected that the majority of the existing EU rules will continue to apply in the UK.

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

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

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses. This uncertainty may also result in an

economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Need for Follow On Investments. Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow on equity or debt investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow on equity or debt investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. The Fund may, subject to certain limitations set forth in the Partnership Agreement, invest in portfolio companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), 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 Fund and/or the Partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners.

Additional risks of non-U.S. investments include: (i) economic dislocations in the host country; (ii) less publicly available information; (iii) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (iv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (v) civil disturbances; (vi) government instability; and (vii) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Significant Adverse Consequences for Default. The Partnership Agreement provides for significant adverse consequences in the event a limited partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting limited partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

Dilution. Limited partners admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will be required to contribute its pro rata share of previously made capital

contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.

Transfer by General Partner. To the extent the General Partner, its members, the Principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side the Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

Public Company Holdings. The Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Distressed Investments. The Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

Non-controlling Investments. The Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Fund at times may hold minority equity stakes of any size such as might occur if the Fund takes a portfolio company public or sells a controlling interest in a portfolio company while retaining a minority interest. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Director Liability. The Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making an investment, the General Partner will generally conduct such due diligence as it deems reasonable and appropriate based on the known facts and circumstances applicable to such investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto, and the General Partner may rely on the advice received from such third parties. Investment analyses and decisions by the General Partner will often be undertaken on an expedited basis in order for the Fund to compete for investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited and incomplete, and the General Partner may not have access to the detailed information necessary for a full evaluation of an investment opportunity. The due diligence investigation carried out with respect to any investment opportunity is unlikely to reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return of invested capital.

Limitation of Recourse and Indemnification. The Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund. As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Partnership Agreement will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to limited partners.

Litigation. In the ordinary course of its business, the Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Advisory Committee. The General Partner will appoint one or more limited partner representatives to the Advisory Committee. The Partnership Agreement may provide that to the fullest extent permitted by applicable law, none of the Advisory Committee members shall owe any fiduciary duties to the Fund or any other Partner. In addition, representatives of the Advisory Committee may have various business and other relationships with the Management Company and

its partners or members, employees and affiliates. These relationships may influence their decisions as members of the Advisory Committee.

Changes in U.S. Tax Law. All statements contained herein concerning the U.S. federal income tax (or other tax) consequences of an investment in the Fund are based on existing law and interpretations thereof. Recent and future changes in U.S. federal income tax law could materially affect the tax consequences of a limited partner's investment in the Fund, and the tax treatment of the Fund's portfolio companies. While some of these changes could be beneficial, others could negatively affect the after-tax returns of the Fund and the limited partners. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in the Fund, or of investments made by the Fund, will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of the limited partners.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Fund as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of individuals associated with the Fund, the Management Company or the General Partner who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. This could also create an incentive for the Principals to cause the Fund to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

U.S. Federal Income Tax Liability Resulting from IRS Audits. U.S. federal income taxes arising from a U.S. Internal Revenue Service ("IRS") audit will be paid by the Fund absent an election to the contrary. In addition, a "partnership representative" (and an individual person appointed by the Fund under applicable rules (the "designated individual")) will have the power to act on behalf of the Fund and its Partners in all IRS audits and other proceedings involving the Fund's U.S. federal income, loss, deductions, and credits. The designated individual will be indemnified and held harmless to the extent provided under the Partnership Agreement. Similar rules may apply with respect to tax audits by certain state taxing authorities.

Delayed Tax Information. The Fund may not be able to provide final tax filing information to limited partners for any given fiscal year until after the initial tax filing deadlines for limited partner tax returns. Accordingly, limited partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Furthermore, such uncertainty can be caused by local, regional or global health crises, including the spread of viruses or epidemics, which could also result in significant economic disruptions with potential corresponding negative effects on the operating performance of portfolio companies. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential

investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

Market Conditions. The state of the private equity industry, generally, and the success of the Fund's investment activities, specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and U.S. and global political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. Conditions such as financial market volatility, illiquidity and/or decline, a generally unstable economic environment (including as a result of a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) and/or a deterioration in the capital markets may negatively impact the availability of attractive investment opportunities for the Fund, the Fund's ability to make investments, the availability of funding to support the Fund's investment objectives, the performance and/or valuation of the Fund's investments, and/or the Fund's ability to dispose of investments. In addition, such conditions may impact the public market comparable earnings multiples that are frequently used to value privately held portfolio companies and investors' risk-free rate of return. In such an environment, the Fund may be more likely to pay reverse break-up, termination or other fees and expenses in the event that the Fund is not able to close a transaction (whether due to lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. Such conditions could result in substantial or total losses to the Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and

activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 – and the resulting precipitous decline in economic and commercial activity across several of the world’s largest economies – on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund’s and its portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund’s ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, its portfolio companies, the General Partner and the Management Company may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. In the event that global credit markets deteriorate and it becomes more difficult for investment funds such as the Fund to obtain favorable financing for investments, the Fund's ability to generate attractive investment returns may be adversely affected. Moreover, to the extent that such deterioration is not temporary, it may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such deterioration also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

Material Non-Public Information. As a result of the operations of the Management Company and its affiliates, the Management Company may come into possession of confidential or material, non-public information. Therefore, the Management Company and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Management Company's internal policies. Due to these restrictions, the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Operations Team and Extended Network Advisors. The General Partner expects to recommend that the Fund and/or the portfolio companies, as applicable, retain or employ Extended Network Advisors, which may include affiliates of the General Partner, employees or former employees of such affiliates, portfolio companies of other funds managed by the General Partner or its affiliates. The Extended Network Advisors may regularly provide services to, or in connection with, the Fund in relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies. Such services include sales, marketing, finance and accounting, product management, engineering, technology development, technology implementation, customer success, operations, human resources, leadership, general management, acquisition integration/rationalization, board of directors services and/or other operations services, and include services of the type generally provided by the Operations Team.

Fees and expenses associated with the services provided by the Extended Network Advisors (collectively, "**Consulting Fees**"), are expected to be paid and/or reimbursed by applicable portfolio companies and/or the Fund, and Consulting Fees do not constitute External Fees or otherwise offset or reduce the Management Fee, and are not otherwise covered by the Management Fee. The General Partner expects that Consulting Fees will generally be paid by the applicable portfolio companies and/or the Fund, and the General Partner may pay a retainer or other compensation to an Extended Network Advisor, which may or may not be reimbursed by a portfolio company if such Extended Network Advisor is also retained by such portfolio company. Consulting Fees are expected to include cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Extended Network Advisor, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Extended Network Advisor, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, the

General Partner or portfolio companies may provide opportunities for Extended Network Advisors to invest in such portfolio company, including investing with the Fund as part of the Fund's share of an investment opportunity or acquiring a portion of the Fund's investment. Extended Network Advisors are expected to separately receive equity grants from portfolio companies and reimbursement of costs and expenses from the Fund and/or portfolio companies. Extended Network Advisors also may receive remuneration from the General Partner and/or the Fund or affiliates and/or be entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to an Extended Network Advisor will not offset the Management Fee. Extended Network Advisors may have a limited partnership or profit interest in the Fund, the General Partner, one or more other investment funds sponsored by the General Partner or in an affiliate of the General Partner.

The Management Company separately has created the Operations Team, comprised of persons that are employees of the Management Company or an affiliate primarily to provide assistance to portfolio companies with respect to recruiting, sales, marketing, finance and accounting, product management, engineering, technology development, technology implementation, customer success, operations, human resources, leadership, general management, acquisition integration/rationalization, board of directors services and other similar services. As indicated above, the General Partner is expected to recommend that the Fund and/or the portfolio companies, as applicable, retain or employ Extended Network Advisors to render services of the type provided by the Operations Team.

In connection with the acquisition of a portfolio company, the General Partner generally will cause the portfolio company to enter into a services agreement pursuant to which the Operations Team will provide the services described above in addition to monitoring, management, business advisory and similar services rendered by the Management Company. The General Partner expects that significant compensation will be paid by portfolio companies and received by the Management Company with respect to such services ("**Operations Team Fees**"), which Operations Team Fees do not offset the Management Fee below any threshold amount specified in the relevant Partnership Agreement (the "**Offset Threshold**"), if any, and any amount of Operations Team Fees in excess of the Offset Threshold only partially offset the Management Fee to the extent set forth in the relevant Partnership Agreement. A flat fee or retainer for Operations Team services generally will be paid by the portfolio company in installments. In addition, the portfolio company may pay a separate recruiting fee (or "headhunter" or "talent" fee), to the extent such services are used, and is expected to reimburse the Management Company for Operations Team expenses (including travel) relating to such portfolio company. Expenses incurred by the Operations Team in connection with providing services to the portfolio companies will be reimbursed by such portfolio companies and such reimbursements do not reduce the Management Fee.

While the General Partner expects portfolio companies initially will utilize the Operations Team to drive changes in an effort to produce future value, in subsequent years the Operations Team is generally expected to provide fewer services. The Operations Team also has a limited number of personnel and resources, and there can be no assurance that the Operations Team will provide all of the services or expertise required to drive value for a portfolio company. Further, certain Operations Team members also serve in other roles for the Management Company (e.g., legal and finance); accordingly, such persons will dedicate only a portion of their time to

Operations Team matters. The General Partner may determine in its sole discretion that a portfolio company would benefit from the expertise of one or more members of the Extended Network Advisors or independent third parties to provide a particular service that otherwise would be provided by the Operations Team, including because such Extended Network Advisors or independent third parties have expertise relevant to the needs of a portfolio company that (i) the Operations Team does not have, and/or (ii) surpasses the expertise of the Operations Team with respect to the applicable subject matter, or because the Operations Team does not have the capacity to provide for an appropriate length of time for the reasons set forth above. The General Partner will face potential conflicts of interest in determining when and how to utilize the Operations Team and Extended Network Advisors and also which Extended Network Advisors are utilized or recommended. As noted above, the Operations Team and Extended Network Advisors typically provide substantially similar services, and the General Partner has an incentive to utilize Extended Network Advisors rather than the Operations Team because the Management Company receives a flat fee for services provided by the Operations Team and because certain Operations Team members separately provide services to the Management Company. In addition, the General Partner has an incentive to retain Extended Network Advisors to provide services that may otherwise be provided by the Operations Team so that compensation in respect of such services does not cause the Operations Team Fees to exceed (or further exceed) the Offset Threshold. For similar reasons, the General Partner may engage other portfolio companies of the Fund and/or other funds sponsored or advised by the General Partner or its affiliates (collectively, the “Mainsail Funds”), rather than the Operations Team to provide services that may otherwise be provided by the Operations Team.

In addition, under certain circumstances, the General Partner may determine to re-designate an Operations Team member as an Extended Network Advisor (and vice versa). Operations Team members (and, under certain circumstances, investment professionals of the Management Company) also may become employed by portfolio companies, as may Extended Network Advisors, and therefore their compensation would be borne by the applicable portfolio company without offset to the Management Fee. If an Extended Network Advisor becomes an Operations Team member, any compensation received by that person prior to such re-designation will not be subject to the Offset Threshold (for the avoidance of doubt, any compensation received by such person after such re-designation as an Operations Team member also will not be subject to such threshold). The General Partner’s ability to re-designate or cause portfolio companies to employ personnel may create an incentive to do so in order to shift costs that would otherwise be borne by the General Partner as overhead in a manner so they are directly or indirectly borne by the Fund, either in whole or in part. Accordingly, in the event of any such personnel re-designation or change in employment relationship, such re-designation or change generally is expected to increase the costs and expenses directly or indirectly borne by the Fund.

While the General Partner anticipates that Operations Team members assigned to work with portfolio companies and/or Extended Network Advisors recommended will produce better outcomes for such portfolio companies, a number of factors may result in limited or no additional benefit. As a general matter, there can be no assurance that the initiatives of the Operations Team, or the services rendered by the Extended Network Advisors (or any combination thereof), will be effective and result in improved portfolio company performance as compared to what could be achieved by the use of other third parties. The Management Company and/or its affiliates anticipate employing or retaining Operations Team members or recommending Extended Network Advisors

that they believe provide services that will create value for the portfolio companies (and, ultimately, the Fund). However, there can be no assurance that there is no other personnel or service provider more qualified to provide the applicable services and/or able to provide them at lesser cost.

In addition, services provided by the Operations Team and Extended Network Advisors paid for by the Fund and/or its portfolio companies may result in direct or indirect benefits to the Management Company, its affiliates and/or portfolio companies of the Funds. Consequently, the Management Company, its affiliates and/or portfolio companies of the Funds could receive benefits without bearing any of the associated costs.

In the event that an Extended Network Advisor or Operations Team member serves on the board of directors or similar governing body of a portfolio company, such person typically has fiduciary duties to such company. Such duties may result in conflicts of interest that limit or impact such person with respect to the services such person may provide to the company and such conflicts may result in such person taking actions or not taking actions that are contrary to the Fund achieving its investment objectives with respect to such company.

It should be noted that the above discussion concerning the role of, and the considerations applicable to, Extended Network Advisors is, in general, also applicable to independent third party advisors, consultants and similar service providers including those recommended by Mainsail (other than that Extended Network Advisors are generally expected to have a longer and/or more developed relationship with the Management Company and better knowledge of the Management Company's methodologies, practices and investment goals). The Extended Network Advisors may have certain indicia of employment or relationship with the Management Company (e.g., business cards, email addresses and inclusion in the Management Company's (including the Fund's or any other Mainsail Fund's) marketing materials or on its website).

Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Fund intends to manage its investments to minimize any such exposure, the Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing

securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Fund and, ultimately, its investors, which may not be proportionate to the ownership percentage of such investment owned by the Fund with respect to the other owners of such investment.

Public Disclosure. In certain cases, the Fund may disclose confidential information to third parties, including if required by U.S. federal, state or local law or regulation applicable to the Fund, the General Partner, the Management Company or any limited partner. Such disclosure may adversely affect certain limited partners, particularly limited partners who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

Tax Distribution; Phantom Income. Due to possible differences between the allocation of gain or income for any tax purposes and distribution of cash relating to gain or income (including possible timing differences), there can be no assurance that investors that are subject to tax on allocated gain or income will receive distributions sufficient to satisfy their tax liabilities fully. Further, there can be no assurance that the Fund will have sufficient cash flow to enable it to make distributions in the amount necessary for payment of all tax liability resulting from an investor's ownership of an interest in the Fund.

CFIUS & National Security/Investment Clearance Considerations. Certain investments by the Fund that involve the acquisition of a business connected with or related to national security or critical infrastructure may be subject to review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS") and/or non U.S. national security/investment clearance regulators depending on the structure, beneficial ownership and control of interests in the Fund. In the event that CFIUS or another regulator reviews one or more of the Fund's proposed or existing investments, there can be no assurances that the Fund will be able to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another regulator may seek to impose limitations on or prohibit one or more of the Fund's investments. Such limitations or restrictions may prevent the Fund from maintaining or pursuing investments, which could adversely affect the Fund's performance with respect to such investments (if consummated) and thus the Fund's performance as a whole. In addition, certain of the limited partners are expected to be non U.S. investors, and in the aggregate, may comprise a substantial portion of the Fund's aggregate

Commitments, which increases both the risk that investments may be subject to review by CFIUS, and the risk that limitations or restrictions will be imposed by CFIUS or other non-U.S. regulators on the Fund's investments. In the event that restrictions are imposed on any investment by the Fund due to the non U.S. status of a limited partner or group of limited partners or other related CFIUS or national security considerations, the General Partner may choose to restrict such limited partner's or such group of limited partners' ability to invest in any such portfolio investment and further, if applicable, restrict such limited partner's or such group of limited partners' rights to participate in or vote on certain decisions of the Advisory Committee with respect to such investment. However, there can be no assurance that any restrictions implemented on any such limited partner or any such group of limited partners will allow the Fund to maintain, or proceed with, any investment.

Conflicts of Interest

Mainsail and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, management and other services to Funds and portfolio companies. Mainsail will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Mainsail conducting its activities, the interests of a Fund may conflict with the interests of Mainsail, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Mainsail will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

Until such time as Mainsail is permitted under the relevant Governing Documents to raise a successor investment fund to a Fund, substantially all appropriate investment opportunities will be pursued by Mainsail principals through such Fund, subject to certain exceptions set forth in the applicable Governing Documents. Without limitation, Mainsail principals currently manage, and expect in the future to manage, several other Funds and investments similar to those in which a Fund will be investing and may direct certain relevant investment opportunities to those Funds and investments. Mainsail's principals and Mainsail's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Mainsail principals may control or manage may potentially compete with companies acquired by a Fund. Following the investment period of a Fund, Mainsail principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Mainsail will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by Mainsail or its affiliates. In determining which investment vehicles should participate in such investment opportunities, subject to the Governing Documents, Mainsail and its affiliates are subject to potential conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Mainsail in a portfolio company may also raise the risk of using assets of a client of Mainsail to support positions taken by other clients of Mainsail. Mainsail

generally assesses whether an investment opportunity is appropriate for a particular Fund based on the terms of the applicable Governing Documents, as well as factors including but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant Fund's Governing Documents, where applicable), strategy, capital structure, risk profile, time horizon, investment size, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. Each Fund may invest together with other Funds and investment vehicles advised by Mainsail or an affiliate in the manner set forth in the relevant Governing Documents. For example, Mainsail offers associates of the Management Company the opportunity to invest sourcing bonuses and other amounts in certain portfolio company investments of the Fund through MIP, which is not subject to management fees or carried interest. To facilitate closing or for administrative ease, a Fund also may purchase an investment and sell to MIP a portion of such investment. Any sale to MIP generally is expected to occur shortly after a Fund's consummation of an investment to avoid any changes in valuation of the investment. MIP investments pose potential conflicts of interest because they would dilute a Fund's investment in such portfolio companies and such associates have access to confidential information about such portfolio companies and may choose to invest (or invest a greater amount) in portfolio companies that they believe have more favorable prospects for growth. Mainsail believes that the potential conflicts are mitigated by the limited amount of MIP's expected investments relative to the expected overall Fund investment. In addition, Mainsail believes such investments generally operate to align such associates' interests with those of the limited partners. The General Partner also may offer service providers, consultants and other persons, including Extended Network Advisors ("**Strategic Investors**"), the opportunity to invest in connection with a Fund's investment in a portfolio company notwithstanding the Fund's ability to fund the amount offered to such Strategic Investor, based on the General Partner's determination that such persons' investments would potentially result in strategic benefits to, or establish, recognize, strengthen or cultivate relationships that have the potential to provide other longer-term benefits to, a Fund or such portfolio company, or in an effort to align such persons' interests with the Fund or a portfolio company. However, there can be no assurance that Strategic Investors will provide any benefits perceived or expected by the General Partner. The General Partner will determine the allocation of investment opportunities in a manner that it believes is fair and equitable consistent with the General Partner's obligations and may take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which the Fund will invest exceeds an amount appropriate for the Fund (and any Strategic Investors), such excess may also be offered to one or more potential investors, as set forth below.

Following such determination of allocation among Funds, Mainsail will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s), and Mainsail reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Governing Documents, Side Letters and Mainsail's procedures regarding allocation. Mainsail's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived degree of that interest; the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to

otherwise execute the transaction, in a timely manner with respect to the timeframe in which the General Partner believes favorable transaction terms may be achieved; any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; the General Partner's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the General Partner's ability to execute the relevant transaction in the desired time or on desired terms; the size of the investment allocation available to the General Partner (and not being allocated to the Fund or any other Fund), and the practicality of splitting the allocation into smaller tranches; the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction; any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; whether the prospective co-investor is considered "strategic" to the investment because it is able to offer a Fund or the General Partner or any of their respective affiliates certain services or benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether the General Partner believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to any of the relevant Mainsail Funds, the General Partner or their respective affiliates; whether the prospective co-investor has a history of consummating co-investment opportunities with the General Partner or its affiliates; whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity (including the financial resources to fund its pro rata share of any future follow-on investments); the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying portfolio company, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the investor would be willing to defer to the General Partner and assume a more passive role in governing the investment); whether the prospective co-investor has any interests in any competitor of the underlying investment; the expected investment holding period; the services provided by the prospective co-investor to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment); the size of the prospective co-investor's interest to be held in the underlying portfolio company as a result of a Fund's investment (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such Fund); the size of the prospective co-investor's commitment to the Fund or any other Fund; whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investors; the likelihood that the prospective co-investor may invest in a

future fund sponsored by the General Partner or its affiliates and other factors that the General Partner considers important in connection with the specific transaction or investment.

Furthermore, Mainsail or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of Mainsail and its affiliates make capital investments in or alongside certain Funds, Mainsail and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Mainsail's allocation of investment opportunities among the Funds and persons and in the manner discussed herein often will not result in proportional allocations among such Funds and persons, and such allocations likely will be more or less advantageous to some such Funds and persons relative to others. While Mainsail will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Mainsail expects to be subject, discussed herein, did not exist.

Additionally, potential conflicts of interest are expected to arise if and to the extent a Fund makes an investment in a portfolio company in conjunction with an investment made by another Fund. For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same investment strategies as other Funds. This likely will result in differences in price, investment terms, leverage and associated costs among the Funds. There can be no assurance that the Funds will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. In addition, Mainsail may enter into cross-transactions on behalf of the Funds or co-investors or co-investment vehicles, in which a Fund buys securities from, or sells securities to, such other persons. In some cases, a portfolio company of one Fund may be merged with or into a portfolio company owned by another Fund. Any such transactions raise potential conflicts, including where the assets of one Fund support positions taken by other Funds. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Governing Documents or otherwise in the sole discretion of Mainsail, Mainsail may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. In certain circumstances, Mainsail may not obtain such an

opinion or consent and may determine that the willingness of a third-party to make an investment on the same terms demonstrates the fairness of the relevant transaction to a Fund under then-current market conditions. Whether or not such consent is obtained or there is a fairness opinion or a third-party investor, Mainsail intends to conduct such transactions in a manner that Mainsail believes in good faith to be fair and equitable to each fund under the circumstances, including a consideration of the potential present and future benefits with respect to each fund. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Funds.

In certain cases, Mainsail will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Mainsail will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where the Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Mainsail in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Mainsail and its affiliates expect to face a potential conflict of interest in respect of the advice given to, and the actions taken on behalf of, the Funds (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

Mainsail, in its sole discretion, will allocate fees and expenses in accordance with the Governing Documents and in a manner that it believes is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion (e.g., in determining whether to allocate pro rata based on number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to the Funds or Mainsail and/or its affiliates).

As a result of the Funds' controlling investments in portfolio companies, Mainsail typically has the right to appoint portfolio company board members (including current or former Mainsail personnel or persons serving at their request), or to influence their appointment, and to determine

or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to Mainsail and/or its affiliates in connection with services provided by Mainsail and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Governing Documents' offset provisions, are in addition to the Management Fees or carried interest discussed herein. Mainsail's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to Mainsail subjects Mainsail and any such portfolio company board appointees to potential conflicts of interest. In the event that a Mainsail employee serves on the board of directors or similar governing body of a portfolio company, such person typically has fiduciary duties to such company.

Additionally, a portfolio company typically will reimburse Mainsail or service providers retained at Mainsail's discretion for expenses (including without limitation travel expenses) incurred by Mainsail or such service providers in connection with its performance of services for such portfolio company. This subjects Mainsail and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the applicable Governing Documents and its internal reimbursement policies and practices, Mainsail determines the amount of these reimbursements for such services in its own discretion. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund any fee paid or expense reimbursed to Mainsail or such service providers generally is subject to one or more of: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. Mainsail believes these factors help to mitigate related potential conflicts of interest.

Mainsail and/or its affiliates also reserve the right to, from time to time, employ personnel (including Operations Team members) with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds; conversely, former personnel or executives of Mainsail (including, potentially, Operations Team members and/or Extended Network Advisors) may serve in significant management roles or work with management at portfolio companies or service providers recommended by Mainsail. Similarly, Mainsail and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees and current and former portfolio company executives, as well as certain family members or close contacts of such persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Mainsail, and/or the Funds (including portfolio companies). Mainsail expects to be subject to a potential conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to the Funds or a portfolio company owned by the Funds if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more funds Mainsail advises, will provide Mainsail information about markets and industries in which Mainsail operates (or is contemplating operations), will provide future deal flow for a Fund or successor Fund(s) or will provide other services that are beneficial to Mainsail or one or more Funds. Mainsail expects to be subject to a potential conflict of interest in making such recommendations, in that Mainsail has

an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Mainsail generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services or enter into other transactions with various service providers, potentially including, among others: (i) Mainsail (or an affiliate, which may include other portfolio companies of the Funds) and at rates determined or substantively influenced by Mainsail; (ii) an entity with which Mainsail or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) a limited partner of a Fund or its affiliates. For example, Mainsail expects from time to time to initiate transactions or service agreements between two or more portfolio companies, and expects to engage certain limited partners or their affiliates that are engaged in lending or related businesses to provide financing and/or other services in connection with a Fund's investments. Potential conflicts of interest arise in initiating such transactions, as Mainsail has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and/or improve the growth of its portfolio companies. Similarly, Mainsail has incentives to engage limited partners to provide services to the Funds and/or their portfolio companies, including financing, to maintain goodwill with such limited partners including with respect to investments made or that may be made in the Funds. As a result, in each case, the products or services recommended may not necessarily be the best or lowest cost option.

Current or former Management Company personnel, including Operations Team members and investment professionals, also may serve in interim or part-time roles at portfolio companies, or may provide services to portfolio companies as externs, secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at Mainsail. Mainsail maintains a program whereby certain of its personnel are given the option to become full-time externs for a portfolio company, generally for a specified period of time. Mainsail may initiate such an arrangement with a portfolio company or a portfolio company may contact Mainsail to request such an arrangement. Compensation for services provided by such externs, secondees and other personnel, including as part of any full-time externship, secondment or similar arrangement, for portfolio companies (including reimbursement for any compensation, including any bonuses, and employee benefits provided by Mainsail), are borne by such portfolio companies and do not offset the Management Fee. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by Mainsail or its affiliates as overhead in respect of those personnel would instead be borne by the portfolio company when they are externs, secondees or other portfolio company personnel. Therefore, Mainsail has an incentive to cause its employees to become externs or secondees or serve in similar roles to reduce its overhead or otherwise shift costs to portfolio companies. In addition, it is possible that certain Management Company personnel may perform services that directly or indirectly benefit Mainsail while serving as secondees or other portfolio company personnel.

The foregoing subjects Mainsail to potential conflicts of interest, because although it intends to initiate transactions and select or recommend service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, Mainsail has potential incentives to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that Mainsail, because of such incentive or

for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Mainsail or the Funds), would favor such transaction, retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not Mainsail has a relationship with or receives financial or other benefit from recommending a particular transaction or service provider, there can be no assurance that no other transaction would be more beneficial or that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. In addition, it is possible that the same service provider, or service providers providing similar services (*e.g.*, an Extended Network Advisor and another third-party service provider), could charge different rates or amounts to different portfolio companies for the same or similar services based on a variety of factors including the complexity of the service with respect to a particular portfolio company, timing considerations, frequency of engagement by a portfolio company and/or the service provider's familiarity with a portfolio company, market conditions and/or other considerations. Mainsail is subject to the potential conflicts of interest and incentives described above when recommending such service providers.

Although Mainsail generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, Mainsail intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Mainsail, its affiliates, and equity holders, officers, principals and employees of Mainsail and its affiliates reserve the right to buy or sell securities or other instruments that Mainsail has recommended to a Fund. In addition, officers, principals and employees and Extended Network Advisors reserve the right to buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to any restrictions in the Governing Documents. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Mainsail have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have potential additional conflicting interests in connection with these investments.

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

In addition, as described above in "Risks of Investment – Operations Team and Extended Network Advisors," portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees and expense reimbursements to Extended Network Advisors and other consultants and service providers (including consultants introduced or arranged by Mainsail and/or its affiliates that

regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein. Extended Network Advisors generally make use of Mainsail resources or otherwise are associated with Mainsail. Extended Network Advisors generally receive investment opportunities, reimbursements and other compensation that do not offset the Management Fee of any Fund, as described herein. Although the use of Extended Network Advisors and the allocation of compensation paid to them by Mainsail, its affiliates and/or the portfolio companies subjects Mainsail and/or its affiliates to potential conflicts of interest, Mainsail believes that such potential conflicts may be reduced if the services of the Extended Network Advisor align with Mainsail's model for the portfolio company. Mainsail seeks to retain Extended Network Advisors with a view to improving portfolio company performance and seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Mainsail believes will align such persons' interests with those of the Funds' limited partners.

The fact that Mainsail's carried interest is based on a percentage of net profits may create an incentive for Mainsail to cause a Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Mainsail may not otherwise have done so. Because Mainsail is permitted to retain certain fees and other amounts (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. Additionally, Mainsail, its personnel, affiliates or others designated by Mainsail expect from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied, Mainsail and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Mainsail or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund). In addition, because portfolio company securities are typically in the form of newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

Mainsail and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by the relevant Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, or

from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Mainsail has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Mainsail has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. From time to time, portfolio companies owned by the Funds may be given the option to participate, at no cost, in purchasing, vendor or similar arrangements, whereby they may receive discounts negotiated with various vendors and service providers on a group-wide basis. Mainsail and its affiliates also may participate in such arrangements and receive similar benefits and discounts as the portfolio companies participating therein, and no benefit derived thereby will result in an offset to the Management Fee. Mainsail believes that the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the Funds) as a result of receiving discounted rates relative to those widely available in the market. Additionally, from time to time Mainsail, its affiliates and personnel and persons selected by them expect to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Discounted prices or better terms than typically available to independent customers offered by a portfolio company to Mainsail, any other portfolio company or third parties may affect the returns of the portfolio company.

Any of these situations subjects Mainsail and/or its affiliates to potential conflicts of interest. Mainsail attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Mainsail’s advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Mainsail will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Mainsail consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

DISCIPLINARY INFORMATION

Mainsail and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mainsail is affiliated with the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Mainsail’s registration in accordance with SEC guidance. These affiliated entities operate as a single advisory business together with Mainsail and serve as managers or general partners of Funds and other pooled vehicles and generally share

common owners, officers, partners, employees, consultants or persons occupying similar positions.

One member of Mainsail's investment committee for certain of the Funds (the "**Outside Committee Member**") is a founder of a non-affiliated investment adviser (the "**Non-Affiliated Adviser**"). The Non-Affiliated Adviser serves as an investment adviser to certain private investment funds that are not affiliated with Mainsail or the Funds and that have different investment strategies and target markets (the "**Outside Funds**"). The Outside Committee Member maintains an interest (directly or indirectly) in certain of the General Partners and receives a portion of Carried Interest in connection with such interest. Further, the Outside Funds may maintain an investment in the Funds and/or invest alongside certain Funds in portfolio companies. Mainsail treats the Outside Committee Member as an "Access Person" under the Mainsail Code of Ethics (the "**Code**").

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

Mainsail has adopted the Code, which sets forth standards of conduct that are expected of Mainsail personnel and certain other persons as designated by the Chief Compliance Officer from time to time and addresses conflicts that arise from personal trading. The Code requires certain Mainsail personnel to report their personal securities transactions and prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of certain securities from the Mainsail Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Bill Salisbury, Mainsail's Chief Compliance Officer, at (415) 391-3150. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Mainsail and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Mainsail and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Mainsail.

Accordingly, should Mainsail or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, Mainsail generally would be prohibited from communicating such information to clients, and Mainsail will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Mainsail personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

As described above, principals and employees of Mainsail and its affiliates directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. Such co-investment vehicles may invest in one or more of the same portfolio companies as a Fund. Co-

invest opportunities may also be presented to certain affiliates of Mainsail, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company.

Mainsail and its affiliates, principals and employees expect to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. Such investments may be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industry as the Fund invests, and may compete with the Fund for investment opportunities, and/or compete with portfolio companies of the Fund. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject.

BROKERAGE PRACTICES

Mainsail focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions. Although Mainsail does not intend to engage in public securities transactions, to the extent it does so, it will adopt additional brokerage policies and procedures.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Mainsail monitors companies in which the Funds invest, and the partners periodically check to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically.

CLIENT REFERRALS AND OTHER COMPENSATION

Mainsail and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation will, in certain cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees. *See* "Fees and Compensation."

Mainsail reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner

in a Fund. Any fees payable to any such placement agents generally will be borne by Mainsail indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

CUSTODY

Mainsail maintains custody of assets held in the name of one or more Funds with the following qualified custodians: First Republic Bank and Silicon Valley Bank.

INVESTMENT DISCRETION

Mainsail has discretionary authority to manage investments on behalf of each Fund. As a general policy, Mainsail does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Mainsail and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Mainsail assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Mainsail has adopted the Mainsail Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for each Fund's portfolio investments. The Proxy Policy seeks to ensure that Mainsail votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Mainsail generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Mainsail may address the conflict using several alternatives or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board is authorized to approve Mainsail's vote in a particular solicitation. Mainsail does not consider service on portfolio company boards by Mainsail personnel or Mainsail's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Mainsail when voting proxies on behalf of a Fund. Clients or investors that would like a copy of Mainsail's complete Proxy Policy or information regarding how Mainsail voted proxies for particular portfolio companies may contact Bill Salisbury, Mainsail's Chief Compliance Officer, at (415) 391-3150, and it will be provided at no charge.

FINANCIAL INFORMATION

Mainsail does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.