

New Mountain Vantage Advisers, L.L.C. Part 2A of Form ADV Firm Brochure

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This brochure provides information about the qualifications and business practices of New Mountain Vantage Advisers, L.L.C. (the “Investment Adviser”, the “Adviser”, or “NMVA”). If you have any questions about the contents of this brochure, please contact us at (212) 720-0300 or compliance@newmountaincapital.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.

NMVA is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply any level of skill or training.

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

2. Material Changes

This brochure is being updated to address new co-invest and focus strategies and risk factors such as Brexit and pandemic issues.

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4. Advisory Business

A. General Description of Advisory Firm

New Mountain Vantage Advisers, L.L.C. (the “Investment Adviser” or “Adviser” or “NMVA”), a Delaware limited liability company, commenced operations in 2005 with an office in New York, New York. NMVA registered as an investment adviser with the Securities and Exchange Commission (“SEC”) on October 24th, 2008.

Steven B. Klinsky is the founder, Chief Executive Officer (“CEO”), and principal owner of NMVA. NMVA and other affiliated investment advisers (including New Mountain Capital, LLC (“NMC”), New Mountain Finance Advisers BDC, LLC (“New Mountain BDC”), New Mountain Finance Corporation (“NMFC”), and New Mountain Credit CLO Advisers, L.L.C.) are collectively referred to herein as “New Mountain.”

The sole member of NMVA is New Mountain Capital Group, L.P. (together with its affiliates, “New Mountain” or the “Firm”), whose ultimate owners include Mr. Klinsky, a minority investor, all of New Mountain’s Managing Directors (currently, thirty-three individuals) and related and other vehicles. Despite Mr. Klinsky’s controlling and ownership positions, all of New Mountain’s team members broadly share in the economics of the Firm through the receipt of “carry” or “phantom carry” in every New Mountain private equity transaction.

B. Description of Advisory Services

NMVA offers or provides discretionary investment advisory services to the following types of clients:

- US and non-US private pooled investments vehicles (referred to herein as each, a “Private Fund” and collectively, the “Private Funds”) that are offered to investors on a private placement basis; and
- European collective investment funds sponsored by a third party (referred to herein as each, a “UCITS Fund” and collectively, the “UCITS Funds”). In some cases, the UCITS Funds are multi-manager UCITS umbrella funds authorized by the Central Bank of Ireland in which each investment manager manages segregated assets held within a sub-fund.

Private Funds

- New Mountain Vantage, L.P. (“NMV LP”), a Delaware limited partnership, invests in both long and short public equity positions and is part of the “Vantage Long-Short Funds” strategy.
- New Mountain Vantage LO, L.P. (“Vantage Long-Only Fund”), a Delaware limited partnership. The Vantage Long-Only Fund typically invests in long public equity positions.
- New Mountain Vantage (California) II, L.P. (the “Vantage California II Fund”), a Delaware limited partnership typically invests the substantial majority of its assets in long public equity positions.

- New Mountain Vantage Co-Invest, L.P., (“Co-Invest I Fund”), a Cayman Islands exempted limited partnership, and New Mountain Vantage Co-Invest II, L.P. (“Co-Invest II Fund”), a Cayman Islands exempted limited partnership, and their respective feeder funds (collectively, the “Co-Invest Funds”), each invest the substantial majority of their assets in single issuers.
- New Mountain Vantage Focus, L.P., a Delaware limited partnership, invests in a concentrated portfolio.

New Mountain Vantage GP, L.L.C. (“NMV GP”), a Delaware limited liability company and an affiliate of NMVA, serves as the general partner to each of the Private Funds organized as Delaware limited partnerships as well as to the Co-Invest Funds.

UCITS Funds

- NMVA is the investment manager to the New Mountain Vantage UCITS Fund and New Mountain Vantage Long Only UCITS Fund, both sub-funds comprised of segregated assets of an open-ended European Collective Investment scheme with variable capital established as an umbrella fund authorized by the Central Bank of Ireland pursuant to the UCITS Regulations.

C. Availability of Customized Services for Individual Clients

NMVA does not provide investment advisory services on a non-discretionary basis.

NMVA’s management of each Private Fund and UCITS Fund, and the terms of any investor’s investment therein, are governed exclusively by the terms of the governing documents of such Private Fund or UCITS Fund (the “Governing Documents”), which include: (i) in the case of the Private Funds, the organizational documents, private placement memorandum, limited partnership agreement or memorandum and articles of association, investment management agreement, and subscription agreement and (ii) in the case of the UCITS Funds, the Prospectus and other governing documents of the UCITS Fund and sub-fund if applicable.

All discussions in this Brochure of any of the Private Funds or UCITS Funds (referred to herein collectively as the “Clients” or the “Funds” or separately each a “Client” or a “Fund”), their respective investments, the strategies the Investment Adviser uses in managing their assets, and the fees associated with an investment in those Clients, are qualified in their entirety by reference to the applicable entity’s Governing Documents.

D. Wrap Fee Programs

Not applicable

E. Assets Under Management

As of close of business on December 31, 2019, NMVA managed regulatory assets under of management of \$769,101,515 on a discretionary basis on behalf of its Clients.

5. Fees and Compensation

Private Funds

A. Advisory Fees and Compensation

Compensation received by NMVA and NMV GP from the Private Funds is comprised of fees based on a percentage of assets under management and performance-based allocations, as applicable.

Management Fees

The Private Funds' asset-based management fees range up to a maximum of 1.5% (per annum) of each investor's capital account. The asset-based management fee charged to a particular investor is generally tied to the liquidity option selected by such investor and may be tied to investor size or timing of investment into the Fund. Asset-based fees are generally charged quarterly at the commencement of the calendar quarter during which NMVA will perform the services to which the fees relate and are generally debited from limited partners' capital accounts. Capital contributions made on a date other than the first day of a calendar quarter will be subject to a prorated portion of the asset-based fee for that calendar quarter with respect to such contribution based on the number of days remaining in that calendar quarter. NMVA, at its discretion, may waive all or a portion of the asset-based fee. Co-Invest I and Co-Invest II generally do not charge asset-based management fees but do charge performance fees as specified in their governing documents.

Performance Allocations or Fees

As general partner of a Private Fund, NMV GP is entitled to performance-based allocations, which generally range up to 20% of the annual net gain of the Private Fund's investment portfolio during each year subject to a high-water mark, and may, depending on the Fund, be subject to a hurdle. In instances involving the Vantage Long-Only and Vantage California II Fund (e.g., the Vantage California II Fund where the investor has assigned a specific benchmark), NMV GP may earn performance allocations on net realized losses and net unrealized depreciation where the Private Fund outperforms its assigned benchmark. Performance-based allocations are generally calculated on a monthly basis and crystallize as of the end of each fiscal year (December). NMVA, NMV GP or an affiliate may, at its discretion on an investor-by-investor basis, with certain limitations, waive all or a portion of the performance-based allocation.

In connection with their significant investments in certain Private Funds, several institutional investors have received special terms with respect to their investment and NMVA may enter into other side letters or similar written agreements with investors which have the effect of establishing rights under, or altering or supplementing the terms of, the relevant governing documents.

The Private Funds can terminate their investment management agreements with NMVA under the provisions of their respective governing documents. Upon the occurrence of such an event, or if the date on which a Private Fund liquidates is a date other than the last day of a calendar quarter, NMVA will refund to the applicable Private Fund the amount of the most recent installment of the asset-based management fee allocable to the portion of the calendar quarter for which that installment was paid which is subsequent to the liquidation date.

Fees and Compensation paid to the Investment Adviser or its affiliates by the Private Funds are

generally deducted directly from the Private Funds. As discussed above, Management Fees are generally deducted in advance on a quarterly basis and Performance Allocation is generally deducted on an annual basis where applicable.

B. Expenses

In addition to the foregoing, investors in the Private Funds generally bear expenses relating to the Funds' operations. These vary by Private Fund, but typically include: the fees and expenses of custodians, counsel, independent accountants, administrators, and other professionals and consultants (including unaffiliated third party individuals or firms that introduce investment opportunities to NMVA in connection with NMVA's activism initiatives (who may receive flat commissions, profit sharing or others types of fees), and any taxes, fees or other governmental charges levied against the Private Fund, interest on indebtedness, bank service fees, insurance premiums and any extraordinary expenses of the Private Fund, such as litigation and indemnification expenses. A Private Fund generally will also pay the out-of-pocket costs associated with making and realizing investments, such as brokerage commissions, certain regulatory filing and registration fees (including those related to the SEC and the Hart-Scott-Rodino Act) and other reporting and filing expenses and the costs incurred by the general partner in connection with specific shareholder initiatives (such as the costs of calling shareholder meetings, proxy solicitation fees and costs, and professional consulting fees). The Private Funds' offering documents further clarify such expenses to include other investment and trading-related expenses (including ticket charges, expenses related to short sales, clearing, and settlement charges, custodial fees, financing charges, including interest on margin accounts and other indebtedness, appraisal fees and expenses and prime brokerage and commission charges); risk, research and market data-related expenses (including software and hardware); expenses relating to sale and offering of interests in the partnership and/or interests in the Private Fund; partnership licensing expenses; expenses relating to investor communications; bookkeeping, audit and accounting expenses; expenses incurred by the Adviser for investment research and due diligence; third party administrator fees; marketing costs and expenses (including printing); expenses associated with Private Fund transactions; withholding and transfer fees; blue sky fees; fees, costs and expenses (including legal fees and expenses) incurred to comply with any applicable law, rule or regulation (including expenses relating to AIFMD compliance, preparation and filing of Form PF and/or other regulatory filings of NMVA and its affiliates relating to the activities of the Private Funds) or incurred in connection with any governmental inquiry, investigation or proceeding involving the partnership; FATCA related expenses; and costs associated with windup, liquidation, dissolution and termination of the Private Fund. In the event that a Private Fund invests in a master fund, the Private Fund will bear a pro rata share of such expenses of such master fund. Please see Item 12 – "Brokerage Practices" – for a discussion of brokerage costs.

Investors in the Private Funds generally also bear expenses relating to formation and the organization of the applicable Fund and the offering and sale of the interests therein, including external legal and accounting expenses, printing costs, and certain out-of-pocket expenses incurred by NMVA and/or New Mountain. Pursuant to the Private Funds' offering documents, NMVA is permitted to charge travel-related expenses to investors. NMVA may, however, change its policy relating to travel expenses in the future. Additionally, NMVA does not charge investors for expenses related to the Private Funds' annual investor meeting. Please see Item 14 – "Client Referrals and Other Compensation" for a discussion of client referrals to NMVA.

New Mountain will cause the Investment Adviser and Clients to enter into agreements regarding group

procurement, benefits management, insurance policies (which will from time to time be pooled across the New Mountain and issuers in which other New Mountain Clients have invested in, and discounted due to scale) and other operational, administrative or management related matters from a third party or a New Mountain affiliate. These expenses will be charged to Clients.

UCITS Funds

A. Advisory Fees and Compensation

Compensation received by NMVA from the UCITS Funds is comprised of fees based on a percentage of assets under management and performance-based fee, as applicable.

Management Fees

The third-party manager of a UCITS Fund typically pays an asset-based fee to NMVA, and may also pay a performance-based fee. The asset-based fee paid to NMVA generally is expected to range up to 2.0% (per annum) of the net asset value of each class of shares in the UCITS Fund. The asset-based fee may vary depending on the investor shares class of the fund. Share classes are differentiated by the timing of investment, size of investment, and other factors.

Performance Allocations or Fees

The performance-based fee, if any, is generally expected to range up to 20% of the annual net gain of the UCITS Fund's investment portfolio during each year subject to a high-water mark and may, depending on the Fund, be subject to a hurdle. The fee rates are negotiated between the third-party manager and NMVA and vary based on various factors, may differ among investor share classes, and may be subject to additional fees as per the investment management agreement. Additionally, investors in the UCITS Funds are be subject to additional fees by the third-party manager as described below and with the Governing Documents of each UCITS Fund.

B. Expenses

Investors in the UCITS Funds generally bear expenses relating to the Funds' operations. In addition to the fees described above, including all fees payable to the third party manager by the UCITS Funds, all other fees, charges and expenses incurred in the organization and operation of the UCITS Fund and the sale of shares therein (including but not limited to, custodial fees, administration fees, research fees, distributor fees, directors fees, subscription and redemption fees, and establishment and operating expenses) are borne by the UCITS Fund or the individual investor and may reduce the net asset value of an investor's holdings of shares. For more information regarding such fees, charges and expenses, investors in the UCITS Funds should refer to the Prospectus and other Governing Documents of each UCITS Fund.

The Investment Adviser's affiliates will cause affiliated portfolio companies to enter into agreements regarding group procurement, benefits management, insurance policies (which will from time to time be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or a New Mountain affiliate. These programs will benefit the Investment Adviser, its affiliates, or New Mountain. Expenses related to

these programs may be charged directly to Clients, affiliated clients, New Mountain, or affiliated portfolio companies.

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

Private Funds

As discussed under Item 5 – “Advisory Fees and Compensation” – above, NMV GP is entitled to performance-based allocations from the Private Funds. Although third-party investors in the Private Funds are generally subject to such performance-based allocations, the terms of the performance-based allocation may vary by investor.

UCITS Funds

As discussed under Item 5 – “Advisory Fees and Compensation” – NMVA is entitled to performance-based allocations from the UCITS Funds. Although all third-party investors in the UCITS Funds are generally subject to such performance-based allocations, the terms of the performance-based allocation may vary by investor.

General

There exists a potential conflict of interest with respect to the allocation of investment opportunities among NMVA’s various Clients whose Governing Documents provide for different terms and investment guidelines. Consistent with its fiduciary obligations, NMVA has a policy of allocating investment opportunities on a fair and equitable basis. NMVA’s allocation guidelines are further discussed in Item 12.

7. Types of Clients

As described in Item 4 above, NMVA provides investment advisory services to Private Funds and UCITS Funds. Investment advice is provided directly to those Clients and not individually to any single investor.

Private Funds

The interests in the domestic Private Funds are offered on a private placement basis to persons who are "accredited investors" as defined in Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and "qualified purchasers" as defined under the Investment Company Act of 1940, and subject to certain other conditions as set forth in the respective offering documents.

The interests in the foreign Private Funds are offered on a private placement basis to persons who are not "U.S. Persons" as defined under Regulation S of the Securities Act, and U.S. tax-exempt persons who are both (i) "accredited investors" as defined in Regulation D of the Securities Act, and (ii) "qualified purchasers as defined under the 40 Act, and subject to certain other conditions as set forth in the respective offering documents.

The offering documents of each Private Fund generally provide for a minimum investment amount (typically \$1 million, if any), although such minimums may be waived at the discretion of the Investment Adviser.

UCITS Funds

The interests in the UCITS Funds are offered to investors who meet the eligibility requirements set forth in the Governing Documents of the UCITS Fund, which typically includes a minimum initial investment which may vary by share class as set forth in the applicable UCITS Funds' Prospectus, Supplement, and other Governing Documents.

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

A. Methods Analysis and Investment Strategies

The Vantage Long-Short Funds have the objective of generating attractive absolute long-term returns in excess of the broader U.S. equity markets (such as the S&P 500 TR Index), or other investor-selected indices, while attempting to do so with lower risk than that associated with such markets. A UCITS Fund has the same objective as the Vantage Long-Short Funds but is limited from making certain investments due to regulations and different investment guidelines determined by its investment managers. The Vantage California II Fund, the Vantage Long-Only Fund, and another UCITS Fund have the objective of generating attractive relative long-term returns in excess of the broader U.S. equity markets (such as the S&P 500 TR Index) while attempting to do so with lower risk than that associated with such markets. The Co-Invest Funds have the objective of generating attractive absolute long-term returns.

NMVA seeks to apply the skills and knowledge learned from New Mountain's private equity experience to meet its objectives in the public markets. The Funds have historically employed minimal direct portfolio leverage to enhance their investment capacity. Additionally, the Funds generally employ portfolio, sector, and single name hedges as well as a shorting strategy, and employ add, trim and exit price levels for their positions. For quality and risk control purposes, core positions of the Funds (generally those over 3% of aggregate fund assets) are subject to the review of New Mountain and approval by New Mountain's CEO, Steven B. Klinsky. This risk management strategy is a cornerstone of New Mountain's investment approach.

In evaluating long equity opportunities, NMVA generally seeks one or more of the following characteristics:

- (1) Strong business models in defensive growth industries that are temporarily out-of-favor or in transition, providing a compelling entry point.
- (2) Situations where NMVA believes it will be able to add value to a company through constructive activism and/or long-term business building. This can include operational improvements, capital allocation changes, mergers and acquisitions and other strategic or governance changes.
- (3) Securities in companies that NMVA believes are underfollowed or misunderstood by the investment community, often in cases where there may be forced or technical selling, a complicated story or an asset arbitrage opportunity.

In evaluating NMVA's individual short opportunities, NMVA generally focuses on what it believes to be weak business models or flawed industry structures, among other factors. NMVA will also engage in pair trades to take advantage of relative value differences.

NMVA may employ macro, sector and single name hedges with the goals of protecting capital during market corrections, reducing the volatility of the Client portfolios and managing exposures.

Notwithstanding the above, NMVA may pursue a wide variety of public equity investment strategies and may modify or depart from the investment strategy and investment process described above if it identifies public equity investment opportunities that it believes are sufficiently attractive for the

Funds on a risk/reward basis.

Investing in the Private Funds and UCITS Funds involves material risks, including the risk of loss that investors should be prepared to bear. The following is a list of certain material risks that are generally applicable to investments in the Funds. Investors should review the offering and disclosure documents for the UCITS Fund prior for a fulsome discussion of the risks and potential conflicts involved. Investors should also review the offering documents of the applicable Private Fund to understand the risks and potential conflicts of interest associated with an investment in such Private Fund.

B. Risks of Loss

No Assurance of Investment Return

There can be no assurance that any Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Fund participates. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment. There may be little or no near-term cash flow available to the investors in any Fund and there can be no assurance that such Fund will make any distribution to the investors. There can be no assurance that projected or targeted returns for any Fund will be achieved.

Suitability of Investments

An investment in the Funds is not suitable for all investors. An investment is suitable only for sophisticated investors and an investor must have the financial ability to understand and willingness to accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in the Funds. Investors with any doubts as to the suitability of an investment in a Fund are urged to consult their professional advisors to assist them in making their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Funds in light of their own circumstances and financial condition.

Availability of Suitable Investments; Highly Competitive Market for Investment Opportunities

There can be no assurance that investments will be available for the Funds' investment activities, or that available investments will meet that Fund's investment criteria. Accordingly, no assurance can be given that the Adviser will be able to locate suitable investment opportunities in which to deploy capital. The activity of identifying, completing and successfully disposing of attractive strategic minority investments is highly competitive, involves a high degree of uncertainty and will be subject to market conditions. The Adviser will encounter competition from other entities now existing and formed in the future by other unrelated parties having similar investment objectives. Some competitor funds may have more relevant experience, greater financial resources and more personnel than NMV GP, the Adviser, and New Mountain. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to a Fund. To the extent that a Fund encounters competition for investments, returns to investors may decrease. Furthermore, the Adviser cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. Purchasers of interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by a Fund and, accordingly, will be dependent upon the judgment and ability of the General Partner and the Adviser to identify suitable investments. While the Adviser intends generally to apply the investment strategy and investment process described herein to a Fund's

investments, it may pursue a wide variety of public equity investment strategies and may modify or depart from the investment strategy and investment process described herein if the Adviser identifies public equity investment opportunities that it believes are sufficiently attractive for the Funds on a risk/reward basis.

Lack of Liquidity for Interests

Interests are not registered under the Securities Act or any other securities laws and, therefore, cannot be resold unless they are subsequently registered under such laws or registration thereunder is not required pursuant to an exemption from such registration or otherwise. It is not contemplated that registration of the interests under the Securities Act or other securities laws will ever be affected. Interests are also subject to certain substantial restrictions on transferability under the Governing Documents. There is no market for the interests and none is expected to develop. Interests are also subject to certain substantial restrictions on withdrawal, and except in the limited circumstances described herein, may not be withdrawn at the option of the holder. Investors must be prepared to bear the risks of owning interests for an extended period of time. As a result, an investment in the Funds is suitable only for sophisticated investors without the need for liquidity in this investment.

Future Changes in Applicable Law; Legal and Regulatory Risks

The Investment Adviser's ability to implement its investment program, as well as its ability to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Investment Adviser's ability to implement its investment program, as well as the ability of its Fund to conduct its operations. Increased regulation could have a material adverse impact on the profit potential of the Funds, as well as require increased transparency as to the identity of the investors.

Reliance on Private Placement Exemption

Rule 506(d) of Regulation D promulgated under the Securities Act provides that an issuer may not rely on Regulation D if certain covered persons (including the issuer, any affiliated issuer, certain officers of the issuer, any beneficial owner of 20% of the issuer's outstanding voting equity securities (calculated on the basis of voting power), the investment manager, any compensated solicitor and certain other persons) engage in any disqualifying event described in Rule 506(d)(1). As a result of this rule, if any such disqualifying event occurs, the Adviser may be unable to offer the interests in a Fund in reliance on Regulation D.

Pay-to-Play Laws, Regulations and Policies

A number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser, or certain of its executives or employees, makes a contribution to certain elected officials or candidates. If the Adviser, any of its employees or any service provider acting on their behalf fails to comply with such laws, regulations or policies, such non-compliance could have an adverse effect on its Funds.

General Economic and Market Conditions

The success of the Adviser's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, industry conditions, competition, technological developments, economic uncertainty, changes in laws (including laws relating to taxation of the Adviser's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the Adviser's investments. Volatility or illiquidity could impair a Fund's profitability or result in losses. The Adviser may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

NMVA's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on New Mountain's business and operations and thereby could impact a Fund. Moreover, a sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect a Fund's profitability, impede the ability of the issuers in which the Funds invest to perform under or refinance their existing obligations, and impair the Adviser's ability to effectively exit its investment on favorable terms. New Mountain could also be affected by the recent difficult conditions in the capital markets and the overall weakening of the financial services industry. It is possible that as a result of any further weakening of credit conditions, a Fund could suffer adverse consequences, any of which could adversely affect the business of the Funds and impede a Fund's ability to effectively achieve its investment objective. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in an investment's capital structure.

Various sectors of the global markets, including the oil and gas industries and the commodities markets, have experienced an extended period of adverse conditions. Market uncertainty has increased dramatically, particularly in the United States and Europe, and adverse market conditions have expanded to other markets, including China. These difficult global credit market conditions have adversely affected the market values of equity, fixed-income and other securities and these circumstances may continue or even deteriorate further. The short and long-term impact of these events is uncertain, but could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity.

Risks of NMVA's Investment Strategy

Market Risk. The profitability of a significant portion of the Funds' investment program depends, to a

great extent, upon the NMVA's ability to correctly assess the future course of the price movements of securities and derivatives held by the Funds. There can be no assurance that the Adviser will be able to predict accurately these price movements; its strategies utilized for moderating such risk and valuation models may produce an adverse impact on the Funds.

Limited Information. In general, the Funds' investments will be made based on information available to the public at large. By comparison, privately negotiated transactions, the type of transactions pursued by most private equity and corporate buy-out funds, are usually completed based on information gathered through contact with and access to the counter-party's records, facilities and personnel. Therefore, the greater risk that NMVA may invest on the basis of incomplete or inaccurate information may adversely affect the Funds' investment performance, particularly with respect to adverse information not disclosed to the public, which could impact both initial and ultimate valuation, as well as implementation of the operating plan.

Higher Investment Expenses. NMVA's investment strategy could produce higher investment expenses, particularly if the Funds face management opposition or must resort to measures to protect the value of its minority investments that involve litigation or shareholder governance activities, such as a proxy solicitation.

Adverse Publicity. Certain activities a Fund resorts to, such as litigation or proxy solicitations, in order to protect the value of its investments, may produce negative publicity for such Fund, NMVA and its affiliates.

Impact of Uncertainty. Attempts by the Funds to realize value through initiating a new business strategy or a restructuring program for a portfolio company may introduce uncertainty into the company's relations with its employees, customers and suppliers, which may adversely affect the company's business (and, in turn, the Funds' investments in such company).

Management Opposition. There can be no assurance that the management of any portfolio company will agree to NMVA's proposed strategic initiatives, or that the strategy or strategies that NMVA helps to implement will be effective. In addition, implementation of NMVA's investment strategy may subject the Funds and its affiliates to potential risks and liabilities, including the costs of litigation and other claims.

Activist Role of the Fund. From time to time, the Funds may pursue an activist role in effectuating corporate change with respect to an investment. The costs in time, resources and capital involved in such activist investments depend on the circumstances, which are only in part within the Funds' control, and may be significant, particularly if litigation against the Funds and/or NMVA ensues. The expenses associated with an activist investment strategy, including potential litigation or other transactional costs, will be borne by the Funds. Such expenses may reduce returns or result in losses. NMVA may also pursue an activist role in effectuating corporate change with respect to an investment, either in conjunction with or separate from the Funds and/or the other private funds and accounts managed by New Mountain.

Engaged Role of the Fund. From time to time, the Funds may pursue, and the Co-Invest Funds will pursue, an engaged role in effectuating corporate change with respect to an investment. The costs in time, resources and capital involved in such activist investments depend on the circumstances, which are only in part within the Funds' control, and may be significant, particularly if litigation against the Funds and/or NMVA ensues. The expenses associated with an engaged investment strategy, including potential litigation or other transactional costs, will be borne by the Funds. Such expenses may reduce

returns or result in losses. NMVA may also pursue an engaged role in effectuating corporate change with respect to an investment, either in conjunction with or separate from the Funds and/or the other private funds and accounts managed by New Mountain.

The success of the Funds' engaged investment strategy may require, among other things: (i) that the target company's equity prices can be improved through corporate and/or strategic action; (ii) that the applicable Fund acquires sufficient shares of the securities of the target company at a sufficiently attractive price; (iii) a positive response by the management of the target company to shareholder engagement; (iv) a positive response by other shareholders to shareholder activism and the applicable Fund's proposals; and (v) a positive response by the markets to any actions taken by the target company in response to shareholder engagement. None of the foregoing can be assured to succeed. Corporate governance strategies employed by the Funds, too, may prove ineffective for a variety of reasons. Finally, the regulatory overlay, and consequently, risks, associated with activist, or even not entirely passive, investments is fundamentally different from the regulatory overlay that is applicable to purely passive investments.

De Minimis Commodity Interest Trading. Certain Funds will operate subject to U.S. Commodity Futures Trading Commission ("CFTC") Rule 4.13(a)(3), which, among other things, generally requires certain Funds to have de minimis commodity interest trading. Generally, the term "commodity interests" includes futures contracts, options on futures or retail off-exchange forex contracts, swaps (including mixed swaps), or investments in commodity pools. In the event that the exemption under CFTC Rule 4.13(a)(3) is modified or rescinded, absent an applicable exemption, NMVA and/or NMV GP, with respect to certain of its Funds, may elect or be required to register with the CFTC as a commodity pool operator.

Derivative Instruments/Hedging Strategies

The Funds use, directly and indirectly, various derivative instruments. However, subject to portfolio manager discretion, NMVA may exclude certain derivatives transactions from certain fund vehicles based on their respective investment objective, investor restrictions, or other considerations. Use of derivative instruments presents various risks which include the following:

Tracking. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent a Fund from achieving the intended hedging effect or expose the Funds to the risk of loss.

Liquidity. Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances so that in volatile markets a Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which a Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Fund to the potential of greater losses. There can be no assurance that a buyer will be available or a termination value will be immediately determinable if a Fund decides to sell or terminate a derivative instrument.

Leverage. Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by a Fund and could cause the Fund's net asset value to be subject to wider fluctuations than would be the case if the Fund did not use the leverage feature in derivative instruments.

Over-the-Counter Trading. Derivative instruments that may be purchased or sold by a Fund may include instruments not traded on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange.

Hedging Policies/Risks

NMVA may employ hedging techniques designed to reduce the risks of adverse movements in securities prices, interest rates, currency exchange and other factors. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for the Funds to hedge against an exchange rate, interest rate or equity price fluctuation that is so generally anticipated that the Funds are not able to enter into a hedging transaction at a price sufficient to protect the Funds from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

The success of the Funds’ hedging strategy will depend, in part, upon the Adviser’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds’ hedging strategy will also be subject to the Adviser’s ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates and other factors may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

Additionally, based on specific investor-imposed restrictions, certain of the Adviser’s vehicles may be excluded from certain investments, including those related to hedging and net exposure, which may cause disproportionate cash levels among such Fund vehicles. Further, the strategies relating to hedging and net exposure may also create some dispersion among the Fund vehicles with respect to specific investments. The Adviser manages its hedging and net exposure as it deems appropriate based on these restrictions, unless otherwise directed by investors in the Funds.

Similarly, subject to portfolio manager discretion, the Adviser may execute its hedging and net exposure strategies differently in Fund vehicles that are managed on an absolute versus relative basis. In making its decisions regarding the use of different hedging transactions in the absolute versus relative Fund vehicles, the Adviser will seek to execute its fiduciary duty by taking into account the following factors, among others: (1) the Fund’s overall equity market exposure; (2) the need to reduce or increase specific exposures; and (3) whether the cost of executing a hedging transaction in a relative Fund vehicle outweighs the perceived benefit. While not the intent of the Adviser, the use of different hedging strategies in the Fund vehicles may result in the Adviser and the General Partner receiving higher or lower management fees and incentive allocations, respectively.

Short Sales; Securities Lending

The Funds may sell securities short. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. In addition, a Fund may lend its securities. While the securities lending agreements generally will require that the loans be secured by collateral on a current basis equal in value to at least the market value of the loaned securities, a Fund is nonetheless exposed to credit risks to the extent that any counterparty to such lending arrangement defaults on its obligations to return the borrowed securities.

In addition, short sellers are subject to the risk of a “short squeeze.” A short squeeze is a situation in which the short seller is prematurely forced out of a short position at an unfavorable price. The lender of a security used to establish a short generally has the right to demand the return of the stock that has been loaned at any time. In such event, the Fund would be required to replace the borrowed securities by borrowing the securities from another lender. It generally is more difficult to find securities that can be borrowed in the case of small-cap and mid-cap issuers. If the Fund were unable to replace the borrowed securities, the broker may elect to close out the short sale by buying the security in the market in order to make delivery. In such event, the Fund could incur a significant loss if the security sold short has increased in value. In addition, the Fund also could be forced to close out a short sale prematurely as a result of an increase in margin requirements, coupled with an inability to provide the required additional margin on short notice.

Convertible Securities

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Fund’s ability to achieve its investment objective.

Small Capitalization Stocks

The Fund may invest a significant portion of its assets in the stocks of companies with small market capitalizations. While NMVA believes they often provide significant potential for appreciation, those stocks involve higher risks in some respects than do investments in stocks of larger companies.

Delayed Schedule K-1s

The Adviser does not expect to be able to provide final Schedule K-1s or equivalent tax forms to investors for any given fiscal year until after April 15 of the following year. Final Schedule K-1s or equivalent tax forms will not be available until the Funds have received all financial and other information necessary or desirable to prepare such reports and forms investors may be required to obtain extensions of the filing dates for their federal, state and/or local income tax returns.

Electronic Delivery of Certain Documents

Pursuant to the subscription documents entered into by investors, such investors will consent to electronic delivery (including email or posting on the Funds’ or the administrator’s intranet website or other internet service in accordance with the partnership agreement) of (i) any notices or

communications required or contemplated to be delivered to the investor by the Funds, the Adviser, or the Administrator pursuant to applicable law or regulation [including, without limitation, the Investment Advisers Act of 1940 (the “Advisers Act”) and the U.S. Gramm-Leach-Bliley Act, as amended], at the option of the person making such delivery, and (ii) notices, requests, demands or consents or other communications and any financial statements, letters to investors, annual audited financial statements; tax forms (including Schedule K-1s (if applicable)), current and future account statements, Subscription Documents and the partnership agreement (including all supplements and amendments thereto), other information, documents, data and records regarding the investors investment in the Funds, reports, schedules, certificates or opinions required to be provided to the investor under the partnership agreement or under any other agreement that may be applicable to an investor’s investment in the Funds. There are certain risks (e.g., slow downloading time and system outages) associated with electronic delivery. Moreover, none of the Adviser, the Funds, or the administrator can provide any assurance that these communication methods are secure and will not be responsible for any computer viruses, problems or malfunctions resulting from any computer viruses or related problems that may be associated with the use of an internet-based system. None of the Adviser, the Funds, or the administrator will be liable for any interception of documentation delivered electronically.

Commodities Investments

The prices of commodities contracts, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, and trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the underlying commodities. In addition, the Fund’s assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or counterparties. Furthermore, as a result of low margin deposits normally required in futures trading, a relatively small adverse price movement in a futures contract may result in substantial losses relative to the initial margin employed.

Risks Related to Synthetic Assets

A Fund may acquire exposure to the risk of certain investments indirectly by entering into derivatives transactions. Generally, a Fund will have a contractual relationship only with a counterparty, and not with any issuer of equity. In the event of the insolvency of the counterparty, a Fund will be treated as a general creditor of the counterparty, and will not have any claim of title with respect to the equities. Consequently, the Fund will be subject to the credit risk of the counterparty, as well as that of the issuer. Synthetic assets are expected to be less liquid and not as tradable as other collateral obligations and may be subject to more variability between their market value and actual sale price of the underlying equity than other collateral obligations so that in volatile markets a Fund may not be able to close out a position without incurring a loss.

Highly Volatile Markets; FX Risk

Price movements of forwards, futures, derivative contracts and other financial instruments in which the Funds’ assets may be invested can be highly volatile and are influenced by, among other things,

interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert. Among the other factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Adviser may try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective. The Funds may make certain speculative investments in currencies which the Investment Adviser believes to be undervalued; however, there are no assurances that the currencies purchased will in fact be undervalued. In addition, the Funds may be required to hold such currencies for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' assets will be committed to the currencies purchased, thus possibly preventing the Funds from investing in other opportunities.

Broker or Dealer Insolvency

The Funds' brokers, dealers or custodians will generally have custody of the Funds' securities, cash, distributions and rights accruing to its securities accounts. SEC rules require the prime brokers, dealers and custodians (the "Prime Servicer") to maintain physical possession and control of fully paid securities held in a customer's account and to establish certain reserves for the benefit of customers. However, subject to these limitations, the Prime Servicers generally have the ability to loan, pledge, and rehypothecate the securities in the account of the Funds, as is typical market practice, and may have insufficient assets to meet all of their obligations to customers in the event of an insolvency of the Prime Servicers. In such an event, the Funds would typically not have a right to recover its securities held by the Prime Servicers, but would rather have only an unsecured claim against the Prime Servicers and participate pro rata with other customers of the Prime Servicers in the proceeds of the sale of customer securities. Also, even if the Prime Servicers do have sufficient assets to meet all customer claims, there could be a delay before the Funds receive assets to satisfy its claims. NMV GP may not be able to identify potential solvency concerns with respect to its Prime Servicers or to transfer assets from one Prime Servicer to another Prime Servicer in a timely manner.

Effect of Substantial Withdrawals

In the event that there are substantial withdrawals from the Funds, in order to provide sufficient funds to pay withdrawals, the General Partner might be required to liquidate positions at an inappropriate time or on unfavorable terms, and the liquidation of a portion of a position may have an adverse effect on the market price of the remaining portion of the position. In the event that there are substantial withdrawals on any date, the General Partner may be impaired in its ability to pursue its investment strategies due to the reduced amounts of assets under management. For example, withdrawals may impair the Funds' ability to exert influence over portfolio companies or effectively exercise shareholder rights.

Litigation

New Mountain engages in a broad variety of activities on a global basis in respect of its managed funds, accounts and portfolio companies. These activities have and may in the future subject New Mountain to risks of becoming involved in litigation by third parties or may subject New Mountain to investigations or proceedings initiated by governmental authorities. It is difficult to determine what impact, if any, such litigation may have on New Mountain and the Funds. As a result, there can be no assurance that the foregoing will not have an adverse impact on New Mountain or otherwise impede the Funds' ability to effectively achieve its objectives.

Tax Consequences

The Internal Revenue Service may audit the Funds and challenge any of the positions taken in regard to its formation, its investments or operations, and such audit may result in an audit of an investor's own tax returns and possibly adjustments to the tax liability reflected thereon.

Each investor that is subject to U.S. tax will be required to take into account its distributive share of all items of the Funds' income, gain, loss, deduction and credit, whether or not distributed. The Funds do not expect to make regular cash distributions to investors (other than distributions that the General Partner may in its sole discretion decide to make). Further, an investor may not be permitted to withdraw all or a portion of its interests in order to generate cash distributions sufficient to satisfy its tax liability with respect to its share of the Funds' profits. Accordingly, each investor should ensure that it has sufficient cash flow from other sources to pay all tax liabilities resulting from such investor's ownership of interests.

Operational and Systems Risks

The Funds and the Investment Adviser will use various programs and systems in trading, clearing and settling securities transactions, to evaluate certain securities to monitor its portfolio, and to generate risk management and other reports for the Funds' activities. The Funds have delegated to the Investment Adviser the development of appropriate systems and procedures to control operational risk. In addition, certain of the Funds' and the Investment Adviser's operations interface with or depend on systems operated by third parties including its administrator, prime brokers and market counterparties and their sub-custodians and other service providers, and the Funds or Investment Adviser may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to defects, failures or interruptions, including those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Funds. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Funds' ability to monitor its investment portfolio and its risks. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Fund's operations may cause the Funds to suffer financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention or reputational damage.

Cybersecurity

The Funds, the Investment Adviser, and their respective service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the

technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to the Funds or individual investors by interfering with the processing of investor transactions, affecting the Funds' ability to calculate net asset value or impeding or sabotaging trading.

The Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose both the Funds and the Investment Adviser (which in turn will be under most circumstances entitled to indemnity from the Funds) to civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from the Funds. Investors could also be exposed to losses resulting from unauthorized use of their personal information. While the Investment Adviser has implemented various measures to manage risks associated with cybersecurity breaches, including establishing business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which the Funds invest, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing the Funds' investment in such securities to lose value.

Potential Conflicts of Interest

Investors should be aware that there will be occasions when NMVA and its affiliates may encounter potential conflicts of interest in connection with the Funds, including with respect to other investment vehicles and relationships and allocations of investment opportunities, allocation of personnel, diverse investor group, conflicts of interest related to performance based allocations and being in possession of material non-public information which may restrict the ability of NMVA to enter into certain transactions. Investors should review the offering documents of the applicable Fund, as well as the disclosures contained herein, to understand the potential conflicts of interest associated with an investment in such Fund.

In addition, there are four advisory affiliates of NMVA (the "Affiliated Advisers"). One advisory affiliate manages private equity funds that generally invest in private companies; another advisory affiliate advises NMFC, private credit funds and other vehicles. NMFC itself is a publicly traded business development company that invests primarily in debt, but may also acquire equity investments in middle-market companies, and is the third advisory affiliate which manages NMFC's senior loan program. This third advisory affiliate may also invest in debt and acquire equity investments in middle-market companies. The fourth advisory affiliate serves as the investment adviser and collateral manager to a collateralized loan obligation ("CLO") strategy.

Subject to restrictions in the applicable Fund Governing Documents, New Mountain may raise other public and private funds and other investment vehicles in the future and such funds may from time-to-time make investments that would be suitable for the Funds. In particular, certain debt investments that the Funds would otherwise be able to make may be allocated to New Mountain's Credit Strategy. In addition, there may be circumstances when NMC has considered a potential private equity investment in a portfolio company on behalf of an affiliated fund, has determined not to make such private equity investment and an investment is eventually made in such portfolio company by the existing Fund, New Mountain's Credit Strategy or other investment vehicles sponsored by the Firm. In these circumstances, the Investment Adviser or Funds (or their affiliated advisers and/or funds) benefit from research by New Mountain's investment team and/or from costs borne by the applicable fund in pursuing the potential portfolio investment but will not be required to reimburse the Fund for expenses incurred in connection with such investment. Other New Mountain strategies and clients would also benefit from research undertaken by the Investment Adviser on behalf of Clients but will not be required to reimburse the Investment Adviser or Funds for such efforts.

Further, a Fund will enter into side letters or similar written agreements with particular investors with respect to the Fund without the approval of any other investors, which would have the effect of establishing rights under, altering or supplementing the terms of the Fund's Governing Documents with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Any rights established, or any terms of the Fund's Governing Documents altered or supplemented in a side letter or similar written agreement with an investor will govern solely with respect to such investor notwithstanding any other provision of the Fund's Governing Documents. Such rights or terms in any such side letter or written similar agreement may include, without limitation: (i) fee arrangements with respect to such investor; (ii) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments); (iii) reporting obligations of NMV GP; (iv) waiver of certain confidentiality obligations; (v) consent of NMV GP to certain transfers by such investor; (vi) special rights with respect to co-investment opportunities; or (vii) rights or terms necessary in light of particular legal, tax, regulatory, or public policy characteristics of an investor including withdrawal rights in respect of political contribution, gift and other similar policies or restrictions established by investors affiliated with a government entity or agency.

The Affiliated Advisers and their private equity portfolio companies have relationships with, render services to, invest in or engage in transactions with issuers of obligations and securities that may be suitable investments for the Funds. Because of such relationships, there will be certain investments or dispositions of investments that NMVA will decline to, or be unable to, make. The Affiliated Advisers will be under no obligation to decline any engagements or investments in order to make an investment opportunity available to the Funds.

Similarly, the portfolio companies managed by NMVA's Affiliated Adviser, NMC, transact business with (or otherwise provide services and/or products to) one another. Those same portfolio companies also transact business with NMVA, its Affiliated Advisers, funds, employees and/or senior advisors. Such arrangements will generally be negotiated and executed at arm's length, but certain factors may lead a portfolio company to pay higher fees in connection with the services and/or products provided as compared to other similar providers. Those factors include, without limitation, the complexity of the services and/or products being provided, the reputation of the portfolio company in providing such services and/or products, and the ability of the portfolio to meet specified time, budget or other

constraints. New Mountain expects to be presented with investment opportunities that can be pursued either through privately negotiated transactions or through open market purchases. New Mountain will have discretion in determining whether an opportunity is more appropriately pursued in one manner.

All opportunities to make open market purchases (whether on a securities exchange, through a block trade or otherwise) of equity securities traded on securities exchanges that are within the Funds' investment strategy that are identified by NMV GP, any affiliate or their respective directors, officers or employees, will first be offered to the Funds,; *provided*, that the foregoing shall not apply to passive personal investments by NMVA personnel. For the avoidance of doubt, (i) the foregoing shall not apply to purchases of public equities in privately negotiated transactions or tender offers or open market purchases of securities of a portfolio company of New Mountain private equity funds or their successor funds, and (ii) the foregoing shall not require any senior advisor or outside consultant, or any person controlled by any of them, to allocate to the Fund any investment opportunity which is otherwise suitable for the investments funds controlled by each of them, respectively.

Except as otherwise provided herein and in the agreements for the Clients: (i) where there is a limited supply of a security or another asset, NMV GP and NMVA will use their best efforts to allocate or rotate investment opportunities in a manner deemed equitable, but neither can assure, and assume no responsibility for, equality among all of their accounts and customers; (ii) NMV GP and NMVA and their affiliates may engage in transactions or investments or cause or advise other customers to engage in transactions or investments which may differ from or be identical to the transactions or investments engaged in or advised upon by NMV GP and NMVA for the Funds; (iii) NMV GP and NMVA do not have any obligation to engage in any transaction or investment for the Funds or to recommend any transaction to the Funds which NMV GP and NMVA or their affiliates may engage in for their own accounts or the account of any other customer except as otherwise required by applicable law; and (iv) to the extent permitted by law, NMV GP is permitted to bunch or aggregate orders for the Funds. New Mountain's senior advisors and outside consultants and persons controlled by them are not required to allocate to the Funds any investment opportunity which is otherwise suitable for investment funds controlled by any of them.

Allocation of Personnel

NMVA will cause their personnel to devote such time as they deem in good faith to be reasonably necessary to conduct the business affairs of the Funds. Although New Mountain has in place a dedicated team of investment professionals devoted exclusively to business affairs of the Funds, certain investment professionals of New Mountain have substantial other responsibilities in addition to their responsibilities to the Funds, in connection with New Mountain's private equity funds and the Firm's other activities, and are not required to devote any particular portion of their time to the affairs of the Funds. Conflicts in the allocation of management resources may arise as a result of New Mountain's other activities.

Diverse Investor Group

Fund investors, including NMV GP, may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of investors may relate or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by NMV GP and NMVA, including with respect to the

nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, NMV GP and NMVA will consider the investment and tax objectives of the Funds and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Performance-Based Allocation

NMV GP's performance-based allocations may result in substantially higher payments to New Mountain than alternative arrangements in other types of investment vehicles. The existence of the performance-based allocation may create an incentive for NMV GP and/or NMVA to make investments that are more speculative than would be the case in the absence of such performance-based compensation. NMV GP may receive a performance-based allocation in respect of unrealized appreciation of the Fund's investment portfolio.

Service Providers

The service providers or their affiliates (including, but not limited to, any administrators, lenders, brokers, attorneys, consultants and investment banking firms) of the Funds, NMV GP, NMVA, New Mountain (or any of their affiliates) may be investors in the Funds, sources of investment opportunities, co-investors or counterparties therewith. This may influence NMV GP in deciding whether to select such a service provider. Investment transactions for the Funds that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services, research and other services that NMV GP believes to be of benefit to the Funds.

Use of Consultants and Senior Advisors

It is anticipated that NMV GP may, from time to time, retain, or otherwise engage, certain consultants and/or senior advisors. While certain investment decisions may be made in reliance on the advice of such consultants and/or senior advisors, the Investment Adviser is ultimately responsible for the investment decisions of the Funds. There can be no guarantee that the use of consultants and/or senior advisors will have a positive impact on the performance of the Funds and, in certain instances, the Funds' performance may be negatively impacted.

Related Party Transactions

The Funds may borrow money from affiliates of NMV GP and NMVA. NMV GP will approve such transactions only on terms no less favorable to the Funds than could be obtained from an individual third party in an arm's-length transaction. NMV GP may (but is not obligated to) consult with a Fund's advisory committee in connection with such a determination, which will act as the agent for such Fund to give or withhold any consent of such Fund required under applicable law, and each investor is deemed to have consented to this arrangement.

Co-Investments with Third Parties

The Funds may co-invest with third parties through joint ventures or other entities. Such investments

may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment; may have economic or business interests or goals that are inconsistent with those of the Funds; or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. In those circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the Funds.

Co-investors typically bear their *pro rata* share of various fees, costs and expenses related to the their co-investments and may be required to pay their pro rata share of fees, costs and expenses related to their potential co-investments that are not consummated, such as reverse breakup fees or broken deal costs. To the extent co-investors do not agree to or do not otherwise bear fees, costs and expenses related to unconsummated co-investments, or if a Fund seeks to, but is unable to sell or dispose of a portion of the Fund's interest in a portfolio investment to co-investors, then it is expected that such fees, costs and expenses will be borne by that Fund.

Material, Non-Public Information

By reason of their responsibilities in connection with their other New Mountain activities, as well as their other outside activities (*e.g.*, corporate board participation), New Mountain's personnel and senior advisors may acquire confidential or material non-public information, which will restrict the Funds from initiating or otherwise transacting in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds would not be able to initiate a transaction that it otherwise would have initiated and would not be able to sell an investment that it otherwise might have sold, which may result in financial loss or lost opportunities to the Funds.

Public Health Risk

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

Cayman Islands Placed on European Union (EU) List of Non-Cooperative Jurisdictions

On February 18, 2020, it was announced that the Cayman Islands has been placed on the EU's list of non-cooperative jurisdictions for tax purposes. The Cayman Islands government issued a press release on February 18, 2020 affirming that the jurisdiction introduced appropriate legislative changes on February 7, 2020 relating to the EU's criteria, but that the listing appears to stem from such legislation not being enacted by February 4, 2020, which was the date of the EU's Code of Conduct Group meeting to advise the EU Finance Ministers prior to the Finance Ministers' decision regarding the listing on February 18, 2020. The Cayman Islands government press release states that the Cayman Islands remains fully committed to cooperating with the EU and will continue to constructively engage with them with the view to be delisted as soon as possible. It is unclear as to whether the Cayman Islands being placed on such list will have a significant, or any, effect on a Fund, any feeder vehicle or alternative investment vehicles, their respective investors, or a Fund's investments. There can be

no assurance that the Cayman Islands will be delisted, or that being placed on such list (and any subsequent legislative actions related thereto) will not have a materially adverse effect on a Fund, any feeder vehicle or alternative investment vehicles, a Fund's investments or investors, particularly those residing or domiciled in the EU.

United Kingdom Exit from the European Union

The United Kingdom ("UK") and the EU agreed to the text of a withdrawal agreement on October 17, 2019 to enable the UK to leave the EU on January 31, 2020 with an implementation period lasting until at least December 31, 2020. This agreement was subsequently ratified by the UK government on January 23, 2020 and the European Parliament on January 29, 2020, and the UK formally left the EU on January 31, 2020. During the implementation period, EU law continues to apply in the UK and the UK maintains its EU single market access rights (including passport rights) and EU customs union membership. The UK government has stated its intention that the implementation period will last only until December 31, 2020.

Even though a withdrawal agreement has been ratified and an implementation period has been secured, UK regulated firms and other UK businesses could still be adversely affected by the terms ultimately agreed for a future trading relationship with the EU. A tariff or non-tariff barrier, customs checks, the inability to provide cross-border services, changes in withholding tax, restrictions on movements of employees, restrictions on the transfer of personal data, etc., all have the potential to materially impair the profitability of a business, require it to adapt, or even relocate.

In the event that the implementation period expires without any agreement being made for a future trading relationship between the UK and the EU, the UK will become a third country, with no special status, vis-à-vis the EU. As a third country, the UK will cease to have access to the single market and will no longer be a member of the EU customs union. The cross-border trade in goods between the UK and EU member states will, in such circumstances, depend on any multilateral trade agreements to which both the EU and the UK are parties (such as those administered by the World Trade Organization) and the provision of services by UK firms will be generally restricted to those that could be provided by firms established in any third country.

Without assurance as to whether any future trading relationship between the UK and the EU will be agreed, and as to the terms of any such relationship, many businesses may be unable to postpone executing their contingency plans. Contingency planning for some businesses involves re-establishing the business in another member state of the EU, moving personnel and, if applicable, moving capital and seeking authorization from the local regulator – all of which are costly, disruptive and potentially inefficient if a business presence is also required in the UK.

Although it is probable that any adverse effects of the UK's withdrawal from the EU will principally affect the UK (and those having an economic interest in, or connected to, the UK), given the size and global significance of the UK's economy, unpredictability about the terms of its withdrawal and its future legal, political and/or economic relationships with the EU (and countries outside the EU) is likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The withdrawal of the UK from the EU could therefore adversely affect the Partnership, its investment funds and its fund Portfolio Entities. In addition, although it seems less likely now than at the time of

Britain's referendum, the withdrawal of the UK from the EU could have a further destabilizing effect if any other member states were to consider withdrawing from the EU, presenting similar and/or additional potential risks and consequences for the Funds.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in a Fund. Investors should review the offering documents of the applicable Fund, as well as the disclosures contained therein, to understand the potential conflicts of interest associated with an investment in such Fund. There can be no assurance that New Mountain will resolve all conflicts of interest in a manner that is favorable to its Clients. In addition, as the Fund's investment program develops and changes over time, an investment in the Fund may be subject to additional and/or different risk factors than those described in this document.

9. Disciplinary information

NMVA and its management persons have not been involved in any legal or disciplinary events that would be material to a Client's or prospective client's evaluation of NMVA's advisory business or the integrity of its management.

10. Other Financial Industry Activities

Special Purpose GP

NMV GP serves as the general partner to each of the domestic Private Funds. The principal owner of NMVA is also the managing member of NMV GP. NMVA serves as the investment adviser and/or investment manager and is responsible for the management of the Private Funds' respective assets.

Affiliated Advisers

The Affiliated Advisers are advisory affiliates of NMVA and serve as the respective managers to private equity funds, a publicly traded business development company (NYSE: NMFC), private credit funds, a senior loan program, a CLO strategy, and other vehicles. Each of the Affiliated Advisers is separately registered with the SEC pursuant to the Advisers Act. Affiliates of the Affiliated Advisers and of NMVA serve as the general partners of the private equity funds. Although the investment strategies of the Private Funds and UCITS Funds managed by NMVA are different from the strategies of the vehicles managed by the Affiliated Advisers, NMVA expects to rely heavily on the extensive expertise and industry relationships developed by the employees and senior advisors of the Affiliated Advisers to identify and evaluate potential investment opportunities for NMVA Clients.

NMVA and/or its affiliates will utilize products and services – including discounted products and services -- provided by affiliated portfolio companies.

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

Code of Ethics/Personal Trading

NMVA has adopted a formal code of ethics and insider trading policies and procedures (the “Code”) to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act, as amended, (“Rule 204A-1”). For purposes of Rule 204A-1, all New Mountain employees are designated as “access persons” (“Access Persons”). Based on relevant risk-based assessments, NMVA also designates certain non-employee consultants, including New Mountain senior advisors ¹, as Access Persons for purposes of Rule 204A-1.

Rule 204A-1 requires NMVA to adopt a code of ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of NMVA’s Access Persons. Policies and procedures have been adopted to ensure compliance with the provisions of the Code, including pre-approval of personal securities transactions and a 60-day holding requirement for all positions requiring pre-approval, annual affirmations of compliance (such as disclosure of disciplinary history, conflicts of interest, etc.) and regular reviews of holdings and transactions. NMVA and its Access Persons are generally not permitted to trade in securities maintained on the Firm’s restricted list except in some very limited circumstances that require pre-approval by the Chief Compliance Officer (or a Compliance Representative). NMVA has retained ComplySci-PTCC, a third-party technology vendor, to assist Compliance in the periodic review of all Access Persons’ brokerage statements and other related investment reports.

Further, the principals of NMVA, its employees, and New Mountain senior advisors may sit on boards of public companies, including those in which the Funds are invested. Board service is subject to the approval of NMVA to allow Compliance to identify any actual or potential conflicts.

By reason of their responsibilities in connection with their other New Mountain activities, NMVA

¹ Generally, New Mountain senior advisors are similar to “Operating Partners” who provide general or specific industry expertise on particular projects or transactions. A majority of New Mountain’s senior advisors are designated as “access persons” pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, (the “Advisers Act”) and are subject to New Mountain’s Code of Ethics, which therefore allows them to be fully included in New Mountain’s investment reviews. Based on a variety of factors, certain senior advisors are designated as “non-access persons” and are not subject to New Mountain’s Code of Ethics, which results in more limited or specialized roles. There is no guarantee that New Mountain will continue to employ or engage these senior advisors, and New Mountain may hire or engage additional senior advisors in the future, who may be full time employees, or consultants. Where engaged as the latter, based on individual circumstances, these individuals may, at New Mountain’s discretion, be designated as either “access” or “non-access” for purposes of Advisers Act Rule 204A-1. Similar to New Mountain employees, New Mountain senior advisors may, in connection with activities related or unrelated to New Mountain, also serve as directors of unaffiliated public companies. Senior advisors may also hold senior management or operating positions at portfolio companies advised by one or more affiliates. In these instances, directors’ fees paid to senior advisors do not offset the management fees payable by investors in the Funds, unless such Senior Advisor is employed as a full time employee of New Mountain. Senior advisors may also receive compensation from portfolio companies for serving in portfolio company roles (such as serving on boards of directors or as executive management), which do not offset management fees. This compensation may include salary, benefits, directors’ fees, stock options and other compensation granted or paid by portfolio companies to senior advisors for serving in portfolio company roles or any salary, benefits, directors’ fees, stock options and other compensation granted or paid by portfolio companies to other personnel of any NMC general partner or the Adviser who serve in a bona fide management capacity at any such portfolio company. New Mountain may reduce the compensation paid by the Investment Adviser to senior advisors who serve in portfolio company roles or to other personnel who serve in a bona fide management capacity at a portfolio company.

personnel will acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. NMVA will not be free to act upon any such information. Due to these restrictions, NMVA will not be able to initiate a transaction that it otherwise might have initiated and will not be able to sell an investment that it otherwise might have sold.

A copy of NMVA's Code will be provided to any investor or prospective investor upon request.

Participation or Interest in Client Transactions

At times, NMVA may invest Client assets in investment vehicles in which its related persons may have a business relationship or may have an investment position, which could be viewed as giving rise to a conflict of interest. However, it is NMVA's policy that no such investments will be made unless NMVA determines that the investments are in the best interests of the Clients and NMVA has ensured that such investments are made in compliance with its insider trading policy and are consistent with its fiduciary duties.

Section 206(3) of the Advisers Act places restrictions on NMVA's ability, acting for its own account (or the account of an affiliate) to buy a security from, or sell a security to, a Client's account. Such a transaction is known as a "principal transaction." Section 206(3) of the Advisers Act requires an investment adviser to provide written disclosure to a client and obtain the client's consent prior to settlement of any "principal transactions." Although there are currently no such funds, NMVA would only allow principal transactions in Funds subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), as permitted by ERISA..

Occasionally, and generally for the purpose of rebalancing, NMVA may engage in "cross transactions," which occur when a transaction is affected directly between two or more of NMVA's Private Funds. Cross transactions may benefit Clients because they can avoid transaction fees. They also create conflicts of interest because, by not exposing buy and sell transactions to market forces, clients may not receive the benefits of best price, or, an adviser might seek to prop up the performance of one Client by selling under-performing assets to another client in order, for example, to earn higher fees. It is NMVA's policy when purchasing a security for one of the Private Funds from the account of another of the Private Funds, for purposes of rebalancing fund investments or any other purpose, to determine independently for each Private Fund that such purchase or sale would be appropriate based on the Private Fund's investment/risk parameters, assets under management, liquidity and portfolio exposure, and that no Fund was favored over another as a result of the cross transaction(s) (including with respect to pricing). All "cross trades" must be approved by Compliance.

Affirmative obligations may exist or may arise in the future whereby NMVA and/or its affiliates are obligated to offer certain investments to funds or other clients that they manage or advise, or whereby, based on an investor restriction, NMVA is prohibited from offering certain investments to certain Funds it advises. Absent such obligations, NMVA and/or its affiliates may make an investment on behalf of any client that it advises without offering the investment opportunity to any other client. Additionally, neither NMVA nor any of its affiliates is under any obligation (a) to offer investment opportunities of which it or they become aware to its or their clients or (b) to inform it's or their clients of any investment before offering such investment to other funds or clients that NMVA and/or its affiliates manage or advise. NMVA will endeavor to resolve any conflict with respect to investment opportunities in a manner that it deems equitable under the facts and circumstances, consistent with

its fiduciary duties.

Trade Errors

NMVA has adopted a policy for the purpose of minimizing and addressing trade errors that may arise, from time to time, with respect to the securities transactions that are executed on behalf of its Clients. Pursuant to the policy, individuals identifying a trade error must report the error to Compliance. Examples of trade errors include, without limitation, the purchase or sale of wrong or unintended securities or an incorrect number thereof, the purchase or sale of securities for the wrong or unintended account and/or the allocation of the wrong or unintended number of securities. In the case of trade errors involving a loss, Compliance may consult with outside legal counsel to determine whether the loss should be borne by the Clients or NMVA.

12. Brokerage Practices

NMVA has authority to determine, without first obtaining specific client consent, the type and amount of securities to be bought or sold, the broker or dealer used and the commission rates paid. In making its decisions regarding the allocation of brokerage transactions for its Clients, NMVA seeks to obtain the best execution, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are affected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer; (iv) the quality, comprehensiveness and frequency of available research services considered to be of value to NMVA and its clients; (v) the value of brokerage services over and above trade execution provided to NMVA and its clients; (vi) the competitiveness of commission rates in comparison with other broker-dealers satisfying NMVA's other selection criteria; and (vii) any other factors NMVA considers to be in the best interest of its Clients. Although NMVA generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Among other reasons, transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Additionally, NMVA may receive an economic benefit by having fees waived or by not being charged for utilizing specialized services, which may include investment adviser electronic information downloads, access to specialized institutional brokerage trading and customer service teams, and/or specialized batched statements. NMVA believes that by utilizing these services, NMVA is able to more efficiently manage its Clients and execute its fiduciary duties in connection therewith.

Research and Other Soft Dollar Benefits

NMVA may allocate portfolio transactions to brokers that pay some or all of the costs of brokerage and research services which are of benefit to NMVA and its Clients. NMVA accepts products or services that may be considered soft dollar benefits but will only do so within the parameters of the safe harbor of Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Additionally, NMVA has entered into agreements with broker dealers and other third parties to provide research paid for with "hard dollars."

NMVA may purchase and sell securities through brokers that provide research, statistical and other information, although not all Clients may be the direct beneficiaries of the research services provided in each instance. Research furnished by brokers may include, but is not limited to, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts.

Broker Selection

In selecting a broker, NMVA makes a good faith determination that the amount of such transaction fee charges is reasonable in comparison to the value of the research services provided and that such research benefits its Clients (or together with other Clients managed by NMVA) for which securities

transactions are placed. NMVA's acceptance of research from brokers is done in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

The use of brokerage commissions (or markups or markdowns) to obtain research or other products or services could be viewed as a benefit to NMVA since it does not have to pay for such research, products or services. As a result, NMVA could be viewed as having an incentive to select a broker-dealer based on such interest, rather than on the Clients' interest in receiving best execution. However, as discussed above, NMVA seeks to obtain the best execution with respect to brokerage transactions and will conduct a formal review of best execution no less than semi-annually through its Brokerage Committee, which oversees NMVA's brokerage practices.

Certain Clients may and will bear more or less of the costs of soft dollar or other research than other Clients who benefit from such products or services. These research products or services may and will also benefit and be used to assist clients of NMVA's investment advisory affiliates. Furthermore, research relating to both long and short positions will benefit any or all Clients, regardless of their strategy.

Services obtained partially or fully through "soft dollars" will be paid using a "pay on demand" daily or monthly approach using a reasonable allocation method (generally based on weighted asset size or trade allocation) between Clients as needed as permitted within the applicable Governing Documents of the Clients.

Brokerage for Client Referrals

The broker-dealers that have entered into prime brokerage arrangements with NMVA may occasionally provide NMVA with introductions to potential investors. NMVA does not compensate these broker-dealers based on such introductions. However, a broker-dealer's ability to provide NMVA with introductions could be a determining factor in NMVA's decision to enter into certain prime brokerage arrangements. Notwithstanding, such ability is not a factor for NMVA when selecting a broker for any specific transaction or series of transactions.

Block Trades

NMVA will generally aggregate Client securities transactions with those of other Clients that are being made simultaneously if NMVA believes aggregation is reasonably likely to result in an overall economic benefit to its Clients in the aggregate. This belief is based on an evaluation that Clients are benefited by relatively better purchase and sale prices, lower commission expenses, beneficial transaction timing and other similar factors. Purchase and sale orders may be combined with each entity paying its proportionate share of the total commission and paying or receiving its proportionate share of the total cost or sales proceeds. If NMVA does not aggregate a Client's transactions, each Client may be competing for similar positions and, depending on whose order is placed first, the difference in timing may result in some clients receiving better execution than others.

13. Review of Accounts

Client accounts are monitored on a daily basis by Portfolio Management, Operations, and Trading staff, and are also subject to a more detailed review on a monthly basis by the Managing Director, Operations and Operations and Finance departments. These reviews are designed to monitor for compliance with applicable regulatory requirements, investment guidelines, and risk management policies. The Compliance department also performs a variety of periodic (daily, quarterly, etc.) account reviews as part of regular monitoring and surveillance, and as part of the Investment Adviser's Rule 206(4)-7 annual compliance program review. Additionally, ad hoc account reviews may be triggered by unusual activity or special circumstances.

Investors in the Private Funds receive an annual report, which includes audited financial statements (see Item 15 – “Custody”, below) and have access to a monthly report which includes a statement of the net asset value of the investor's interest through the Private Fund's independent administrator.

14. Client Referrals and Other Compensation

A. Client Referrals

In the past, the certain Private Funds have entered into agreements with placement agents or finders to solicit or find investors in accordance with applicable state and local laws, and U.S. SEC rules and regulations. NMVA will generally bear the economic responsibility for any fees, commissions, expenses or other compensation payable to such placement agents or finders as a result of such investor's subscription to the Private Fund; provided that the Private Fund may pay such amounts and the Management Fee charged to such investor will be reduced by an amount equal to all placement agent and/or finders' fees paid by the Private Fund attributable to such investor's subscription (which will be specially allocated to such investor). If a placement agent is engaged, prospective investors should be aware when making an investment decision that any placement agent will typically receive a placement fee from the Private Funds or an affiliate that is based on the investor's subscription amount and, as a result, may face a conflict when recommending to an investor to invest in the Private Funds.

In the past, NMVA's affiliates have caused their respective Private Funds to pay placement agent fees to third parties for referring prospective investors to it and may also do so in the future. In those instances, any placement fees paid by a Private Fund to third parties will be offset against the asset-based management fee with respect to such Private Fund, as discussed under Item 5 – "Fees and Compensation" above.

As part of the investment management agreements for one or more of the UCITS Funds, NMVA has agreed to a certain fee reductions related to the sourcing of investors by the third party manager.

B. Other Compensation

NMVA does not receive any economic benefit (including commissions, equipment, or non- research services) from a non-Client for providing investment advice or other advisory services to the Client.

15. Custody

All Client assets are held in custody at unaffiliated qualified custodians; however, NMVA is deemed to have custody of Client funds and securities in the Private Funds as it has the authority to obtain Client funds or securities as an investment manager or general partner of its Clients.

Each Private Fund is subject to an annual audit by an independent auditor, and Private Fund financial statements are audited in accordance with generally accepted accounting principles. Audited financial statements are generally distributed to investors within 90 days of the applicable Private Fund's fiscal year end, pursuant applicable governing documents. As noted above in Item 13 – "Review of Accounts", for the periods prior to the distribution of the audited financial statements, fund administrators also provide each Private Fund investor with access to reports which includes a statement of the net asset value of the investor's interest.

Investors in the UCITS Funds receive the applicable UCITS Fund's financial statement in an annual report provided directly by the applicable third party manager.

16. Investment Discretion

NMVA exercises discretionary investment authority over the assets of its Clients.

For its Private Funds, NMVA's discretion is generally limited only by (i) the investment guidelines set forth in the applicable Governing Documents and (ii) applicable regulations.

NMVA typically receives broad security-selection discretion with respect to the UCITS portfolios it manages but must select securities that comply with (i) the applicable policies set forth in the UCITS Fund's Governing Documents, (ii) the investment guidelines for each UCITS Fund, and (iii) the regulatory requirements and restrictions applicable to those entity-types. Additionally, NMVA's selection of counterparties and brokers may be limited by those policies, guidelines, and rules.

17. Voting Client Securities

NMVA has the authority to vote proxies on behalf of all of its Clients. NMVA has adopted a proxy voting policy to comply with Rule 206(4)-6 under the Advisers Act, Rule 30b1-4 under the 40 Act and other fiduciary obligations. The Policy has been designed to ensure that New Mountain votes proxies in the best interest of its clients.

NMVA's policy is to make voting decisions in the best interest of its Clients. In fulfilling its fiduciary obligations pursuant to this policy, NMVA will act in a manner deemed to be prudent and diligent and which is intended to enhance the economic value of the underlying securities held by the Client.

In voting Client proxies, NMVA will seek to avoid material conflicts of interest between the interests of NMVA on the one hand and the interests of its clients on the other. NMVA will take steps to detect and address conflicts of interest between the interests of its clients and the interests of the Firm, its employees, and its affiliates and affiliate employees. The Portfolio Manager and Operations staff will be responsible for escalating any conflicts of interest to Compliance. Compliance will be responsible for determining the proper course of action for handling the conflict, and may resolve such conflict by relying on the recommendation of a disinterested third-party, seeking the direction of the affected client, or abstaining from voting. Any conflicts escalated to Compliance will be documented along with the course of action taken to resolve such conflicts.

A copy of NMVA's proxy voting policies and procedures is memorialized in writing and is available for review upon request. Information on how NMVA voted proxies is also available upon request to: Joseph Hartswell, Chief Compliance Officer, New Mountain, 787 7th Avenue, 49th Floor, New York, NY 10019.

18. Financial Information

NMVA is not required to provide a balance sheet, is not aware of any financial condition that is expected to affect its ability to manage Client accounts and has never filed for bankruptcy.