

Part 2A of Form ADV: Firm Brochure



Enlightenment Capital, LLC

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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Enlightenment Capital, LLC (“**Enlightenment**”). If you have any questions about the contents of this Brochure, please contact us at 240-752-9616 or jsguffey@enlightenment-cap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about Enlightenment is also available on the SEC’s website at www.adviserinfo.sec.gov, by searching for the CRD number 166422. Enlightenment’s registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Since its last annual Form ADV Brochure filing on March 30, 2019, Enlightenment Capital, LLC reports the following material changes to its business:

- Enlightenment Capital, LLC advises at least one small business investment company (“**SBIC**”) that is licensed under the Small Business Investment Act of 1958. An SBIC Fund is organized to invest in the debt and equity of growth-oriented companies qualifying as “small businesses” under Small Business Administration regulations.

Certain routine, non-material updates have also been made throughout this Brochure.

Enlightenment Capital, LLC will provide clients with a summary of any material changes to this Brochure since the last annual update within 120 days of its fiscal year end. Enlightenment Capital, LLC will provide additional interim disclosure about material changes, if warranted.

Current or prospective investors may request a copy of Enlightenment Capital, LLC’s current Brochure at any time by contacting us at 240-752-9616 or jsguffey@enlightenment-cap.com. Additional information about Enlightenment Capital, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. Our CRD number is 166422 and SEC number is 801-110930.

Item 3 -Table of Contents

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Item 4 - Advisory Business

Enlightenment Capital, LLC is a Delaware limited liability company formed in 2012, principally owned and controlled by Devin Lloyd Talbott, with its principal place of business in Chevy Chase, Maryland. Those responsible for governance of Enlightenment Capital, LLC are referred to as “**Principals**” throughout this Brochure.

Enlightenment Capital, LLC has successfully transitioned from an Exempt Reporting Adviser to a fully registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”).

Enlightenment Capital, LLC provides investment advice to pooled investment vehicles (the “**Funds**” and individually a “**Fund**”). The investment strategy focuses on providing senior debt, mezzanine debt, minority equity, and/or control equity to middle market companies in the Aerospace, Defense, and Government (“**ADG**”) industry. Enlightenment Capital, LLC’s advisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments, managing, and monitoring the performance of such investments and disposing of such investments on behalf of the Funds. Enlightenment Capital, LLC also establishes, when necessary, separate vehicles such as blockers or holding companies to invest in or facilitate the investment in a business, on a deal-by-deal basis.

Enlightenment Capital, LLC has qualified to sponsor SBIC Funds, organized to invest in the debt and equity of growth-oriented companies qualifying as “small businesses” under Small Business Administration (“**SBA**”) regulations.

The following are certain affiliated entities of Enlightenment Capital, LLC (the “general partners,” and together with Enlightenment Capital, LLC, “**Enlightenment**” or the “**Firm**”):

- Enlightenment Capital Partners I GP, LLC
- Enlightenment Capital Partners II GP, LLC
- Enlightenment Capital Partners III GP, LLC
- Enlightenment Capital SBIC GP,
- Enlightenment CoInvest GP, LLC

Each general partner listed above is registered under the Advisers Act, pursuant to Enlightenment Capital, LLC’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each affiliated general partner, which operate as a single advisory business together with Enlightenment Capital, LLC. The terms ‘Enlightenment’, the ‘Firm’, and ‘general partner’ are used interchangeably throughout this Brochure.

Each Fund’s terms may be different, including with respect to different mandates, minimum investment size, and investment restrictions. Each Fund is a privately offered investment vehicle exempt from registration under the Investment Company Act of 1940, as amended (the “**1940 Act**”), and its securities will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”).

Enlightenment does not now, and does not intend to, participate in any wrap fee programs.

Enlightenment had regulatory discretionary assets under management of \$510,036,753 as of December 31, 2019.

Item 5 - Fees and Compensation

Advisory compensation

Each investor in a Fund is charged an investment management fee (the “**Management Fee**”) that is generally based on capital commitments or invested capital, depending on the stage of a Fund’s life cycle. The amount of, and the manner and calculation of, the Management Fee is established through negotiations between Enlightenment and each Fund and is set out in each Fund’s organizational documents and/or other documentation received by or agreed upon with an investor prior to investment in such Fund (the “**Fund Documentation**” or “**Fund Documents**”). Management Fees are paid quarterly in advance by each Fund investor to Enlightenment or an affiliated entity. Coinvest management fee structures vary from the terms outlined herein as specified in applicable Fund Documents.

Subject to Fund Documentation, Enlightenment or an affiliate is allocated a portion of cumulative net profits from the investments of such Fund (customarily referred to as a “**Carried Interest**”).

The compensation described herein may be modified and will at times differ from one Fund to another, as well as among investors in the same Fund. The Management Fee and Carried Interest is reduced or waived in some circumstances in connection with the receipt by Enlightenment or its related persons of various fees paid by actual or prospective Fund portfolio companies or by certain organizational or other expenses borne by such Fund.

Other Expenses Paid by the Funds

In addition to paying Management Fees and Carried Interest, each Fund is subject to the payment of other expenses, as set out in the Fund Documentation for each Fund, such as:

- expenses incurred in connection with the organization of a Fund,
- fees, costs, and expenses incurred in connection with the dissolution, liquidation and winding up of a Fund,
- expenses incurred in connection with preparing any amendment, restatement, or other modifications to certain Fund Documentation,
- legal, administrator, accounting, auditing, and other professional expenses including, but not limited to, regulatory, compliance, filings, and reporting expenses (to the extent related to a client or its investments),
- principal, interest, and expenses relating to, or arising out of, borrowings by such Fund and all reasonable brokerage fees, commissions, and discounts,
- costs and expenses incurred in connection with the evaluation, research, purchase, retention or sale of securities (whether or not consummated), including, without limitation, loan fees, private placement fees, sales commissions, finder’s fees, brokerage fees, auditing fees, underwriting commissions and discounts, investment banker fees, insurance costs, and all other expenses that are directly related to particular investments or proposed investments, whether or not actually consummated,

- expenses incurred in connection with any meeting with investors and meetings of any committees formed by a Fund (such as a Limited Partner Committee),
- fees, costs, and expenses associated with the preparation and delivery of Fund financial statements, tax returns and Schedule K-1s, capital calls, distribution notices, other reports and notices, and other required or requested information (including the fees, costs and expenses incurred to provide access to such reports or information, including through a website or other portal),
- the reasonable costs of any litigation, D&O liability, or other insurance, and
- any indemnification or extraordinary expense or liability relating to the affairs of such Fund.

From time to time, Enlightenment will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or Enlightenment, on the other, and/or whether certain costs and expenses should be allocated between or among Funds. Enlightenment will make such judgments in a manner that it determines to be fair and reasonable in good faith, notwithstanding its interest in the outcome, and will make corrective allocations should it determine that such corrections are necessary or advisable. Costs and expenses are generally allocated, but not exclusively, *pro rata* based on the asset size of the Fund or Fund commitments.

However, such determination is inherently subjective and could give rise to conflicts of interest. There can be no assurance that a different manner of allocation would not result in a Fund bearing a greater (or lesser) amount of expenses. Travel and entertainment expenses in connection with a trip taken by employees of Enlightenment for purposes of multiple matters will generally be allocated to each such matter based on the time spent for each matter.

Other Compensation

Enlightenment employees often receive from a portfolio company fees or stock in connection with serving on the board of directors of the portfolio company. Enlightenment and its affiliates are often eligible to receive monitoring fees in certain cases pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by Enlightenment to such portfolio companies. Enlightenment is entitled to retain all transaction fees, financing fees, closing fees, amendment fees, advisory fees, break-up fees, or other similar fees or compensation (including stock options or warrants issued for service on boards) in connection with investments in portfolio companies, provided that 80% to 100% of all such fees will be credited against (and shall reduce, dollar for dollar) the Management Fee. The amount and timing of such fees received by Enlightenment are generally negotiated at the time of the proposed investment and specified in the agreement or other documentation governing the transaction.

Enlightenment generally reduces or offsets the amount of Management Fees paid by the applicable Fund in connection with the receipt of a portion of the fees described above. The amount and manner of such reduction or offset, if any, is set out in the Fund Documentation for the applicable Fund. Additionally, a portfolio company will generally reimburse Enlightenment for expenses incurred by Enlightenment in connection with its performance of services for such portfolio company, in accordance with governing documents.

If the payment of fees and expense reimbursements by portfolio companies are not fully reduced, a conflict of interest between Enlightenment and the Fund is created because the amounts of these other fees and expense reimbursements can be substantial and such Funds and their investors generally do not have a full interest in these fees and reimbursements. Enlightenment has the authority to negotiate the amount of these fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or other third parties.

Investor Co-Investment Vehicle Expenses

Enlightenment makes available to Fund investors certain co-investment opportunities, at its discretion, such as investments outside a Fund's investment limitations, to complement a Fund's portfolio, when deemed by Enlightenment to be in the Fund's best interests.

Fund investors making a pre-determined capital commitment to a Fund will generally have right of first refusal to participate in co-investments, while such right is in an amount at least equal to their relative percentage interest in the Fund. Other Fund investors will not have contractual rights to participate in co-investment opportunities. Co-investments may include Carried Interest for Enlightenment affiliated general partners and a customary Management Fee.

Generally, co-investors are contractually required, as a condition of investment, to initiate and exit their investments in each investment opportunity at substantially the same time and on substantially the same terms as the applicable Fund that is invested in that investment opportunity. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its *pro rata* portion of expenses incurred in the making of an investment whenever such agreement allows. For a discussion of material conflicts regarding investor allocation, please see "Allocation of Co-investment Opportunities" in Item 11 below.

Important Note: The above disclosure is not intended to fully convey all fees and expenses associated with an investment. Please read applicable Fund Documentation for full disclosure of fees and expenses before determining whether to invest in a Fund.

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

As noted in Item 5, Enlightenment receives Carried Interest from each Fund. The payment of Carried Interest to Enlightenment may be made at different rates and is determined on a Fund-by-Fund basis, and in some cases on an investor-by-investor basis. Certain Funds, and certain investors in each Fund, would therefore pay lower rates than other Funds or investors.

This creates an incentive for Enlightenment to disproportionately allocate time, services or functions to Funds paying Carried Interest at a higher effective rate or subject to a lower hurdle before paying Carried Interest. Generally, this conflict is mitigated by contractual provisions and procedures setting out: (i) specific resource allocation requirements through key man mechanisms which are typically providing for the Enlightenment Principals to devote significant time to the management of the portfolio, (ii) the requirement that invested capital and related expenses be returned to investors before the general partner of a Fund becomes entitled to receive any Carried Interest, (iii) the requirement that the general partner retain a capital commitment to the Fund; and (iv) a general partner clawback obligation under dissolution of the

Fund. For a discussion of material conflicts regarding allocation, please see “Allocation of Investment Opportunities among Funds” in Item 11 below.

Item 7 – Types of Clients

Types of Clients and Investment Vehicles

As noted in Item 4 above, Enlightenment provides discretionary investment advice to the Funds, which are pooled investment vehicles exempt from registration under the 1940 Act. Each Fund has a minimum subscription amount as set forth in the Fund Documents. Enlightenment reserves the right to waive the minimum investment amount for investors.

Feeder Funds

When necessary, one or more feeder funds are formed to facilitate an investment in a Fund by the investors in such feeder fund (each, a “Feeder Fund”). A Feeder Fund is a limited partner of the Fund whose interests in the Feeder Fund are held by the investors who elect to participate in the Fund through such Feeder Fund. Certain alternative investment vehicles will also be developed by the general partner of a Fund, when necessary, to facilitate certain investments by a Fund or other investors.

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

Methods of Analysis and Investment Strategies

Enlightenment provides senior debt, mezzanine debt, minority equity, and/or control equity, to middle market companies in ADG and other related markets. The Firm seeks to partner with management teams, equity sponsors, and those businesses that provide vital services, protect critical infrastructure, innovate cyber and data solutions, engineer aerospace systems, and safeguard national security.

Enlightenment’s strategy:

- leverages an extensive network of relationships and deep industry knowledge to generate proprietary, high-quality deal flow,
- invests in businesses at the intersection of an underserved middle market and a changing ADG landscape,
- approaches investment opportunities with flexible, efficient capital solutions that align structure with the business profile and management’s objectives,
- applies a disciplined investment process focused on financial performance, downside mitigation, upside potential, and enduring or emerging threats / challenges that impact the industry, and
- actively supports and oversees portfolio companies to enhance growth prospects and steward Fund investments.

Enlightenment's investment strategy is based on a medium to long-term partnership with portfolio company management and prudent risk-taking, informed by Enlightenment's industry expertise. Individual investments are assessed in the broader context of optimal portfolio management goals, including risk-return, current yield, equity upside, portfolio diversification, and capital efficiency.

Enlightenment Funds focus on investing in management-owned and private-sponsored middle market businesses, defined as generating approximately \$20 million to \$200 million in revenue, which are underserved by generalist capital providers. The target investment size is generally \$5 million to \$40 million, with a target portfolio of 65% to 70% debt, comprised of stretch senior and second lien / mezzanine, and 30% to 35% equity, comprised of warrants, minority equity, control equity, and equity co-investments. Enlightenment Funds generally invest domestically, given the size of the U.S. defense market relative to global defense spending and the large commercial aerospace supply chain in the U.S. However, the Funds are generally permitted to make investments of up to 10% in companies based outside of the U.S.

Enlightenment seeks to implement its strategy by forming collaborative partnerships with investors in the Funds it manages and with management teams of the portfolio companies. Enlightenment believes in an intensive approach in seeking to guide and add value to the Fund portfolio companies, including by providing strategic counsel to management of portfolio companies and access to Enlightenment's experience, resources, and professional networks.

Material Risks Relating to Investment Strategies

Despite Enlightenment's research and analysis, investing in securities involves risk of loss that investors and prospective investors must be prepared to bear. Enlightenment's investment strategy entails substantial risks, including, but not limited to, those listed below. Further risk factors are discussed in the applicable Fund Documents.

Nature of Private Investments. Investment in the Funds requires a long-term commitment, with no certainty of return. The Funds may invest in companies that are experiencing or are expected to experience financial difficulties, which will require additional equity capital to be successful. Identifying potentially profitable enterprises is a difficult task. The companies in which the Funds will invest may involve a high degree of risk. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a larger number of qualified managerial and technical personnel. Many of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize a return on such investments in a timely manner, if at all. Additionally, the Funds may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 of the Securities Act or another exemption under the Securities Act. Since the Funds may only make a limited number of investments and since many of the Funds' investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors. Additionally, it should be noted that past performance is not a guarantee of future results.

No Assurance of the Success in Locating or Investing in Portfolio Companies. There can be no assurance that Enlightenment will be able to locate suitable investments for its Funds. The act of identifying, completing, and realizing an attractive investment opportunity is highly competitive and involves a high degree of uncertainty. The Funds will compete for the acquisition of investments with many other investors, some of whom may possess competitive advantages over the Funds in bidding for investments, including greater financial, technical, marketing, and

other resources, different risk tolerances and assessments, varying return thresholds and lower cost of capital. Further, over the past several years, an ever-increasing number of private investment funds have been formed (and many existing funds have grown in size).

Investors will not have the opportunity to personally evaluate the relevant economic, business, financial and other information which will be used by the Firm in making investment decisions. Although Enlightenment will attempt to make investments on behalf of the Funds which meet the criteria set forth in Fund Documentation, there is no assurance that such investments can be located. Market and other conditions may require the Funds to make investments that offer a lower rate of return or involve a higher degree of risk than otherwise anticipated.

No Assurance of Returns. There can be no assurance that investors will receive distributions from a Fund in an amount equal to their investment in such Fund. The timing of profit realization, if any, is highly uncertain. A Fund's operating costs, including the Management Fee payable to the general partner, may exceed the Fund's income, thereby requiring the difference to be paid out of the Fund's capital. Most of the capitalization of a Fund, except for operating cash reserves and funds set aside for follow-on investments in the Fund's portfolio companies and investments then in process, are expected to be invested or committed by the predefined anniversary of the Fund's final closing date, which may be extended as set forth in Fund Documentation. The expenses of a Fund in its early years may exceed its income. Such losses will reduce Fund capital. It is possible these losses may never be recovered.

Lack of Operating History. A Fund and its General Partner may be newly formed entities, and, accordingly would have no operating history or investments upon which investors can evaluate the potential performance of the Fund. The prior performance of the Principals is not necessarily indicative of a Fund's future results. The previous investment ventures of the Principals may have benefited from investment opportunities and general market conditions that may not repeat themselves. There can be no assurance that investments by a Fund will achieve returns comparable to the historical performance achieved by predecessor Funds. A Fund may not be able to achieve the same returns or profitable investment opportunities or deploy or return capital as quickly as was done in such other investments or investment vehicles, and favorable market conditions may not continue. In any event, the returns achieved by a Fund will be subject to the Management Fee and the General Partner's Carried Interest. Any given investment made by a Fund may prove to be worthless, and there is a risk that investors could lose money.

Ultimate Fund Size. A General Partner cannot guarantee that a Fund will reach its maximum of total capital commitments. The number of investments and potential profitability of a Fund could be affected by the amount of funds at its disposal, and, in the event a Fund obtains less than the target amount of capital for investment, the Fund's investment return might be affected to a greater degree by errors in investment decisions than the investment returns of other entities with greater capitalization.

Reliance on the General Partner. A General Partner will have sole discretion over the investment of the funds committed to a Fund as well as the ultimate realization of any profits. The partners will not receive the detailed financial information issued by portfolio companies that will be available to a Fund. Accordingly, the partners will not have the opportunity to evaluate the relevant economic, financial, and other information that will be utilized by a General Partner in its selection of investments. As such, the pool of funds in a Fund represents a blind pool of funds. Investors in a Fund will be relying on the General Partner to identify, structure, and implement investments consistent with a Fund's investment objectives and policies and to conduct the business of a Fund. The partners will not make decisions with respect to the management,

disposition or other realization of any investment made by a Fund, or other decisions regarding a Fund's business and affairs.

Reliance on the Principals. The loss of the Principals would have a significant adverse impact on the business of the Funds and their financial performance. No assurances can be given that the Principals will continue to be affiliated with a General Partner throughout a Fund's term. Further, notwithstanding any prior experience that the Principals may have in making investments of the type expected to be made by a Fund, any such experience necessarily was obtained under different market conditions. There can be no assurance that the Principals will be able to duplicate prior levels of success.

Focused Investment Strategy. The Funds will generally be focused on investments in companies involved in the ADG industry, and in particular in middle market businesses, that may not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently riskier and could cause the Fund's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus. The companies the Funds will invest in are subject to risk factors that may adversely affect their future revenue, growth prospects, general operations, and cash flows. These additional risk factors include: dependence on contracts with the U.S. government; significant concentration of revenue with a few, large contracts and/or customers; correlation to U.S. government budgets; competition within their markets and an increase in contract bid protests; significant portions of their revenue reliant on subcontracts or preferred contractor set-aside status; delays in the completion of the U.S. government's budget process; termination of contracts by the government; changing U.S. government procurement regulations; risks associated with operating internationally and/or in inherently dangerous areas; cyber or other security threats; reviews, investigations, audits, and cost adjustments by the U.S. government; disruption in the airline and business jet industries; and an economic downturn or other disruption to the air travel industry.

Geographic Concentration of a Fund's Investments. A Fund's investments will be limited to the United States and may be concentrated within one or more regions of the United States or individual states. Adverse economic conditions in the United States, or in a region or state in which a Fund's investment are concentrated, could adversely affect the Fund's financial results.

Recession Risk. Many of a Fund's portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay their debt obligations during these periods. Therefore, during these periods, a Fund's non-performing assets may increase, and the value of its portfolio may decrease. Adverse economic conditions also may decrease the value of collateral securing some of a Fund's debt investments and the value of its equity investments. Economic slowdowns or recessions also could increase a Fund's funding costs. These events could prevent a Fund from increasing investment and harm its operating results. An economic downturn could disproportionately impact the industries in which a Fund invests, causing it to be more vulnerable to losses in its portfolio, which could negatively impact financial results.

Uncertainty Regarding Investment Data and Diligence. Each general partners' investment analysis methods rely on the assumption that the companies in which the Funds invest, and other sources of information about these companies and comparable companies, are providing accurate, complete, and timely financial information. There is a risk that the investment analysis may be compromised by inaccurate or misleading information. Although the general partners make efforts to conduct complete due diligence prior to making an investment, the due diligence process may be subjective at times, may be undertaken on an expedited basis in order to take

advantage of available investment opportunities and may require a general partner to rely on limited resources available including information provided by the target of the investment and third-party consultants, legal advisers, accountants and investment banks. As a result, the due diligence investigation may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity.

Difficulty in Valuing Portfolio Investments. Generally, there will be no readily available market for a substantial number of the Funds' investments and hence, most of the Funds' investments will be difficult to value. Due to the absence of readily available market valuations or market quotations for securities of the Funds' privately held portfolio companies, the valuation of Fund investments in such portfolio companies is determined in good faith by the general partner(s); the Funds are not required to have such valuations independently determined. Despite the general partners' efforts to acquire sufficient information to monitor certain of the Funds' investments and make well-informed valuation and pricing determinations, the general partners may only be able to obtain limited information at certain times. It is possible that the general partners may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the Funds' investments. The general partners may have to make valuation determinations without the benefit of an adequate amount of relevant information. Investors should be aware that because of these difficulties, as well as other uncertainties, any valuation made by the general partners may not represent the fair market value of the securities acquired by the Funds.

Competitive Marketplace. The marketplace for private debt and equity investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of the Funds' potential competitors may have greater financial and personnel resources than the general partners. There can be no assurances that the general partners will locate an adequate number of attractive investment opportunities. To the extent that the Funds encounter competition for investments, returns to investors in such Funds may vary.

Changing Economic Conditions. The success of the general partners' investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which the Funds may depend upon to achieve their objectives may have a significant negative impact on the Funds' operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the Funds to operate successfully. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

Interest Rate Changes. The investment performance of a Fund will depend in part on the interest rate at which the Fund can loan money to portfolio companies. If there is a period of declining interest rates prior to the end of a Fund's investment period, the interest rate at which a Fund is able to loan money may be decreased, which could adversely affect returns to the limited partners.

Lender Liability. A Fund may be subject to lender liability claims for actions taken with respect to a borrower's business or instances where it exercises control over the borrower. It is possible that a Fund could become subject to a lender's liability claim, including as a result of actions

taken in rendering significant managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business.

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

Minority Investments. Some of the Funds' investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, the Funds may hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The Funds may also invest in companies for which the Funds have no right to appoint a director or otherwise exert significant influence. In such cases, the Funds will be reliant on the existing management and board of directors of such companies, which may include representatives of other investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

No Assurance of Additional Capital for Investments. After the Funds have financed a portfolio company, the company's success may require that additional financing be provided. No assurance can be given that such additional financing will be available, and no assurance can be made as to the terms upon which such financing may be obtained.

Fund-Level Leverage. Enlightenment may seek commercial debt facilities for the Funds. The amount and terms of any such facility are not yet determined. There can be no assurance that a Fund will be able to secure a commercial debt facility with attractive terms or maintain this leverage throughout the life of such Fund. If a Fund incurs indebtedness, it could result in interest expense and other costs that may not be covered by distributions made to such Fund or appreciation of its investments. In addition, to the extent a Fund incurs indebtedness, such amounts typically will be secured by capital commitments made by such Fund's investors in accordance with the applicable Partnership Agreement and enforceable against such Fund investors.

Portfolio Company Leverage. To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. Leverage may also involve restrictive covenants, terms, and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow, or cures in the form of additional follow-on investments, which capital may not always be available. This leverage may impair these companies' abilities to finance their future operations and capital needs. As a result, their flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any investment by the Funds in such company could be significantly reduced or even eliminated. These leverage risks are in addition to risks described herein regarding leverage of a Fund's capital through the use of a third-party line of credit.

Limitations on Ability to Exit Investments. The general partners expect to exit from investments in two principal ways: (i) refinancings, and (ii) private sales (including acquisitions of its portfolio companies). At any particular time, one or both of these avenues may not be open to a Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

Distributions in Kind. Although, under most circumstances, the Funds do not intend to make distributions in cash, it is possible that under certain circumstances (including in connection with the liquidation of a Fund), distributions may be made in kind. It may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by the applicable investors. After such a distribution of securities is made to a Fund's investors, many investors 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 investors may be lower than the value of such securities determined pursuant to the applicable Partnership Agreement.

Potential Liabilities. In connection with their investments, the Funds may negotiate the right to appoint one or more of the principals of the general partner(s) as a member of the portfolio company's board of directors. Such membership on the board of directors of a company can result in a Fund or the individual director being named as a defendant in litigation or other disputes or investigations. A Fund may also participate in portfolio company financings at valuations lower than the valuations in preceding rounds of financing. Disputes arising out of such down-round financings may result in a Fund, the general partner, or its partners being named as defendants. Typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. A Fund will also indemnify the general partner, its principals, Enlightenment, and their respective affiliates, among others, for liabilities incurred in connection with operations of a Fund, including liabilities arising from such disputes. Such indemnification obligations and other liabilities could be substantial. Investors may also be required to return distributions previously made to them to satisfy a Fund's indemnification obligations. While the general partners intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims or lawsuits or adverse regulatory action cannot be eliminated, and such events could have significant adverse effects on the Funds.

Limitation of Liability and Indemnification of Fund Personnel. A General Partner, as a result of its various relationships to a Fund, has a fiduciary relationship to the Fund and the partners. Each Partnership Agreement and each General Partner's operating agreement provide limitations on the General Partner's liability to a Fund and provide for indemnification of the General Partner and related persons under certain circumstances. Purchasers of interests in a Fund may have more limited rights than they would have absent such limitations.

No Right to Control the Fund's Operations. Limited partners will have no opportunity to control the day-to-day operations of a Fund, including disposition decisions. Except as set forth in the applicable Partnership Agreement, in order to safeguard their limited liability from the liabilities and obligations of a Fund, limited partners must rely entirely on the General Partner and the Management Company to conduct and manage the affairs of the Fund.

Capital Calls. Capital calls will be issued by a Fund from time to time at the discretion of the General Partner, based upon the General Partner's assessment of the needs and opportunities of the Fund. To satisfy such calls, limited partners may need to maintain a substantial portion of their capital commitments in cash or assets that can be readily converted into cash.

Limitations on Limited Liability of Limited Partners. A Fund has been organized as a limited partnership. Accordingly, a limited partner will not be personally liable for the debts of a Fund except that the limited partners may, under applicable law, or under the provisions of the applicable Partnership Agreement, be obligated to repay amounts previously received by them (i) to the extent such amounts are deemed to have been wrongfully distributed to them, or (ii) in connection with other provisions of the Partnership Agreement including, for example, in connection with any indemnification obligations.

Failure to Fund Commitments; Consequences of Default. If limited partners fail to fund their capital commitment obligations when due, a Fund's ability to complete its investment program or otherwise to continue operations may be substantially impaired. A default by a substantial number of limited partners or by one or more limited partners who have made substantial capital commitments would limit opportunities for investment diversification and likely would reduce returns to a Fund. If a limited partner fails to fund any of its capital commitment when required, such limited partner may be subject to substantial penalties under the applicable Partnership Agreement and its interest in a Fund and its investments may be diminished and/or forfeited.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. To the extent that any such representations are inaccurate, a Fund may be required to indemnify the purchasers of such investment and may be liable to the purchasers for breach of contract. These arrangements may result in the incurrence of contingent liabilities for which the general partner may establish reserves and escrows. In that regard, any distributions from the Fund may be delayed or withheld until such reserve is no longer needed or the escrow period expires. Investors may also be required to return distributions previously made to them to satisfy a Fund's obligations with respect to the foregoing.

Additional Follow-On Investments. Some Portfolio Companies may require additional financing to satisfy their working capital requirements or acquisition strategies. Following its initial investment in a Portfolio Company, a Fund may make additional debt or equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in a Portfolio Company in order to protect such Fund's investment when a Portfolio Company's performance does not meet expectations. There can be no assurance that such Fund will wish to make follow-on investments or that such Fund will have sufficient funds to do so or that such additional investment would not exceed such Fund's diversification limit. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish such Fund's ability to influence such Portfolio Company's future development or significantly dilute such Fund's ownership in such Portfolio Company, negatively affecting the performance of such Fund.

Reserves. As is customary in private equity, a General Partner may establish reserves for follow-on investments by a Fund in portfolio companies, operating expenses (including the Management Fee), Fund liabilities and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the partners. If reserves are inadequate, a Fund may be unable to take advantage of attractive follow-on or other investment opportunities. If reserves are excessive, a Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Third-Party Involvement. The Funds may co-invest with third parties and those investments may involve risks in connection with such third-party involvement. A third-party co-investor may have financial, legal, or regulatory difficulties, negatively affecting such investment, may have economic or business interests or goals that are or may become inconsistent with those of a Fund or may be in a position to take or block action contrary to a Fund's investment objectives. In addition, a Fund may, in certain circumstances, be liable for actions of its third-party co-investor or partners.

Absence of Liquidity and Public Markets. A Fund's investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by a Fund and no readily available liquidity mechanism at any particular time for any of the investments held by a Fund. In addition, the realization of value from any investments will not be possible or known with any certainty until the general partner elects, in its sole discretion, to sell the Fund's investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

No Market; Illiquidity of Fund Interests. An investment in a Fund will be illiquid and involves a high degree of risk. There is no public market for the interests in a Fund, and it is not expected that a public market will develop. Consequently, investors will bear the economic risks of their investment for the term of a Fund. Prospective investors will be required to represent and agree that they are purchasing the interests for their own account for investment only and not with a view to the resale or distribution thereof.

In addition, a Fund may invest in investments that unexpectedly cannot be realized in an orderly fashion until after the date on which the Fund is scheduled to terminate. Although it is the expectation of Enlightenment that all investments will be disposed of prior to the end of a Fund's term, a Fund may have to sell or otherwise dispose of investments on disadvantageous terms as a result of such Fund's termination or distribute such investments in kind.

Certain Limitations on Ability of Partners to Transfer their Interests in a Fund. The transferability of interests in a Fund (the "Interests") will be restricted by the applicable Partnership Agreement and by United States federal and state securities laws. In general, partners will not be able to sell or transfer their interests in a Fund to third parties without the consent of the General Partner. The Interests should only be acquired by a prospective investor if the investor is able to commit its funds for an indefinite period of time. A limited partner will not be permitted to assign, sell, exchange or transfer any of its interests, rights, or obligations with respect to its Interest without the prior written consent of the General Partner, which consent may be given or withheld in the sole and absolute discretion of the General Partner. Except in extremely limited circumstances, withdrawals from a Fund will not be permitted. In addition, the Interests are not redeemable. The Interests have not been registered under the Securities Act, the securities laws of any U.S. state or any securities laws of any other jurisdiction (unless required by applicable law), and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests under the Securities Act or other securities laws will ever be effected (unless required by applicable law). There is no public market for the Interests, and one is not expected to develop.

Coronavirus and Public Health Emergency Risk. As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Pandemic." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is

rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity, and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment, and other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional, or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their portfolio companies and could adversely affect the Funds' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' portfolio companies, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve their investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their portfolio companies and the Management Company may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring an interest in a Fund. Potential investors are urged to read all relevant Fund Documentation before determining whether to invest in a Fund.

Material Risks – SBIC Program

Use of Debenture Leverage. If it receives its SBIC license, a Fund generally will make debt investments in U.S. small businesses within the meaning of SBA regulations and expects to utilize debenture leverage. The use of debenture leverage by a Fund will increase both the potential for gain on, and the potential for loss of, a limited partner's investment in a Fund. The ability of limited partners to realize a gain on their investment is, to a significant degree, a function of the ability of a Fund to meet interest payments on drawn debenture leverage and to pay the remaining principal at the end of the 10-year life of each debenture leverage instrument. In addition, the greater volatility, due to the use of debenture leverage, of gain or loss realized by limited partners on a Fund's investments may magnify the incentive of its general partner to pursue riskier investments with greater potential for gain than might otherwise be the case. If, at the end of a Fund's term, amounts to which the SBA is entitled have not been paid in full, the SBA will generally be able to require a Fund to call any remaining unfunded commitment of its limited partners for purposes of making these payments to the SBA.

Possible Limitations on Available Debenture Leverage. Although Congress has grown the amount of funds available as debenture leverage to debenture SBICs, there can be no assurance that the debenture SBIC program will be maintained at current levels.

Possible Changes to Regulatory Scheme. Congress may amend or supplement governing regulation, and the SBA may amend or supplement its regulations, in a manner that imposes additional regulatory burdens upon or otherwise adversely affects a Fund.

SBA Regulatory and Enforcement Powers. The SBA has significant ability to supervise and regulate many critical aspects of the affairs of an SBIC. The SBA imposes greater restrictions on the portfolio of an SBIC than would generally be the case for an unregulated private equity fund. Certain activities and decisions require SBA approval, and there are uncertain timeframes for such approvals. In addition, the SBA has the power to penalize an SBIC in a number of ways, by way of penalties for capital impairment, penalties for regulatory failure, restriction on distributions in certain situations, and/or personal liability in certain situations.

Certain Conflicts of Interest Relating to Investment Strategies

The following list enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in a Fund. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of a General Partner (or its members), the Management Company, the Principals, and/or their affiliates will potentially or actually conflict with the interests of a Fund and the partners. For example, the Principals and other members of a General Partner are entitled to have other business interests and engage in other business activities in addition to those relating to a Fund. The Principals, Management Company, and General Partner also face conflicts of interest in allocating time, services, and functions among a Fund and other business ventures. Conflicts at times arise in the allocation of investment opportunities and the Principals' time among a Fund, on the one hand, and existing investments managed by the Principals, as well as future funds organized in accordance with the applicable Partnership Agreement and other business activities, on the other hand. The General Partners have adopted an Affiliated Investments Policy to address allocation of investments among a Fund and other entities managed by the General Partner and its affiliates, but the implementation of this policy will result in a Fund investing its committed capital at a slower pace than would be the case if other managed entities did not share in the allocation of investments. Also, the Principals, General Partners, and Management Company are not required to refrain from such management activities or to disgorge profits from such activities. By acquiring an interest in a Fund, each partner will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflicts of interest.

Investors are urged to review the applicable Partnership Agreement and related Fund documents for a discussion of the following conflicts of interest:

- Carried interest
- Conflicts with portfolio companies
- Material non-public information
- Conflicts among investors
- LP Committee
- Other fees; management fee offset
- Diverse investors
- ERISA and other tax-exempt entities

- Allocation of expenses
- Risk of dilution
- Recycling; reinvestment
- Failure to make capital contributions
- Cancellation of an investment period; early termination of a Fund
- Confidential information
- Disclosure of information
- Written side letters
- Legal and regulatory risks
- Tax risks
- Withholding and other taxes
- Audits by the IRS
- Not registered as broker-dealers
- Cybersecurity breaches and identity theft
- Compliance with U.S. Anti-money laundering requirements

Item 9 – Disciplinary Information

Registered investment advisers must disclose facts about any legal or disciplinary events believed to be material to a client or investor's evaluation of the adviser's business or the integrity of the adviser's management. Enlightenment has no legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Material Relationships or Arrangements with Industry Participants

Enlightenment generally forms affiliated general partners or managing members for each Fund or separate investment vehicles and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. These affiliates are formed for tax, regulatory or other purposes in connection with the organization of the Funds.

The Funds enter into agreements, or "side letters," with certain prospective or existing investors whereby such investors are in certain cases subject to terms and conditions that are more advantageous than those set out in the relevant Fund Documentation. The modifications are solely at the discretion of Enlightenment and are usually based on the size of the investor's investment in a Fund, an agreement by an investor to maintain such investment in a Fund for a significant period of time, or other similar commitment by an investor to a Fund.

Renaissance Strategic Advisors II, LLC

Mr. Pierre Chao, Co-Founder of Enlightenment, serves as an Operating Partner for Enlightenment, and in this capacity, is deemed to be a Supervised Person of Enlightenment.¹ Mr. Chao is also a founding partner of Renaissance Strategic Advisors II, LLC (hereafter referred to as "Renaissance"), which is an unaffiliated enterprise engaged in aerospace/defense management consulting and mergers and acquisition due diligence and advisory services. Mr. Chao is a Registered Investment Banking Representative with BA Securities, LLC; his registration is held to carry out securities-related transactions that require a broker-dealer registration.

¹ Supervised Persons are members, managing partners, employees, officers, managing directors and certain designated independent contractors that are subject to Enlightenment's supervision and control.

While performing his duties as a Supervised Person of Enlightenment, Mr. Chao also provides services to Renaissance and its affiliates. There may be situations where Enlightenment and Renaissance (or its partners) invest in the same portfolio company. There also may be situations wherein Enlightenment portfolio companies engage Renaissance for consulting services. One or more of the following controls are implemented to manage any conflicts of interest that arise from these situations:

- Oversight and written approval by the Enlightenment Chief Compliance Officer,
- Consultation with and written approval by one or more Limited Partner Committees,
- Mr. Chao's full compliance with the Enlightenment Code of Ethics, and/or
- Mr. Chao's recusal from voting on matters where there is a direct conflict of interest.

Board Participation

Enlightenment's investment professionals have served and will serve as directors of other private or public companies in the ADG industry and also serve as directors or board observers of companies in which a Fund invests. As a director of a company, an investment professional owes a fiduciary duty to the company. Board participation places an investment professional in a position where they must make a decision that is not in the best interests of a Fund. Investment professionals serving as directors or board observers at times receive non-public information as a result of their duties and such knowledge may restrict a Fund's ability to buy or sell securities of the relevant company. Enlightenment does not expect the Funds to purchase the securities of public companies except as the result of a private company making an initial public offering. Enlightenment looks to Fund Documentation and its compliance policies and procedures to mitigate any conflicts related to board participation.

Advisory Board

Enlightenment's Advisory Board consists of highly respected individuals from across the ADG community. Enlightenment engages the Advisory Board to support the Fund's efforts, enhancing the investment process with their expertise, sourcing network, deep due diligence, and portfolio support capabilities. Certain Advisory Board members invest in one or more Enlightenment Funds as limited partner investors.

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

Code of Ethics

Enlightenment has adopted a Code of Ethics in accordance with Rule 204A-1 under the Advisers Act that is applicable to its Principals and employees (collectively, "**Personnel**"). The Code of Ethics contains provisions that remind Personnel of their obligations to Enlightenment's clients and obligations to comply with federal securities laws, sets forth standards of conduct, monitors outside activities and political contributions of Personnel, restricts certain personal securities trading, and requires reporting of personal securities transactions and holdings. Personnel who violate the Code of Ethics could be subject to

disciplinary or other action (including, without limitation, termination of employment). Personnel are required to acknowledge their receipt, understanding, and agreement to comply with the Code of Ethics. The Code of Ethics, among other benefits, helps Enlightenment detect and prevent potential conflicts of interest and violations of federal securities statutes.

The Code of Ethics is designed to prevent the personal securities transactions and interests of Personnel from interfering with (i) making decisions for Funds and (ii) implementing such decisions while, at the same time, allowing Personnel to invest for their own accounts where appropriate. The Code of Ethics restricts trading in the securities of any issuer included on Enlightenment's restricted list as well as all public companies in the ADG industry and requires preapproval before initiating a transaction in an initial public offering, limited offering, or private placement. Under the Code of Ethics, Personnel are also required to file certain periodic reports consistent with Rule 204A-1. Such reporting and review helps Enlightenment detect and prevent potential conflicts of interest and violations of federal securities statutes.

Enlightenment will provide a copy of the Code of Ethics to any client or investor upon written or verbal request. Requests may be addressed by mail to: Attention: Chief Compliance Officer, Enlightenment Capital, LLC, 4445 Willard Ave, Suite 950, Chevy Chase, MD 20815; by email at jsguffey@enlightenment-cap.com; or by telephone at 240-752-9616.

Participation or Interest in Client Transactions

Through the limited partnership structure, Enlightenment's affiliates have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by Fund investments. In certain situations, related persons of Enlightenment invest in the Funds through the general partner established to facilitate employee compensation programs for qualified employees.

Personnel are only permitted to participate in authorizations to buy or sell a Fund security if their only interest in the security is: (i) held indirectly through one of the general partner entities, the Funds, a Feeder Fund, or otherwise; or (ii) related to service as a director or board observer of a portfolio company to facilitate Enlightenment's ability to monitor Fund investments in the portfolio company. These activities are subject to the Firm's compliance policies and Code of Ethics.

Conflicts of Interest

Enlightenment will always endeavor to act in the best interest of the Funds; however, clients should be aware that Enlightenment's and the general partner's receipt of compensation from the Funds creates a potential conflict of interest with respect to such transactions. These and other operating relationships have the potential for creating conflicts of interest.

In the ordinary course of conducting its investment advisory activities, the interests of a Fund can conflict with the interests of Enlightenment, other Funds, or their respective affiliates. Certain of these conflicts of interest, as well as a summary of how Enlightenment addresses such conflicts of interest, can be found below. Other conflicts are disclosed throughout this Brochure and applicable Fund Documentation.

Resolution of Conflicts

In the case of all conflicts of interest, Enlightenment's determination as to which factors are relevant, and the resolution of such conflicts, is made using Enlightenment's best judgment, but in its sole discretion. In resolving conflicts, Enlightenment considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Many important conflicts of interest will generally be disclosed in and resolved by defined procedures, restrictions or other provisions contained in Fund Documentation. Each Fund has established a Limited Partner Committee (the "**LP Committee**"), consisting of representatives of investors not affiliated with Enlightenment, to evaluate conflicts and their resolutions. Enlightenment maintains written policies and procedures within its Compliance Manual and Code of Ethics to further govern and mitigate conflicts.

Management of the Funds

Enlightenment is responsible for managing all of the Funds. Conflicts of interest arise in allocating time, services, or functions of Personnel. To mitigate such conflicts, the Fund Documents generally limit and describe when Enlightenment can fundraise for a new fund.

Invested Capital Fee Structure

Because there is expected to be a fixed investment period after which capital from investors in the Funds will only be drawn down in limited circumstances and because Management Fees will, at certain times during the life of the Funds, be based upon capital invested by the Funds, such fee structure could create an incentive to deploy capital when Enlightenment would not otherwise have done so.

Allocation of Investment Opportunities Among Funds

Investment opportunities are at times available to and appropriate for more than a single Fund. Enlightenment seeks to reduce the risk of any inequitable allocation of investment opportunities by implementing investment allocation and sharing guidelines. However, Enlightenment cannot anticipate all possible investment structures that may be required during the life of a Fund and certain investment structures are not contemplated in Fund Documents. In such cases, Enlightenment will seek to allocate such opportunities on an equitable basis using its best judgment and in its sole discretion. The applicable LP Committee(s) will be consulted as required by Fund Documents.

Follow-on Investments

A follow-on investment in an existing portfolio company could present a conflict of interest, such as with respect to a determination of terms or the allocation of the investment opportunity to different Funds. To manage this conflict, a follow-on investment opportunity in an existing portfolio company generally will first be considered as an opportunity for the Fund that has an existing investment in that company. If more than one Fund has an existing investment in the portfolio company, the follow-on opportunity will first be considered as an opportunity for those Funds, in proportion to their pre-existing investments in the portfolio company. However, Enlightenment could determine that a non-pro rata follow-on investment is appropriate (for example, because one of the Funds does not have enough unreserved capital left to invest or would exceed certain limitations in the Fund Documents if it were to invest its pro rata amount). If, after Enlightenment has determined how much to invest for the Funds with priority on such

opportunity, there is an additional amount potentially available in respect of such opportunity, Enlightenment will consider that remaining amount for other Funds that are then making new investments, subject to any applicable provisions of the Fund Documents.

Allocation of Co-investment Opportunities

Enlightenment will at times offer to investors in the Funds or other unrelated third parties the ability to co-invest in an investment alongside a Fund. Co-investment opportunities typically arise due to size of an investment or desire for a co-investor based on strategic considerations including, but not limited to, relevant knowledge of an industry, geographic region or contacts with prospective managers, board members or advisors. Enlightenment considers whether offering a co-investment would pose a conflict with a Fund before making any investment available to such potential co-investors.

In the event Enlightenment determines to offer a co-investment opportunity, there can be no assurance that Enlightenment will be successful in offering such co-investment opportunity, in whole or in part, that the closing of such co-investment is consummated in a timely manner or that the co-investment will take place on the terms and conditions that are preferable for the Fund. In the event that Enlightenment is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund could consequently hold a greater concentration than was initially intended, experience delays in the investment process, and/or lose, or cause the Fund to renegotiate, the investment opportunity, each of which could result in less favorable terms or economics for the Fund.

Due in part to the fact that investors and potential investors in a Fund or a co-investor often ask different questions and request different information (for example in side letters), Enlightenment will at times provide certain information to one or more prospective investors that it has not provided to all investors or prospective investors.

Cross Transactions

Enlightenment does not generally engage in cross transactions where a portfolio holding is transferred between Funds. If it becomes necessary in the future to engage in cross transactions, approval is expected to be granted provided the transfer is consistent with Enlightenment's fiduciary obligations to each Fund sharing in the cross transaction, applicable Fund Documents, and relevant securities statutes, including the Advisers Act.

Principal Transactions

If a Fund enters into a principal transaction, it will only do so in accordance with all of the requirements of Fund Documents and the Advisers Act and will obtain the required prior consent to the transaction from the relevant Fund investors or LP Committee.

Business with Portfolio Companies and Investors

Given the collaborative nature of Enlightenment's expected business and the portfolio companies in which the Funds will invest, there are situations in which Enlightenment is in the position of recommending portfolio company services to other portfolio companies in the same or other Funds or recommending that portfolio companies collaborate for business purposes. Enlightenment would have a conflict of interest in making such recommendations, in that Enlightenment has an incentive to maintain goodwill between it and the existing and

prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service can at times be greater than those received by the applicable Funds and its portfolio companies receiving the service. Relative to collaborative opportunities, one portfolio company could benefit more than another. In certain instances, a Fund's portfolio company will compete with another Fund's portfolio company. A conflict of interest arises in these instances to the extent that advice and recommendations provided by Enlightenment to a portfolio company have adverse consequences for a competitor portfolio company owned by another Fund.

Side Letter Agreements

Enlightenment enters into certain side letter arrangements with certain investors in a Fund which provides, in certain cases, such investors with different or preferential rights or terms, including but not limited to information rights, acknowledgement that an investor is interested in co-investments, internal transfer rights (such as an agreement to make internal investor restructurings less burdensome for such investor), and potentially a different fee structure, where specifically permitted by and disclosed in Fund Documents.

Other Potential Conflicts

Enlightenment and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Funds in some cases also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, Enlightenment and/or its affiliates, the parties are expected to engage separate counsel while in litigation and other circumstances, separate representation is required.

Item 12 – Brokerage Practices

Enlightenment does not engage broker-dealers in the normal course to effect transactions because each Fund generally makes privately negotiated purchases of interests in businesses. Enlightenment will likely, however, use broker-dealers to sell a Fund's publicly traded securities to implement an exit strategy following an initial public offering. Furthermore, it is at times necessary for Enlightenment to engage a broker or dealer to ensure that a private transaction is closed in a manner most advantageous to the Fund. When executing portfolio transactions using brokers or dealers, Enlightenment seeks the best overall execution terms available to close the deal expeditiously and on terms most favorable to the Fund.

Enlightenment's policy outlines a selection process based on many factors, including, but not limited to, the size and type of transaction, the markets for securities to be purchased or sold, execution, efficiency, settlement capability, financial condition of the broker-dealer, the quality of the broker-dealer's portfolio execution on a continuing basis and reasonableness of brokerage commissions. Enlightenment endeavors to achieve the best overall price for the Funds, considering the circumstances of the transaction and the reputability of the executing broker-dealer, and will evaluate each transaction to ensure that the execution price is in line with, or exceeds, that of the current market. The lowest possible commission cost is not necessarily sought if it does not result in the best qualitative execution of transactions effected for the Funds.

Enlightenment does not engage in soft dollar arrangements. A "soft dollar" arrangement is an

arrangement whereby an investment adviser directs client brokerage, or pays higher commissions, to a particular broker-dealer in return for research or other services from such broker-dealer. Enlightenment at times receives proprietary research and certain other limited benefits from broker-dealers as a consequence of doing business with such broker-dealers where it does not involve the payment of soft dollars or involve a commitment by Enlightenment to transact business with such broker-dealers in exchange for such research. Enlightenment does not enter into directed brokerage arrangements or recommend a broker-dealer to anyone.

Item 13 – Review of Accounts

Oversight and Monitoring

All investments are carefully reviewed and approved by the Fund's Investment Committee as described in applicable Fund Documents. The Investment Committee must reach a unanimous decision prior to committing Fund capital or exiting a Fund investment. The Investment Committee actively monitors and reviews each Fund's investment portfolio on a continuous basis. Investments are reviewed in light of each Fund's stated investment objectives and guidelines as set forth in Fund Documents.

Enlightenment enters into each investment with the expectation of being a significant and active investor. Enlightenment also at times holds a board seat for the investment or serves as a board observer if precluded from being a board member. Fund investments are private, illiquid, and long term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. Enlightenment's Investment Committee meets regularly to review ongoing monitoring activities and to evaluate potential new platform investments and add-on investments. Members of the Investment Committee also meet quarterly to review and approve quarterly carrying values of each Fund's respective investments.

LP Committees

As noted above, from time to time, the LP Committee for a Fund will participate in the review process. The LP Committee is comprised of representatives of Fund investors who are appointed by the general partner to engage in certain activities as specified in Fund Documents, which generally but not always include: (i) review and approve / disapprove potential or actual conflicts of interest; (ii) review valuation policies; (iii) consent on behalf of the limited partners to certain actions requiring their approval under the Advisers Act; and (iv) consider such other matters as provided by Fund Documents or determined by Enlightenment to be considered by the LP Committee. Enlightenment retains ultimate responsibility for all decisions relating to the operation and management of the Funds.

Reporting

Enlightenment provides periodic financial reports and a summary of investments for Fund investors to monitor their investments. Enlightenment distributes written reports to investors as required by Fund Documents. Written reports convey to Fund investors, at a minimum: (i) audited financial statements and other information on an annual basis in accordance with generally accepted accounting principles (within 120 days after a Fund's fiscal year end as required by the custody rule)²; (ii) unaudited summary financial and other information on a quarterly basis; (iii) annual tax information necessary for each partner's U.S. tax returns; and (iv) quarterly descriptive

² Enlightenment customarily issues audited financial statements 90 days after a Fund's fiscal year end.

investment information for each portfolio company. Fund investors are also invited to attend an annual meeting during which general information is provided. Enlightenment will from time-to-time, in its sole discretion, provide additional information relating to a Fund to one or more investors in such Fund as it deems appropriate.

Item 14 – Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

Enlightenment, either directly or indirectly through its affiliates acting as general partners to the Funds, receives compensation from certain portfolio companies in connection with consulting services provided to such companies in the ordinary course of business. Enlightenment is also permitted to receive fees and other compensation, such as breakup fees, from transactions not consummated by a Fund in connection with the Fund's proposed investment in such transactions. As described in Item 5 above, and more fully in Fund Documents, such fees and other compensation will be shared, in part or in whole, with Fund investors through reductions or offsets against Management Fees that would otherwise be payable by them.

Placement Agent or Marketers

Enlightenment has arrangements with unaffiliated placement agents. In such instances, a legal agreement between parties has been executed to guide the terms of engagement which include among other requirements that the placement agent abide by federal securities statutes in discharging activities on behalf of Enlightenment. In accordance with the terms of relevant Fund Documents, placement agent fees are paid by Enlightenment and/or its affiliated entities. Placement arrangements in some cases require on-going payments by Enlightenment to placement agents after a Fund's fundraising period has expired. A Fund investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

To address this potential conflict of interest, all referred investors are carefully screened to ensure that the Enlightenment Fund(s) is suitable to the prospective investor's investment needs, objectives and risk tolerance before any subscription is accepted.

Item 15 – Custody

Custody occurs when Enlightenment or related person directly or indirectly holds client funds or securities or has the ability to gain possession of them. Enlightenment is deemed to have custody of the assets of the Funds within the meaning of the Advisers Act due to its affiliation with the general partner of each Fund. The Funds advised by Enlightenment are privately offered limited partnerships and are subject to an annual audit by a Public Company Accounting Oversight Board ("PCAOB") registered and inspected independent accounting firm in accordance with Rule 206(4)-2 under the Advisers Act. The audited financial statements of each Fund are prepared in accordance with generally accepted accounting principles ("GAAP") and distributed to Fund investors within 120 days of the Fund's fiscal year end as required by the custody rule and Fund Documents.³ Investors should review these audited financial statements carefully.

Any Alternative Investment Vehicle ("AIV") formed to facilitate a portfolio investment in a Fund for special tax or regulatory reasons is also subject to an annual audit by a PCAOB registered and

³ Enlightenment customarily issues audited financial statements 90 days after a Fund's fiscal year end.

inspected independent accounting firm in accordance with the Advisers Act. Upon the final liquidation of a Fund, the Adviser will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

Item 16 – Investment Discretion

Enlightenment provides investment advisory services on a discretionary basis to the Funds. Enlightenment's advice with respect to the Funds is provided in accordance with the investment objectives, limitations, and guidelines as set out in the relevant Fund Documentation. Prior to assuming discretion in managing a Fund's assets, Enlightenment enters into an investment management agreement or other agreement that sets out the scope of Enlightenment's discretion. Enlightenment generally has the authority to determine the securities to be purchased and sold for the Funds and the amount of securities to be purchased or sold for the Funds. In the case of Funds whose investment periods have closed, Enlightenment's investment discretion is limited to certain follow-on investments and the liquidation of existing portfolio company positions.

Item 17 – Voting Client Securities

The Funds are generally active investors in their respective portfolio companies. Enlightenment seeks to have a representative at the board of directors of the portfolio company, acting as a director or board observer. In addition, the Funds intend to stay closely involved with the investments as shareholders or debtholders. When applicable, Enlightenment reviews and votes on proxy and shareholder consent matters on a case-by-case basis. Enlightenment stays apprised of developments that affect a portfolio company in which a Fund invests, carefully reviews matters submitted for a vote as holders of portfolio company securities and if the Firm maintains voting rights, will vote on those matters on a case-by-case basis in a manner that Enlightenment believes is in the best interests of the investing Fund.

Enlightenment in some cases retains approval rights for certain portfolio company actions and will exercise such rights in a manner that it believes is in the best interests of the investing Fund.

Enlightenment believes its interests are aligned with Fund investors through the general partner's ownership or debtholder interests in the Fund and therefore does not generally seek investor approval or direction when voting proxies. If, however, there is or may be a conflict of interest between the general partner and the Fund in voting proxies, Enlightenment is permitted to address the conflict using several alternatives, to include seeking counsel of the respective LP Committee on the proposed proxy vote or through alternatives set forth in proxy policies or Fund Documentation.

Investors may obtain information about how a proxy was voted and/or obtain a copy of the proxy voting policies and procedures upon written request by mail to: Attention: Chief Compliance Officer, Enlightenment Capital, LLC, 4445 Willard Ave, Suite 950, Chevy Chase, MD 20815; by email to jsguffey@enlightenment-cap.com; or by telephone at 240-752-9616.

Item 18 – Financial Information

Enlightenment does not solicit fees six months or more in advance. Enlightenment has no financial obligation that impairs its capacity to meet contractual and fiduciary commitments to clients, nor has Enlightenment been the subject of a bankruptcy proceeding.

Privacy Policy

Enlightenment Capital, LLC and its affiliates take precautions to maintain the privacy of personal information concerning current and prospective clients and individual investors. These precautions include the adoption of certain procedures designed to maintain and secure each client and investor's nonpublic personal information from inappropriate disclosure to third parties. Federal regulations require the notification of this privacy policy to certain clients and investors.

In connection with forming and operating its business, Enlightenment Capital, LLC, and its affiliates collect and maintain non-public personal information about investors from the following sources:

- Information received in conversations over the telephone, in voicemails, through written correspondence, via email or in the subscription materials or other forms; and
- Information relating to an investor's transactions with the Funds.

Enlightenment Capital, LLC does not disclose any non-public personal information about clients and investors to anyone, other than to its affiliates, employees and agents, and except as otherwise permitted or required by law or by Fund governing documents, including the disclosure of such information to third party lenders under its credit facilities (if any), and to service providers, as needed to provide investors the services they have requested.

Enlightenment Capital, LLC will maintain non-public personal information of any former limited partners or clients and apply the same policies that apply to current limited partners and clients. Except as described in the previous paragraph, Enlightenment Capital, LLC restricts access to non-public personal information about clients and investors to those of its affiliates, employees and agents who need to know the information to enable the provision of services to clients and investors. Enlightenment Capital, LLC and its affiliates maintain physical, electronic, and procedural safeguards that comply with federal standards to protect client and investors' non-public personal information.

This Privacy Notice is intended to serve as a statement of Enlightenment Capital, LLC's privacy policy as required by law and is not meant to contradict or circumvent the provisions of any Fund document, which provisions shall be controlling as to the matters described therein.

Enlightenment Capital, LLC and its affiliates reserve the right to change its privacy policies, at any time. Any examples contained within this Privacy Notice are being provided to clients and investors in accordance with the privacy provisions of the Gramm-Leach-Bliley Act. These policies apply to individuals only and are subject to change.