

**Form ADV Part 2A: FIRM BROCHURE**



Linden Manager LLC  
150 North Riverside Plaza  
Suite 5100  
Chicago, IL 60606

(312) 506-5600 (phone)  
(312) 506-5601 (facsimile)

[www.lindenllc.com](http://www.lindenllc.com)

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This Brochure provides information about the qualifications and business practices of Linden Manager LLC (referred to herein as “Adviser”, the “Firm” or “Linden” d/b/a “Linden Capital Partners” and “Linden LLC”). If you have any questions about the contents of this Brochure, please contact us at (312) 506-5600. 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.

Linden is a registered investment adviser. Registration of an investment adviser with the SEC does not imply any level of skill or training.

Additional information about Linden also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since Linden’s last Brochure filed on March 29, 2019, the Firm filed an other-than-annual amendment on October 23, 2019 to reflect the formation of a new general partner. This Brochure has been amended to reflect that Linden has formed a new structured capital fund.

In addition, Linden routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and Firm practices. In this year’s filing, the following items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2019;
- Item 5: updated to reflect the fees and expenses of the new fund; and
- Item 8: updated to reflect additional risk factors and conflicts of interest, particularly with respect to the new fund.

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## Item 4 – Advisory Business

### Firm Description

Founded in 2004, Linden Capital Partners, together with its fund general partner entities, is a Chicago-based private equity firm focused on investing in and operating middle market healthcare businesses. Linden Manager LLC (referred to herein as “Adviser”, the “Firm” or “Linden”) serves as the investment adviser for and provides discretionary investment advisory services to private funds exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Investment Company Act”).

Linden serves as the investment manager for, and provides discretionary investment advisory services to, private funds (each, a “Fund”), including (i) private equity funds (the “PE Funds”) and (ii) a structured capital fund (the “SCF”). Linden also acts as an investment adviser to one single purpose vehicle structured as a private fund which was formed to invest alongside a Fund in a single portfolio company. In addition, in certain circumstances, as more fully described in Item 7 below, the Firm also permits certain investors and third parties to co-invest directly into a portfolio company. Unlike the co-investment Fund mentioned above, such direct co-invests are not considered Funds or clients of Linden.

Each Linden Fund is managed by a general partner (each, a “General Partner”) which has the authority to make investment decisions on behalf of such Funds. These General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, (the “Advisers Act”) pursuant to Linden’s registration in accordance with SEC guidance. While the General Partners maintain ultimate authority over the respective Funds, Linden has been designated the role of investment manager of the Funds. For more information regarding the Funds and General Partners, please see Linden’s Form ADV Part 1, Schedule D, Section 7.A. and 7.(B).1.

Linden’s PE Funds focus on purchasing privately held businesses, non-core businesses of large corporations and publicly traded companies. SCF focuses on placing debt and structured securities in privately held established middle market healthcare businesses controlled by private equity funds or owner-operators. For privately-held portfolio opportunities in the equity space, the Firm looks for investments where it believes it is able to assist in the development of the organization by exploiting value creation opportunities and emphasizing human capital to support the organization’s strategic plans. Linden’s strategy includes a proprietary ownership and governance model known as the value creation program adapted specifically for private companies and leverages the Firm’s highly experienced team of both investment professionals and experienced industry executives (“Operating Partners”) to identify value creation opportunities pre-closing and implement these initiatives during Linden’s ownership period.

Linden provides investment advisory services as a private equity manager to its Funds. Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. Linden’s

investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating and structuring the terms of investments, managing and monitoring investments and ultimately selling such investments. Investments are made predominantly in nonpublic companies and across the capital structure, although investments in public companies are permitted in certain cases. Senior principals, other Adviser personnel, Operating Partners and/or third parties appointed by Linden generally serve on the boards of directors of the portfolio companies or otherwise act to influence control over management of portfolio companies held by the Funds.

Linden does not tailor its advisory services to the individual needs of investors in its Funds; the Firm's investment advice and authority for each Fund is tailored to the investment objectives of that Fund. These objectives are described in the private placement memorandum, limited partnership agreement, investment advisory agreements, side letters and other governing documents of the relevant Fund (collectively, "Governing Documents"). The Firm does not seek or require investor approval regarding each investment decision.

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities. Investors in Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. Linden has entered into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Such rights may include co-investment preferences, certain notification provisions, reporting requirements and "most favored nations" provisions, among others. These rights, benefits or privileges are not always made available to all investors. Side letters are negotiated when the relevant investor's subscription documents are executed and, once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund.

Linden does not participate in wrap fee programs.

As of the December 31, 2019, Linden managed approximately \$3.488 billion regulatory assets under management, all of which are managed on a discretionary basis. Linden does not manage any assets on a non-discretionary basis.

### **Principal Owners/Ownership Structure**

Linden Manager LLC is owned by Anthony Davis and Brian Miller. For more information about the owners and executive officers of Linden, please see Linden's Form ADV Part 1, Schedule A.

### **Item 5 – Fees and Compensation**

The specific manner in which Linden or its related entities charge fees is established and described in greater detail in the Governing Documents of each Fund. Investors should refer to these Governing

Documents for a complete understanding of how Linden is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

## **Management Fees**

Generally, on a semiannual (for the PE Funds) or quarterly (for the SCF) basis, the General Partners will charge the Funds a fee for managing the portfolio (the “Management Fee”). For the PE Funds, this fee is billed partially in advance and partially in arrears on January 5<sup>th</sup> and July 5<sup>th</sup> of each calendar year. For the SCF this fee is billed in advance on the first day of each quarter. These and other fees (as described below) are paid either as a result of a capital call notice to investors, as a portfolio company expense, as a Fund expense or deducted from distributions to investors. Given the long-term nature of an investment in any private equity fund, there are substantial constraints on an investor’s ability to withdraw and, therefore, it is rare for a Fund investor to fully withdraw from a Fund before the end of, as applicable, each semiannual or quarterly period. However, if this were to occur, generally through a private sale of a partnership interest, the Management Fee is treated as earned and is not refunded.

While each Fund is in its investment period (generally a length of six years after Management Fees are initially charged), the Management Fee is equal to: (i) for the PE Funds, 2% of non-affiliate investor commitments and (ii) for the SCF, the greater of (A) 1.5% of aggregate non-affiliated investor investment contributions (plus amounts borrowed in anticipation of additional investment contributions) and (B) 1.5% of the lesser of (x) non-affiliated investor commitments and (y) \$150 million. After the investment period has expired, when Management Fees are charged on a new fund with substantially similar objectives (or, in the case of Fund IV and the SCF, six months after there has been a change of control or key person departure as described in the Governing Documents for Fund IV), the Management Fee is equal to (x) for the PE Funds, 2% of non-affiliate invested capital and (y) for the SCF, the amount described in (ii)(A) above, in each case as subject to various other factors as detailed in the relevant Fund Governing Documents. Further, investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Management Fee as of the date of the initial closing of such Fund, plus interest, as applicable. In the case where an investment has been completely written off or is no longer in the portfolio, the investment is not included in the invested capital fee base. Management Fees are no longer charged to Fund I.

Management Fees will generally be reduced by: (i) the amount of fees paid by such Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by Linden in connection with the organization of such Fund that exceed a limit as specified in such Fund’s Governing Documents; and (iii) if applicable, certain supplemental fees and compensation with respect to portfolio investments for Related Services (as defined below), the amount of which are paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by Linden subject to the terms set forth in each Fund’s Governing Documents. All such supplemental fees received are offset in whole or in part, depending on the Fund, against the Management Fee by a pre-established sharing percentage that was negotiated between Linden and

each Fund's investors, net of any unreimbursed expenses incurred in connection with such portfolio investment and any Management Fee waivers (described below); however, any such fees received by on behalf of Operating Partners and Operations Group members are not subject to an offset against Management Fees. Further, any such reduction of a Fund's Management Fee is typically limited to the extent of such Fund's proportionate interest in any such portfolio company and only to the extent a Management Fee is payable by a Fund currently or in the future.

To the extent that such an offset credit would reduce a Fund's Management Fee for a given semiannual period or quarter below zero, the credit will be carried forward for future application against Management Fees. The amount and manner of such reduction and use of Management Fee credits after dissolution, if any, is set forth in the relevant Governing Documents of the applicable Fund. To the extent no future Management Fees are payable by certain Funds, Linden is entitled under the terms of the Governing Documents for such Funds to retain the credited offset, and the amount of such credit over time has the potential to be substantial.

All Management Fees were negotiated with each Fund's investors during the fundraising period of the applicable Fund. The General Partners are permitted to and have exempted certain investors in the Funds from payment of all or a portion of Management Fees. To the extent permitted by the relevant Fund Governing Documents, Linden has the right to permit certain investors who are affiliated with Linden to invest through a Fund's General Partner without being subject to the Management Fee or carried interest.

As permitted under the Funds' Governing Documents, the Management Fee that would otherwise be paid in a given year can be waived or reduced when certain circumstances are met, and any waived portion of such Management Fee reduces the amount of capital contributions the relevant General Partner would otherwise be required to contribute to such Fund. The investors of a Fund may be required to make a pro rata contribution according to their respective commitments to fund any contribution that would otherwise be required of the relevant General Partner in connection with any such waiver as described above and, as a result, the exercise of such waiver has the potential to result in an acceleration of investors' capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above.

### **Other Portfolio Company Remuneration**

The Adviser and its affiliates may perform management, advisory, transaction-related, financial advisory and other services ("Related Services") for, and receive transaction and other fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, which differs across Funds and may include closing fees, investment banking fees, placement fees, monitoring fees, consulting fees, directors' fees, fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions and other similar fees. As mentioned above, if the Adviser receives any of these fees, Management Fees of the respective Fund are reduced by an amount and manner as set forth in the Governing Documents of the applicable Fund, except for fees earned by or on behalf of the Operating Partners and Operations Group. Additionally, a

portfolio company on occasion reimburses the Adviser for expenses (including but not limited to travel, entertainment, executive recruiting and advancement, and other expenses) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the Management Fee offset provisions.

## **Fund Expenses**

In addition to the Management Fee, each Fund bears certain other expenses. Each Fund is governed by its own Governing Documents, which details a complete description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund. As set forth in the Governing Documents of each Fund, to the extent not paid by portfolio companies, each Fund may also be responsible for certain costs, expenses, liabilities and obligations (which differs across Funds) relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and a Funds' actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals (including Operating Partners) and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful, and including expenses associated with attending industry conferences and meetings with industry executives and similar persons to the extent such conferences and meetings lead to the origination and sourcing of investment opportunities for a Fund; (ii) indebtedness of, or guarantees made, on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including interest and fees with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, software, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to Operating Partners, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage, cyber and general partnership liability premiums and other insurance and regulatory expenses including any costs and expenses related to any retention or deductibles; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing and communications; (xi) the preparation, printing, distribution or filing of Fund-related



or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Funds or the investors; (xiii) any activities with respect to protecting the confidential or nonpublic nature of any information or data, including confidential information; (xiv) any reasonable out-of-pocket costs and expenses incurred by representatives of a General Partner, Fund advisory committee members, permitted observers and other persons in attending or otherwise participating in meetings of a Fund advisory committee; (xv) indemnification; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual investor meeting or other periodic, if any, meetings of the investors and any other conference or meeting with any investor(s) (including travel, lodging, meals and entertainment) and any periodic executive forum of portfolio company management and/or other persons; (xviii) the Management Fee; (xix) any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities; (xx) the termination, liquidation, winding up or dissolution of a Fund; (xxi) defaults by investors in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, a parallel Fund, a General Partner, a parallel Fund General Partner, an ultimate General Partner, the Adviser and any alternative investment vehicle of a Fund or a parallel Fund, including the preparation, distribution and implementation thereof; (xxiii) (A) complying with any law, policy or regulation related to the activities of a Fund (including regulatory expenses of a General Partner incurred in connection with the operation of a Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Governing Documents; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer; (xxv) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the investors); (xxvi) distributions to the investors and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxvii) unreimbursed expenses and unpaid fees of the Operations Group or its members; (xxviii) compliance or regulatory matters related to a Fund; (xxix) the allocable

share of the costs of hosting or attending training programs, meetings or other events for senior management of portfolio companies, as reasonably determined by Linden; (xxx) expenses related to hiring consultants or portfolio company headhunter fees, background checks or relocation expenses (to the extent not borne or reimbursed by a portfolio company or potential portfolio company; (xxxi) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxii) any organizational expenses; (xxxiii) any placement fees; and (xxxiv) any other fees, costs, expenses, liabilities or obligations approved by a Fund's advisory committee; but not including (A) ordinary overhead and administrative expenses that are payable by a General Partner and/or the Adviser pursuant to each Fund's limited partnership agreement and (B) any expenses included as part of the definition of "Investment Contributions" as defined in each relevant Fund's limited partnership agreement.

### **Operations Group and Operating Partners**

Linden has created an operations group ("Operations Group") comprised of non-investment professionals employed or retained by Linden or an affiliate of Linden to provide services, including to provide human resources or similar services to the Funds, to the Adviser, the General Partner, a portfolio company or prospective portfolio company, or any affiliate of Linden. In particular, the Human Capital Group, a segment of the Operations Group, consists of individuals providing internal human resources function for Linden, supporting diligence activities for new investments and providing human capital support and structure to Linden portfolio companies. Such human resources assistance includes recruitment, executive and organizational assessment, coaching and development, compensation, employee relations and onboarding. The areas that Linden has chosen to utilize the services of Operations Group members generally include those where it believes: (i) the fees, costs and other expenses of these services would be paid by the Fund if the services were provided by third-party service providers; (ii) it is in the Fund's best interests to have in-house personnel perform such services; and/or (iii) that the costs of providing such services in-house are less than, or similar to, the amount that would be charged by a third party in an arm's-length transaction. Any compensation, including fees, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by Operations Group members is generally paid by a portfolio company or prospective portfolio company (which payments do not offset the Management Fee) or directly by the relevant Fund if permitted in its Governing Documents.

In addition, Linden has engaged several Operating Partners to research, identify and provide recommendations regarding target markets, market segments and companies for potential acquisition or investment. Unlike other members of the Operations Group, Operating Partners are not employees of Linden. Pursuant to written arrangements, Operating Partners are compensated through regular service payments and an additional fee paid upon the successful acquisition of a portfolio company sourced by such Operating Partner or in which they were an active advisor during diligence. Operating Partners receive payment from portfolio companies if they serve on such portfolio company's board of directors and for reimbursement of expenses incurred. Any

compensation, including fees, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by Operating Partners is generally paid by a portfolio company or prospective portfolio company (which payments do not offset the Management Fee) or directly by the relevant Fund if permitted in its Governing Documents. Some Operating Partners are also investors in the Linden Funds.

### **Co-Investment Fees and Expenses**

Co-investors pay direct expenses incurred by the co-invest vehicle and generally bear their pro rata portion of operating expenses related to the specific company they have invested in, but do not share in all of the expenses allocated to the Funds. Each co-investment agreement is negotiated with that co-investor and is not subject to review by Fund investors. Further, as a co-investment vehicle is not formed until an investment is consummated, co-investors generally do not pay for expenses related to investments that are not consummated, or “broken deal” expenses. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction or are contractually committed to invest in such co-investment or other vehicle, such co-investor is expected to bear its share of such broken deal expenses.

### **Expense Allocation**

At times service providers perform services pertaining to multiple Funds or related entities. In such instances, Linden will allocate the total expense to multiple entities, including the Funds, using what it believes to be a fair and equitable allocation methodology in accordance with the relevant Governing Documents and its internal policies and procedures. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by Linden.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

A carried interest allocation (“Carried Interest”) represents an adviser’s compensation based on a percentage of net profits of the funds it manages. Each General Partner has entered into performance fee arrangements with their related Fund. If total proceeds from the sale of Fund investments exceed the sum of cash contributions made by such Fund’s investors plus an 8% annually compounded preferred return on those cash contributions, the relevant Fund General Partner is allocated 20% of the profits. Calculated based on cumulative realized gains and income only, Carried Interest is payable as portfolio holdings are liquidated or otherwise monetized and is subject to claw-backs to the extent Linden or its related entities are paid in excess of their entitled distribution. Each Fund’s Carried Interest calculation is further described in the relevant Fund Governing Documents.

Linden’s Carried Interest allocations have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Management Fees, Carried Interest allocations and other amounts payable to Linden and its

related entities are determined at the time of the establishment of the relevant vehicle and are negotiated with participating investors prior to making their investment commitment. Once the relevant Fund has been established and commenced operations, such compensation and expenses are not modified without the consent of two-thirds of the non-affiliated investors of the relevant Fund. The General Partners are permitted to, and have exempted certain investors in the Funds from payment of all or a portion of Carried Interest.

The fact that each General Partner's Carried Interest allocations are based on the performance of each Fund can create an incentive for a General Partner to make investments that are more speculative than would be the case in the absence of such distributions. The Firm believes this incentive is sufficiently mitigated, however, because the General Partner has made what it believes is a substantial commitment to each Fund to invest its own capital alongside the investors, and would stand to lose the capital it has invested in each Fund. Any losses a Fund sustains will reduce each General Partner's Carried Interest allocation, which is only earned after investors have received as distributions 100% of their capital contributions for each realized investment plus a preferred return.

Linden manages multiple Funds with similar investment strategies on a side-by side basis. As a result, Linden and its related entities have a potential conflict of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which Linden and/or the General Partners may have a greater financial interest. These conflicts of interest have the potential to create an incentive for Linden to favor a Fund in which it and/or a General Partner have a greater financial interest. Linden believes such potential conflicts are sufficiently mitigated, however, because: (i) the applicable Governing Documents create limitations on the ability of Linden to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring certain parallel funds to purchase and sell investments contemporaneously; and (iii) investment opportunities which satisfy the investment parameters of more than one Fund will be allocated in accordance with Linden's policies and procedures and in accordance with the applicable Governing Documents and without consideration of Linden's (or its affiliates' or employees') pecuniary interest. Should any investment allocation fall outside of these mitigants, the relevant Fund's limited partner advisory committee shall approve any such allocation. Linden's policies and procedures for the allocation of investments are determined by the relevant Investment Committee and monitored by Linden's Chief Compliance Officer.

Linden will not allocate investment opportunities based in whole or in part on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund.

## **Item 7 – Types of Clients**

Linden provides portfolio management services to its private fund clients, the Funds. The Funds limit their respective investors to investors who are "accredited investors" as defined under Regulation D of the Securities Act of 1933 and "qualified purchasers" or "knowledgeable employees" each as defined in the Investment Company Act. The Funds generally have minimum investment amounts

varying from \$1.0 million to \$5.0 million for third-party investors, depending on the Fund, which have been reduced in the applicable General Partner's sole discretion. Investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act, are not made available to the general public, their securities are not registered or required to be registered under the Securities Act of 1933, and Fund interests privately placed to qualified investors in the United States and elsewhere.

Investors in the Funds include a broad range of U.S. and non-U.S. investors, including, among others, fund of funds, high net worth individuals, corporations, pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trust programs, foreign funds and other U.S. and international institutions. In addition, employees, Operating Partners and other persons associated with Linden and/or its affiliates have made capital commitments to the Funds.

As referenced in Item 4 above, in certain cases co-investments have been structured either as (i) a separate Fund or (ii) a direct investment by certain investors into a portfolio company or its holding or operating company. When structured as a Fund, Linden considers the investment to be a Fund client, identifies the Fund in its Form ADV Part 1, Schedule D, Section 7.B.(1), obtains an audit for the Fund, does not charge Management Fees or Carried Interest on such Fund, and includes the amount of assets of such Fund in the Firm's regulatory assets under management. In the case of direct co-investments, Linden does not consider the co-investment to be a Fund or a client, does not act as the investment manager to the co-investment portion of the investment, does not charge Management Fees or Carried Interest to the co-investment, does not have custody of the co-investment and does not include the amount of assets of the co-investment in the Firm's regulatory assets under management.

From time to time, Linden requires additional capital in order to complete a portfolio company transaction and reaches out to certain investors or other third-party sources for additional capital. These opportunities for co-investment arise when Linden has the opportunity for an investment in an existing or prospective portfolio company and determines that all or a portion of the applicable opportunity is not required or able to be offered to, or is not appropriate for, a Fund. These opportunities to invest directly in a portfolio company are made available to certain persons or entities, including without limitation strategic investors, lenders, deal sources, other private equity or venture capital firms, Fund investors, Operating Partners and other persons or entities affiliated, associated or otherwise known to Linden. Such determinations are based on the provisions of the applicable Fund's Governing Documents, side letter agreements and such other factors as Linden considers in its sole discretion, including those specified from time to time in its policies and procedures on investment allocation and co-investment. These other sources of additional capital generally do not pay for expenses related to investments that are ultimately not consummated. Additionally, certain individuals who source transactions may negotiate co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Fund(s). Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other

terms negotiated with respect to such Fund, in general, no investor has a right to participate in any co-investment opportunity. In such circumstances where Linden determines to offer a co-investment, the size of the investment opportunity otherwise available to Linden's Fund(s) may be less than it would otherwise have been without the inclusion of such co-investors. However, based on the risk, industry, and expected future capital needs among other things, the General Partner will determine an appropriate initial funding level to be allocated to Linden's Fund(s) regardless of the size of co-investment.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment vehicle purchases a portion of an investment from one or more Funds after such Fund(s) have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Linden's sole discretion, Linden is authorized to charge interest on the purchase to the co-investor or co-invest vehicle, and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

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

### **Strategy**

Linden invests in middle market healthcare businesses. These are privately held businesses, non-core operations of larger corporations and publicly traded companies where Linden is able to assist in the development of the organization by exploiting value creation opportunities and emphasizing human capital to support the organization's strategic plans. Linden accomplishes these objectives by using a team of both investment and operating professionals to identify value creation opportunities pre-closing and implement these initiatives during Linden's ownership period. The Firm seeks opportunities where it can implement its proprietary value creation program in partnership with company management.

Linden's strategy has eight key components: (1) team of investment professionals, Operating Partners and Operations Group members to assess and build value; (2) targeted healthcare industry focus; (3) generation of advantaged deals through industry and corporate relationship management; (4) for the PE Funds and certain SCF investments, proprietary post-investment value creation program incorporating financial, operating and strategic goals; (5) for the PE Funds and certain SCF investments, emphasis on human capital to build leading management teams and boards at portfolio companies; (6) investing in businesses to drive future growth and value creation; (7) tested investment qualification process and tailored transaction structures; and (8) exit planning integrated into the initial investment evaluation.

For the PE Funds, the Firm invests primarily in transactions where it can be the lead investor or otherwise have significant governance influence and it does not invest in what it considers to be venture capital investments.

For the SCF, the Firm focuses on the same healthcare industry as the PE Funds; however, the SCF invests in a different class of securities than the PE Funds, which securities are expected to result in differences in the ability of Linden to exercise control over the portfolio companies. Notably, the SCF invests in senior equity and junior debt securities issued by established middle market healthcare businesses which securities are (i) senior in liquidation preference to a significant amount of underlying issuer's enterprise value and (ii) structured with rights, controls and protective covenants that the Firm believes will further enhance the relative safety of the capital invested. Any diminution in enterprise value will be borne first by the common equity and junior preferred securities and is not expected to meaningfully impact the securities purchased by the SCF until the common and junior preferred equity is fully impaired. Linden believes its ongoing sourcing efforts and dialogue with market participants will result in a broad range of investment opportunities, including: (i) transactions sponsored by Linden's private equity funds that fit within the SCF's investment approach (approximately 50% of investment); (ii) transactions in companies sponsored by other private equity funds, often in support of the acquisition of an asset (approximately 25% of investments); and (iii) investments in owner-operator controlled companies, which are generally less institutionalized and more relationship driven (approximately 25% of investments).

*Team of Investment Professionals and Operating Partners to Assess and Build Value.* The successful identification, evaluation, execution, management and exit of private equity investments requires a team with a broad set of skills. An important element of Linden's strategy is the application of operating and technical expertise to all facets of private equity investing. Linden combines (i) a long record of investing in middle market private equity transactions; (ii) healthcare domain expertise, including a broad network of relationships with companies and executives; (iii) operating expertise; and (iv) buyout investing, structuring and financing experience.

In addition to its well-developed transaction capabilities, Linden combines operating expertise to its transaction teams with its Operating Partners and Operations Group. Linden continues to refine and expand its Operations Group strategy through its in-house Human Capital Group, which provides the internal human resource function for Linden, supports the diligence activities for new investments, and provides human capital support and structure to the Linden portfolio companies.

*Targeted Industry Focus on Healthcare.* Linden is exclusively focused on the large, growing and often technically complex field of healthcare, which Linden believes produces a competitive advantage for the Firm in identifying, managing and exiting its investments. Linden's healthcare strategy covers a broadly defined target market, ranging from human healthcare services to medical products and technology to distribution.

*Generation of Advantaged Deals through Industry and Corporate Relationship Management.* Linden's sourcing strategy is aimed at creating advantaged investment opportunities where Linden is a partner of choice

for the seller. Each of Linden's investments have been made through an opportunity in which Linden believes the Firm had created a competitive advantage at the outset.

Linden believes the team has built a strong reputation with external constituencies in the healthcare industry, and is known as a sophisticated, creative and experienced investment partner.

*PE Funds' Proprietary Post-Investment Value Creation Program Incorporating Financial, Operating and Strategic Goals.* A core component of the PE Funds is the development, implementation and execution of its value creation program for all PE Fund investments. This process is a private company governance model which is designed to create an independent company that is a professionally managed organization.

During the due diligence process, Linden's principals, Operating Partners and Operations Group members identify specific areas of creating value and then prioritize those objectives in a formal value creation program. To the extent it is able, Linden begins working with management of the portfolio company to oversee the value creation program prepared during the due diligence process. During the ownership period, Linden actively and rigorously monitors its predetermined priorities of the value creation program.

## **Risk Factors**

No investment is free of risk. Current and prospective Linden investors are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Investors should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. Different or new risks not addressed below may arise in the future and, therefore, the following list is not intended to be exhaustive. All investors should be aware of certain risk factors, which include, but are not limited to:

### *Risks Applicable to all Funds*

*Business Risks.* The Funds' investment portfolios consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk, which can result in substantial loss.

*Future and Past Performance.* The performance of the members of the Linden team's prior investments is not necessarily indicative of any Fund's future results. While Linden intends for its Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Concentration of Investments.* The Funds will participate in a limited number of investments and intend to make most of its investments in one industry or one industry segment or within a short period of



time. As a result, the Funds' investment portfolio are likely to become highly concentrated, and the performance of a few holdings or of a particular industry can substantially affect its aggregate return.

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

*Lack of Sufficient Investment Opportunities.* The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, investors are required to bear annual Management Fees during each Fund's investment period based on the either entire amount of such partner's commitments or invested capital as set forth in the relevant Governing Documents. There also is likely to be increasing competition among private equity firms and investors for investments in the sectors in which the Funds target its investments. There are a number of partnerships and many experienced individuals in these industries that specialize in healthcare businesses. In addition, many established private equity firms and large private and public companies, which have much greater capital resources than the Funds, often invest in healthcare businesses. Therefore, there can be no assurance that any Fund will make a sufficient number of attractive investments in order to deploy the Fund's committed capital completely or profitably.

*Illiquidity; Lack of Current Distributions.* An investment in a Linden Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments can be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment can be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, it is possible that there will be no current return on the investment. Furthermore, the expenses of operating each Fund (including the Management Fee payable) can, in some cases, exceed income, thereby requiring that the difference be paid from such Fund's capital, including unfunded commitments.

*Limited Transferability of Fund Interests.* There will be no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of any Fund interests under each Fund's Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

*Restricted Nature of Investment Positions:* Generally, there will be no readily available market for a substantial number of the investment recommendations, and hence, most of the Funds' investments will be difficult to value. Certain investments are permitted to be distributed in-kind to investors, subject to various side letters, and it can be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, some investors will decide to liquidate such securities within a short period of time, which can have an adverse impact on the price of such securities. The price at which such securities are sold by such investors will possibly be lower than the value of such securities determined

pursuant to the relevant Governing Documents, including the value used to determine the amount of Carried Interest available to the General Partner with respect to such investment.

*Leveraged Investments.* The Funds make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets are often impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it will potentially be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to the Fund that will sometimes not be covered by distributions made to the Funds or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will, in some cases, impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Funds will potentially suffer a partial or total loss of capital invested in the portfolio company, which would likely adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, a Fund is less likely to achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest generally will not be rated by a credit rating agency.

Although borrowings by a Fund have the potential to enhance overall returns that exceed the Fund's cost of capital, such borrowings increase the potential exposure of a Fund to a particular investment above the level the Fund would have typically made had an investment been limited to equity. Any such borrowings would further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of funds. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. In addition, a Fund's use of borrowed funds has the potential to impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and make net IRR calculations higher than they otherwise would be without Fund-level borrowing (especially where financing remains outstanding for longer durations), as these calculations generally depend on the amount and timing of capital contributions which timing is delayed by virtue of the use of the line. While a Fund will bear the expense of borrowed funds, such borrowings can also increase the speed of Carried Interest received by the Fund's General Partner by effectively reducing or eliminating the preferred return received by the investors and accelerating or increasing distributions of Carried Interest to the relevant General Partner. Although, as with all Fund expenses, such interest expense must be paid back to the investors

prior to the General Partner receiving any Carried Interest thereby reducing the overall capital available to pay Carried Interest. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner has the potential to receive disproportionate benefits from such borrowings.

On occasion, a Fund has drawn on its line of credit to bridge financing to a portfolio company or to an affiliated blocker corporation (which on such occasions is drawn solely for tax purposes). In such circumstances, neither the portfolio company nor the blocker was a guarantor on the line of credit although it did receive the benefit of the loan. In all instances, the portfolio company and blocker have repaid the loan and all interest and fees on the loan and the Fund did not incur any expenses associated with use of the Fund's line of credit. Additionally, in the event Linden or a General Partner to a Fund lends the Fund capital through a short-term loan facility to bridge an investment pending the receipt of capital contributions from the Fund investors, subject to such Fund's Governing Documents, the General Partner may charge (or decide not to charge) such Fund (including the Fund investors) interest costs incurred in connection with such loan for the time period between the receipt of capital from such loan to the date on which the loan is paid off by such Fund.

On occasion a Fund investor places debt at a portfolio company. On such occasions, the Firm receives competitive bids from other debt providers and ensures that the transaction is made at arm's length.

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

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

*Conflicting Investor Interest.* Investors often have conflicting investment, tax and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts can arise in connection with decisions made by Linden regarding an investment that will potentially be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Firm generally will consider the investment and tax objectives of each Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

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

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

*Director Liability.* The Funds typically seek to obtain the right to appoint one or more representatives, including as an observer, to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio

companies do obtain has the potential to be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

*Fund Advisory Committee.* The General Partner of each Fund will appoint one or more investor representatives to each Fund's advisory committee which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or can be requested in certain circumstances, including certain approvals or consents required by the Advisers Act. The Governing Documents provide that to the fullest extent permitted by applicable law, none of the Fund advisory committee members shall owe any fiduciary duties to the Funds or any other investors. In addition, representatives of the Fund advisory committees can have various business and other relationships with the General Partners and their partners, employees and affiliates. These relationships have the potential to influence their decisions as members of a Fund advisory committee. To the extent that an investor is not directly represented by a member of the advisory committee, such investor will have no influence over matters submitted to the advisory committee for review or approval. On any issue involving actual conflicts of interest, Linden will be guided by its good faith discretion.

In addition, members of one Fund's advisory committee may also be a member of another Fund's advisory committee. In such instances, a conflict of interest exists if advisory committees are requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such advisory committee members serve, and such members do not recuse themselves from any such vote.

*Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which the Funds invest, including various segments of the healthcare industry, are (or may become): (i) highly regulated at both the federal and state levels in the U.S. and internationally; and (ii) subject to frequent regulatory change. Certain segments are highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Funds invests. By way of example, the healthcare industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industry are introduced from time to time, which, if adopted, have the potential to significantly impact such industry in general and/or on companies in which the Funds invest.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or

military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

*Economic Disruptions Due to Coronavirus.* The recent spread of COVID-19 (the "coronavirus") in certain countries, including the United States, has shown an ability to result in a broad-based economic decline and significant market volatility. The outbreak has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. This is a new and developing threat and therefore presents material uncertainty and risk with respect to the Funds' performance and financial results. The global impact of the outbreak has been rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. The extent of the impact of any public health emergency on the Funds' and its portfolio investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

Aside from the broad effects on the economy, the coronavirus may also have specific implications for the Firm's operations and activities of its personnel, which can range from employees needing to work from home to more significant impacts such as illness, restrictions on non-essential travel, difficulty hosting fundraising meetings and absence from portfolio company board meetings. The Firm has instituted procedures, as it deems appropriate, to deal with operational impacts from the coronavirus. Many of these procedures are expected to mirror procedures currently contained in the Firm's Business Continuity Plan for dealing with other significant business disruption events. The Firm may consider additional or modified safeguards in the event employees are required to work from home for an extended period of time, such as if any changes are required to be instituted for remote login and/or to protect the privacy of Firm, Fund and investor data. Additionally, although the Funds generally invest on a long-term basis in privately held companies that are less correlated to broader market forces, the impact of a global economic slowdown has the potential to impact the Funds' performance and/or financial results by negatively effecting the Firm's ability to, among other things, source new investments, diligence such potential investments, exit current investments (or exit them at the

valuations previously expected) or obtain financing. Depending on the specific industries in which the Funds' portfolio companies operate and where their supply and distribution chains are located, it is possible that the coronavirus could have an outsized impact on individual portfolio companies.

In addition to the potential impact on the Firm's operations and the overall profitability of a Fund, the Firm's portfolio companies may face their own challenges in dealing with a pandemic. These include, but are not limited to, the possibility that employees will have to work remotely or that their supply chain will be disrupted. The Firm may assist a portfolio company with implementing procedures to mitigate the impact of the coronavirus; however, there can be no assurance that such measures will be effective or that even if effective, that such portfolio company will not sustain significant financial losses. Depending on the length and severity of the pandemic, it is possible that Firm personnel will spend a significant amount of time and attention addressing implications from the coronavirus, including minimizing the impact at the Firm, the Funds or a specific portfolio company which time generally would have been devoted to activities on behalf of the Funds.

*Projections.* Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Linden in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Valuation of Assets:* There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, Linden will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values can differ from values that would have been determined had an active market existed for such securities and can differ from the prices at which such securities are ultimately sold. The exercise of discretion in valuation by Linden can give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest and the calculation of Management Fees.

*Cybersecurity Risk and Identity Theft.* The Funds, their portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These information and technology systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of Linden and its service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their investors. For example, these systems are subject 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. Third parties can also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information in order to gain access to Linden's data or that of Fund investors.

To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company would likely be subject to potentially substantial losses in the form of stolen, lost or corrupted: (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks would be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the Funds, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Linden or one of its affiliates or service providers holding its financial or investor data, Linden, its affiliates or a Fund would also be at risk of loss.

Although Linden has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Linden, the Funds and/or a service provider thereof would have to make a significant investment to fix or replace system components. The successful penetration or circumvention of the security of these systems, or a failure of these service provider's systems and/or of disaster recovery plans for any reason could cause significant interruptions in Linden's, the Funds' and/or a service provider's operations. This could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors) and proprietary and/or confidential information relating to portfolio companies, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system and costs associated with system repairs. Such a failure would likely harm Linden's, the Funds' and/or a service provider's reputation, subject any such entity and their respective affiliates to legal claims, compliance costs and otherwise affect their business and financial performance. In addition, Linden would likely incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation which costs, under certain circumstances, would be borne by a Fund.

*Operations Group.* As described in Item 5, Linden has retained, on behalf of the Funds and/or the portfolio companies, as applicable, an Operations Group, which in some cases are affiliates of the General Partner, employees of such affiliates, portfolio companies of the Funds, third-party consultants (including individual Operations Group members, consultants and external executives). The Operations Group members often provide services to, or in connection with, the Funds in



relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies. Although Linden intends to retain Operations Group members with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors can result in limited or no cost savings from such retention. In addition, Linden intends to retain only such Operations Group members which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or able to provide such services at lesser cost.

*Use of Expert Networks and Data Analytics.* In connection with the evaluation of potential investment opportunities, Linden on occasion engages expert networks and/or makes use of data analytics, including data provided by third-party vendors. Linden seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented policies and procedures to mitigate the risk that the use of expert networks or data analytics results in the receipt of confidential information by investment professionals.

*Co-Investments.* In Funds in which Linden is actively making new platform investments, Linden has in the past and will in the future, in its sole discretion, provide co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by Linden in its sole discretion. Conflicts of interest will arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which are permitted be made to one or more persons for any number of reasons as determined by Linden in its sole discretion, may not be in the best interests of the Funds or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, Linden will consider some or all of a wide range of factors, including relevant industry knowledge, prior co-investing experience, speed and certainty of closing as well as prior, current and potential future commitment levels, and the terms of previous investments made by an investor in vehicles managed by Linden. Such factors can also include factors which benefit Linden, such as the likelihood that an investor will invest in a future fund sponsored by Linden or its affiliates. The Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner will at any time have economic or business interests or goals that are inconsistent with those of the Funds, or be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds will, in certain circumstances, be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction. Co-investment terms vary with older Funds that are no longer making new platform investments.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities are permitted to be made by Linden or its related persons in consultation with other participants in the

relevant transactions, such as a co-sponsor. Co-investment opportunities are typically offered to some and not to other investors. When and to the extent that employees and related persons of Linden make capital investments in or alongside the Funds, Linden is subject to conflicting interests in connection with these investments. Linden's allocation of co-investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations have the potential to be more or less advantageous to some such persons relative to others.

#### Additional Risks Specific to the SCF

*Credit Risks of Investments in Debt Instruments.* A portion of the SCF's investment portfolio is expected to consist of debt investments. Credit portfolios are subject to credit risk, which is the likelihood that a company will default in the payment of principal and/or interest on its obligations, among other covenants and requirements. Financial strength and solvency of a company are key factors influencing credit risk. Companies face intense competition, changing business and economic conditions or other developments that adversely affect their performance and increase credit risk. In addition, subordination, lack of or inadequacy of collateral or credit enhancement for a debt instrument can affect its credit risk. Credit risk will change over the life of an investment. In addition, companies will typically contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce mortgage obligations. If any of the above occurs, the SCF's ability to make anticipated distributions to investors would likely be delayed or otherwise adversely affected.

*Prepayment of Investments.* A portion of the SCF's investment portfolio is expected to consist of debt investments. Loans are generally pre-payable in whole or in part at any time at the option of the obligor at par plus accrued and unpaid interest thereon, and occasionally plus a prepayment premium. Prepayments on loans are caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par can experience a capital loss as a result of such a prepayment. When credit market conditions become more attractive to obligors, the rate of prepayment of the SCF's assets would be expected to increase as obligors refinance to take advantage of such improved conditions, which will likely negatively impact the Funds. Additionally, the SCF will in some cases be unable to reinvest any prepaid loan amounts into other similarly situated investment opportunities or at all.

*Risk of Borrower Default.* A portion of the SCF's investment portfolio is expected to consist of debt investments. The return of principal of the SCF's loans will depend in large part on the creditworthiness and financial strength of the borrowers of such loans, all or a portion of which borrowers will in some cases not be cash flow positive and/or have generated substantial revenue at the time of the SCF's investment therein. Linden intends to monitor on an ongoing basis the creditworthiness of borrowers of loans in which the SCF will invest. If there is a default by the borrower under any of the SCF's loans, Linden will under most circumstances have contractual remedies pursuant to the loan agreements, potentially including the sale of collateral. However,

exercising such contractual rights will generally involve delays or costs, and any available collateral can prove to be unsaleable or saleable only at a price less than the loan amount, which would result in a loss to the SCF. A default by the borrower under any of the SCF's loans will likely result in the SCF being unable to liquidate such loans prior to the termination of the SCF (including in connection with any necessary restructuring of such loans). As a result, upon the termination of the SCF, the investors therein would receive in-kind distributions in respect of such loans and would be unable to protect their interests effectively.

*Usury Limitations.* Interest charged on loans owned by the Funds is subject to state usury laws imposing maximum interest rates and penalties for violation, including restitution of excess interest and unenforceability of debt.

*Cross Collateralization.* The SCF engages in financings where several investments are cross-collateralized, thereby subjecting multiple investments to the risk of loss. As a result, the SCF has the potential to lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. For example, investments can be cross-collateralized with other tranches of indebtedness incurred by the same obligor and cross-collateralized with indebtedness issued by more than one obligor. Cross-collateralization arrangements involving more than one obligor can, in some instances, be challenged as fraudulent conveyances by creditors of the related obligor in an action brought outside a bankruptcy case or, if the obligor were to become a debtor in a bankruptcy case, by the obligor's representative (or the obligor as debtor-in-possession), U.S. trustee or creditors' committee. A lien granted by the obligor can be voided if a court were to determine that (i) the obligor was insolvent when it granted the lien securing the loan, was rendered insolvent by the granting of the lien, was left with inadequate capital when it allowed its properties to be encumbered by a lien securing the loan, or was not able to pay its debts as they became due, and (ii) the obligor did not receive fair consideration or reasonably equivalent value when it allowed its properties to be encumbered by a lien securing the loan. Among other things, a legal challenge to the granting of the liens focuses on the benefits realized by the related obligor from the applicable loan proceeds, as well as the overall cross-collateralization. If a court were to conclude that the granting of the liens to cross-collateralize a loan was a voidable fraudulent conveyance, such court can: (i) subordinate all or part of the pertinent loan to existing or future indebtedness of that obligor, (ii) recover payments made under that loan, or (iii) take other actions detrimental to the SCF, including, under certain circumstances, invalidating the loan or the SCF's interest in the collateral securing the cross-collateralized loan.

*Original Issue Discount and PIK Interest.* To the extent original issue discount ("OID") and payments in kind ("PIK") interest constitute a portion of the SCF's income, the SCF will be exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash representing such income. The SCF's investments include original issue discount ("OID") instruments, which arise if the SCF receives warrants in connection with the making of a loan or possibly in other circumstances, and contractual PIK interest, which represents contractual

interest added to a loan balance and due at the end of such loan's term. To the extent OID or PIK interest constitute a portion of the SCF's income, the SCF is exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash. Such risks include:

1. The higher interest rates of OID and PIK instruments reflect the payment deferral and increased credit risk associated with these instruments, and OID and PIK instruments generally represent a significantly higher credit risk than coupon loans.
2. Even if the accounting conditions for income accrual are met, the borrower can still potentially default when the SCF's actual collection is supposed to occur at the maturity of the obligation.
3. OID and PIK instruments generally have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. OID and PIK income also create uncertainty about the source of the SCF's cash distributions.
4. For accounting purposes, any distributions to investors representing OID and PIK income are not treated as coming from paid-in capital, even though the cash to pay them comes from capital contributions. As a result, despite the fact that a distribution representing OID and PIK income could be paid out of capital contributions, the SCF is not required to give the investors notice of this fact by reporting it as a return of capital.
5. PIK interest has the effect of generating investment income at a compounding rate, thereby further increasing the Carried Interest payable to the General Partner. Similarly, all things being equal, the deferral associated with PIK interest also decreases the loan-to-value ratio at a compounding rate.

*Participation on Creditors' Committees.* While it is unlikely with respect to a portfolio company in which the SCF and another Linden Fund each hold interests, the SCF serves on committees formed by creditors ("Creditors' Committees") to negotiate with the equity owners and management of financially troubled companies that will, in some cases, be in bankruptcy. The SCF also seeks to negotiate directly with companies with respect to restructuring issues. Even if the SCF chooses to join a Creditors' Committee, there can be no assurance that the SCF would be successful in obtaining results favorable to it in such proceedings, and the SCF can incur significant legal fees and/or other expenses in attempting to do so, as Creditors' Committees generally consist of many participants, each of which attempts to obtain an outcome that is in its individual best interests. As a result of the SCF's service on such Creditors' Committees, the SCF is deemed to have duties to other creditors represented by the Creditors' Committees, which has the potential to thereby expose the SCF to liability to such other creditors who disagree with the SCF's actions.

The General Partner or the principals, on behalf of the SCF, elects to serve on Creditors' Committees or other groups to ensure preservation or enhancement of the SCF's position and recovery as a creditor. A member of any such Creditors' Committee or group likely owes certain obligations generally to all parties similarly situated that the Creditors' Committee represents. If the General Partner concludes that its obligations owed to the other parties as a Creditors' Committee or group member conflict with its duties owed to the SCF, it will resign from that Creditors' Committee or

group, and the SCF would realize the benefits, if any, of the General Partner's service on the Creditors' Committee or group. Additionally, if the SCF is represented on a Creditors' Committee or group, it would be restricted or prohibited under applicable law from disposing of its investments in the subject company while it continues to be represented on such Creditors' Committee or group.

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

## **Conflicts of Interest**

The material conflicts of interest that a Fund encounters include those discussed below and elsewhere in this Brochure. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise during a Fund's life. Investors should be aware that Linden, its personnel and its affiliates will likely in the future engage in further activities that can result in additional conflicts of interest not addressed below. There can be no assurance that Linden will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. To the extent that Linden identifies conflicts of interest in the future, the Firm intends to, but is under no obligation to, disclose these conflicts and their implications to investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the advisory committees or to investors.

*Investment Allocation.* Until such time as Linden is permitted to raise a successor investment fund, the principals will pursue all appropriate investment opportunities that meet the investment criteria of the most recently closed Fund for the benefit of that Fund, subject to certain exceptions set forth in the relevant Governing Documents. However, the principals currently, and expect to in the future, manage several Linden Funds and investments and direct certain relevant investment opportunities to those investment Funds and investments. Linden will continue to manage and monitor such investment Funds and investments. The Firm believes that the significant investment of the principals in the Funds, as well as the principals' interest in the Carried Interest, operate to align, to some extent, the interest of the principals with the interest of the investors, although the principals generally have economic interests in the Linden Funds and investments as well and receive Management Fees and

Carried Interest relating to these interests. At such time as Linden is permitted to raise a successor investment fund, the principals will continue to manage the Funds' investments, but also likely will focus investment activities on other opportunities and areas unrelated to the most recent Fund's investments. Certain investments will be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Governing Documents of that Fund.

Over time, certain investment opportunities suitable for a Fund are likely also to be suitable for other investment funds sponsored by the Firm or its affiliates. In determining which Funds should participate in such investment opportunities, subject to the Governing Documents, Linden is subject to potential conflicts of interest among the investors in the Funds. To determine whether a Fund will participate in the relevant investment opportunity, Linden generally assesses whether an investment opportunity is appropriate for each relevant Fund based on the terms of such Fund's Governing Documents, as well as factors including but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant Fund's Governing Documents, where applicable), strategy, risk profile, time horizon, tax considerations, applicable legal and regulatory restrictions and structure. The SCF is expected to invest together with the PE Funds in the manner set forth in the relevant Governing Documents and the General Partner's allocation policy. Linden will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with its obligations and take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which a Fund will invest exceeds an amount appropriate for the Fund, such excess can also be offered to one or more potential investors.

Linden's allocation of investment opportunities among a Fund often will not be proportional. Therefore, such allocations have the potential to be more advantageous to one Fund relative to another Fund. While Linden will allocate investment opportunities in a way that it believes in good faith is fair and equitable to each Fund, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which Linden would be subject did not exist.

Additionally, conflicts of interest can arise if the Funds make an investment in a portfolio company in conjunction with an investment made by another Fund sponsored by Linden or an affiliate. For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This is likely to result in differences in price, investment terms, leverage and associated costs between a Fund and any other investing Fund sponsored by Linden or an affiliate. There can be no assurance that a Fund and any other investing Fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. If additional capital is necessary for the portfolio company as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund can, but is not obligated to, provide such additional capital, and a Fund or its General Partner, as applicable, generally will supply such additional capital in such amounts, if

any, as determined in the discretion of the Linden, subject to the terms of the relevant Governing Documents. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to each Fund.

Such conflicts will be exacerbated when the Funds invest in different levels of the capital structure of the applicable portfolio company. For example, the SCF is expected to hold primarily senior equity and junior debt securities of a portfolio company while the PE Funds will hold more junior securities of the same portfolio company. Questions may in some cases arise subsequently as to whether payment obligations and covenants, if present, should be enforced, modified or waived, or whether senior equity and junior debt securities should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring are likely to raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds will in some cases provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Linden in its sole discretion. Because of the different legal rights associated with different tranches of the capital structure of the same portfolio company, Linden will face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of the Funds (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If the SCF enters into any indebtedness with a PE Fund on a joint and several basis, Linden is generally expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement.

For example, in the event a portfolio company enters bankruptcy, it may be in the best interest of the Fund which holds senior equity and/or junior debt securities to aggressively pursue the company's assets to fully satisfy the company's obligations and/or indebtedness to the Fund. As a result, the other Fund holding more junior securities of the same portfolio company might not have access to sufficient assets of the company to completely satisfy its bankruptcy claim against the company and may suffer a loss. Because of the potential harm to such Fund's holdings, however, Linden (including Linden investment professionals and other personnel) may be disinclined to pursue the company's assets (or to pursue them as aggressively as might otherwise be the case) as a result of their conflicting interests in such other Linden Funds. Conversely, the foregoing entities or persons may be incentivized to make riskier or more speculative investment decisions on behalf of the applicable Fund with the hopes of extracting value from junior securities that are otherwise significantly impaired, to the detriment of the holdings of the Fund. Other conflicts may arise in cases where a Linden Fund desires optimal flexibility to grow a portfolio company, while the SCF and the other debt investors may want to place tighter restrictions on the type and the amounts of such portfolio company's permitted investments and acquisitions.

*Investor Transfer of Interest.* In certain cases, Linden will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify

one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, Linden will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

*Allocation of Fees and Expenses.* Linden is often faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. Linden, in its sole discretion, will allocate fees and expenses in accordance with the Governing Documents and in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant. The allocations of such expenses will sometimes not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

Linden and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such fees, costs and expenses in proportion to the size of its actual or proposed investment, or in such other manner as Linden considers, in good faith, to be fair and equitable. There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision.

A conflict of interest is likely to arise in Linden’s determination whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, or whether such expenses should be borne by Linden. The Funds will be reliant on the determinations of Linden in this regard. From time to time, it is possible that a subsequent review of allocations would result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which will include, but are not limited to, a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by Linden to be the most appropriate corrective measure.

Some expenses are incurred on behalf of one Fund which have the potential to benefit other Funds. For example, information Linden obtains in connection with a Fund’s research, due diligence and



investment activities will be valuable to other Funds. Additionally, tools and resources developed at Linden's expense will be the intellectual property of Linden and not the Fund.

*Transactions Among Linden Funds.* It is possible that a portion of a Fund's investments will be made in or with a portfolio company of another Fund. For example, Linden will potentially determine that a Fund should invest in an existing portfolio company of another Fund. Any investment by a Fund in an entity in which another Fund has a pre-existing investment (or vice versa) can be viewed, especially in hindsight, to have been made based on a non-arms-length valuation. Similarly, a Fund can later invest in entities in which another Fund has invested, which can have an effect (either positive or negative) on the market value of such Fund's investments. Generally, except as provided in the relevant Governing Documents, such transactions would be subject to the approval of the relevant Fund advisory committee.

Linden reserves the right to make independent decisions regarding recommendations of when a Fund should purchase and sell investments. As a result, it is possible that a Fund will be purchasing an investment at a time when another Fund is selling the same or a similar investment, or vice versa. For example, Linden will, from time to time, consider and reject an investment opportunity on behalf of one Fund despite the fact that Linden or an affiliate can potentially subsequently determine to make an investment in the same company on behalf of another Fund. A conflict of interest arises because the latter Fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by Linden on behalf of the Fund that originally considered the investment. In such circumstances, the benefitting Fund(s) would generally not be required to reimburse the original Fund for some or all of the expenses incurred in connection with considering such investment, and any such allocation that is made will be done in good faith by Linden. Such allocation is likely to be highly subjective. There can be no assurance that the return on one Fund's investments will not be less than the returns obtained by other Funds participating in the investment.

In addition, Linden receives and generates various kinds of portfolio company data and other information, including information related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information will, in certain instances, include material nonpublic information received or generated in connection with efforts on behalf of one Fund's investment in a portfolio company or prospective investment. This information allows Linden to better anticipate macroeconomic and other trends and otherwise develop investment strategies. As a result, Linden often gains industry, sector and other general expertise and knowledge in connection with a portfolio company that will benefit others, as well as Linden and its affiliates, whether or not such other companies are in the same or a different Fund. In such circumstances where the benefitting portfolio company is in another Fund, one Fund will have borne the cost for value that will benefit the other. Linden may in the future enter into governance arrangements and confidentiality arrangements with portfolio companies, and will possibly also have access to other sources of information and research that would limit the internal distribution and use of such data. Linden has in the past used, and is likely in the future, in certain instances to use this information in a manner that would provide a material benefit to, or present a conflict of interest between, Linden, its

affiliates, or to certain other Funds or investors without compensating or otherwise benefitting the portfolio company, Fund or Funds from which such information was obtained. In addition, Linden has an incentive to pursue investments in companies based on the data and information expected to be received or generated.

*Portfolio Company Board Service.* With few exceptions, the PE Funds make controlling investments in portfolio companies. As a result of these controlling interests, the General Partner typically has the right to appoint portfolio company board members (including current or former Linden personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to Linden in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the limited partnership agreement's offset provision, are in addition to the Management Fee or Carried Interest. Linden's authority to appoint or influence the appointment of portfolio company board members who will, on occasion, be involved in approving certain compensation payable to the Firm subjects Linden and any such portfolio company board appointees to potential conflicts of interest. Serving in such capacity can give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director conflicts with the interests of a Fund in general; however, as the Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. Any fees earned for sitting on such portfolio company boards by employees (except for those fees paid to Operating Partners or members of the Operations Group) are offset against Management Fees in the same manner as Transaction and Monitoring Fees; such fees earned by third parties appointed by Linden (such as Operating Partners) are not offset against Management Fees.

*Reimbursements from Portfolio Companies.* Additionally, a portfolio company typically will reimburse Linden or service providers retained at Linden's discretion for expenses (including, without limitation, travel expenses) incurred by Linden or such service provider in connection with the performance of services for such portfolio company. This subjects Linden to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Governing Documents and its internal reimbursement policies and practices, Linden determines the amount of these reimbursements for such services in its own discretion.

*Employees and Service Providers.* Linden will also, from time to time, employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds or other Funds or investment vehicles advised by Linden; conversely, former personnel or executives of Linden often serve in significant management roles at portfolio companies or service providers recommended by Linden. Similarly, Linden and/or its personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Linden

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

Over the life of the Funds, Linden generally expects to exercise its discretion to recommend to the Funds or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) Linden (or an affiliate, which includes other portfolio companies of the Funds or other investment Funds sponsored by Linden) and at rates determined or substantively influenced by Linden; (ii) an entity with which Linden or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) an investor or its affiliates. This subjects Linden to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, Linden would have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that Linden, because of such incentive or for other reasons (including whether the use of such persons has the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Linden or the Funds will in some cases favor such retention or continuation even if a better price and/or quality of service provider can be obtained from another person. Whether or not Linden has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or can provide such services at lesser cost.

*Industry Relationships.* As with many other private equity fund sponsors, as part of Linden's business, the principals, Linden and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of Linden. Certain of these third parties will, on occasion: (i) introduce investment opportunities to Linden; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to Linden, the Funds, or portfolio companies. Such third parties also on occasion provide goods or services to or have business, personal, political, financial or other relationships with the principals. In addition, such third parties

are sometimes investors in one or more Funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to Linden, the Funds and/or their portfolio companies. These relationships have the potential to influence Linden in deciding whether to select or recommend any such third party to perform services for the Funds or a portfolio company. The cost of any services provided by such third parties will generally be borne directly or indirectly by the Funds or its portfolio companies, as applicable.

*Intangible Benefits.* Linden and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses often result in “miles” or “points” or credit in loyalty/status programs to Linden and/or its employees, and such rewards or amounts will exclusively benefit Linden and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its investors or the portfolio companies.

#### **Item 9 – Disciplinary Information**

Like other registered investment advisers, Linden is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor’s evaluation of Linden or the integrity of Linden’s management. No events have occurred at Linden that are applicable to this Item.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Linden and its affiliated General Partners are not actively engaged in a business other than giving investment advice to its clients, the Funds (which are pooled investment vehicles), and managing the portfolio companies owned by its Funds. Neither Linden nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing.

As mentioned in Item 4 above, Linden is affiliated with the General Partners of Funds I, II, III, IV and the SCF. These General Partners are deemed registered with the SEC under the Advisers Act pursuant to Linden’s registration. These General Partners operate as a single advisory business together with Linden and serve as General Partners of private investment funds, other pooled vehicles and share common owners, officers, partners, employees, Operating Partners, members of the Operations Group, consultants or persons occupying similar positions. These General Partner entities do not have employees of their own.

Other than as discussed above, Linden has no other arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business, the Funds or its investors.

Linden has and will continue to develop relationships with professionals who provide services it does not provide, including: legal, accounting, banking, investment banking, tax preparation, insurance brokerage, investment management services and other personal services. Some of these professionals provide services to the Funds or their portfolio companies. Additionally, some of these professionals are investors in Linden Funds, either personally or through their company.

From time to time, Linden receives training, information, promotional materials, meals, gifts, entertainment or prize drawings and other perquisites from vendors and others with whom it does business or to whom it may make referrals. However, at no time will the Firm accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing individual Fund transactions to a specific security, product or provider. Similarly, Linden employees have in the past, and expect to in the future, speak at or attend conferences and programs for potential investors interested in investing in private funds and other events that are sponsored by various investment bankers, broker-dealers or others. Through such capital introduction and other events, prospective investors have the opportunity to meet with Linden. Neither Linden nor any Fund compensates these investment bankers, broker-dealers or others for investments ultimately made by prospective investors attending such events.

Linden does not recommend or select other investment advisers for the Funds.

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

### **Code of Ethics and Personal Trading**

Pursuant to Rule 204A-1 of the Advisers Act, Linden has adopted a Code of Ethics for all employees of the Firm describing its high standard of business conduct and its responsibilities to its Funds. Linden's Code of Ethics requires all supervised persons to place Fund interests ahead of the Firm's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws. All Linden supervised persons must acknowledge and agree to be bound by the terms of the Code of Ethics upon hire, annually and/or at such time the Code of Ethics is amended. Supervised persons of Linden who violate the Code of Ethics will be subject to remedial actions, including, but not limited to, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

The personal trading policy for all Linden supervised persons is set forth in Linden's Code of Ethics. Linden's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by any supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Fund. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Under the Code of Ethics, Linden supervised persons are required to file certain periodic reports with the Chief Compliance Officer, as required by Rule 204A-1 under Advisers Act.

Linden's supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding such securities or communicating material nonpublic information about such securities to others. The Firm maintains a restricted list regarding issuers about whom it has material nonpublic information. Pre-clearance is required by supervised persons for certain personal securities transactions, including restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to submit their brokerage account statements to the Chief Compliance Officer for review.

The principals and employees of Linden carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds and may give advice and recommend securities to vehicles which differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. In addition, principals, employees and affiliates have on occasion bought securities in transactions offered to but rejected by the Funds or that are outside the investment mandate of the Funds.

Investors can request a copy of the Firm's Code of Ethics by contacting its Chief Compliance Officer, Doug VanDegrift, at (312) 506-5600.

### **Participation in Client Transactions**

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account knowingly buys from or sells a security to an advisory client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). The SEC also views cross trades between Funds to be principal transactions if the adviser (and/or its affiliates, owners or controlling persons) own, in the aggregate, 25% or more of either Fund. In the context of Linden's business, a principal transaction would most likely refer to the practice of the General Partners or its members warehousing an investment for the formation of a future fund or Linden or a Fund General Partner purchasing the interest of an existing investor.

An agency cross transaction occurs when an adviser or affiliate arranges a transaction (*i.e.*, acts as broker) between two or more different funds or accounts that are managed by the same adviser or an affiliate. Agency cross transactions can also occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting an agency cross transaction under Section 206(3). In the context of Linden's business, an agency cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another.

In the event Linden were to recommend a principal transaction or agency cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory committee or investors, as appropriate; (iv) consent

is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction. During 2019, Linden sold an investment from Fund IV to the SCF and, as part of such transaction, complied with each of the steps outlined above.

### **Conflicts of Interest**

The Governing Documents of each Fund includes a description of what Linden believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

Investors should note that there will be occasions when Linden and its affiliates encounter potential conflicts of interest in connection with a Fund. If any matter arises that Linden determines in its good faith constitutes an actual conflict of interest, Linden will take such actions as necessary or appropriate, within the context of such Fund's Governing Documents, to ameliorate the conflict.

### **Item 12 – Brokerage Practices**

Linden's investment focus is on securities transactions of private companies and take-private transactions of public companies, and generally purchases and sells such companies or otherwise invests in their securities through privately negotiated transactions. In pursuing privately negotiated transactions, Linden will, on occasion, engage the services of a broker-dealer or investment banker in connection with the purchase and sale of a portfolio investment. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the Fund. Whether for private or public securities transactions, Linden selects a broker-dealer or investment banker based on Linden's best judgment regarding a variety of factors, which will not be limited solely to deal price, and as specified in its compliance manual, including but not limited to: Linden's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; and the commission rates, among other factors.

Although Linden generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

The Firm does not receive any soft dollar benefits from a broker-dealer or other third party in connection with Fund securities transactions, does not receive investor referrals in connection with selecting or recommending broker-dealers for the Funds and does not engage in directed brokerage.

In the event Linden were to aggregate the purchase or sale of securities for Fund accounts, it would do so in the discretion of the investment committee.

### **Item 13 – Review of Accounts**

The investment portfolios of each Fund are generally private, illiquid and long-term in nature and accordingly Linden's review of them is not directed toward a short-term decision to dispose of securities. Linden closely monitors the portfolio companies of its Funds and maintains an ongoing oversight position in such portfolio companies. A team of investment professionals reviews each Fund's portfolios on an on-going basis. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management. The team generally includes principals and other investment professionals of Linden.

Doug VanDegrift, Chief Financial Officer and Chief Compliance Officer, reviews the accounts of each of the Funds on a quarterly basis. Mr. VanDegrift, in his role as Chief Financial Officer and Chief Compliance Officer, also reviews the Funds' accounts whenever a determination is made as to a distribution or a capital call.

Linden furnishes to investors on behalf of the Funds the following written reports: (i) unaudited financial statements for the first three quarters of each fiscal year within 45 days of each quarter's close; (ii) annual audited financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Stability Board ("FASB"), accompanied by a report of the independent certified public accountant, within 120 days of the fiscal year end; (iii) quarterly individual statement of account; and (iv) quarterly unaudited reports providing a narrative summary of the status of each portfolio company held by a Fund. The Firm also has contact with investors (*e.g.*, personal visits, telephone, email) throughout the year as requested or conditions warrant.

Upon request, certain investors receive additional information and reporting that other investors do not receive. Further, in the course of conducting due diligence or otherwise, Fund investors periodically request information pertaining to their investments. Linden responds to these requests, and in answering these requests provides information that is not generally made available to other Fund investors who have not requested such information.

### **Item 14 – Client Referrals and Other Compensation**

As described in Item 5 above, Linden receives out of pocket expense reimbursements and compensation in the form of fees from the portfolio companies held by the Funds. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain services that Linden believes will ultimately enhance the value of the companies and benefit the Funds and their investors. Such fee arrangements can present potential conflicts of interest and provide Linden with an incentive to recommend investments based on compensation received rather than the



best interests of the Funds. To help mitigate this conflict, an allocable portion of such benefits received by Linden or its employees are offset in whole or in part, depending on the Fund, against the Management Fee paid by a Fund, except for any fees earned by Operating Partners or the Operations Group, as further described in Item 5 above and in detailed in each Fund's Governing Documents.

When raising capital for a new Fund, Linden typically engages the services of a registered broker-dealer to serve as placement agent for Fund units. Fees for the placement agent are generally a fixed or retainer fee. Placement agent fees are paid by the Funds and any such fees paid offset the Management Fee on a dollar-for-dollar basis, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, may be borne by the relevant Fund as part of its organizational expenses. All placement agents engaged by Linden are registered broker-dealers.

In connection with the fundraise for the SCF, Linden has engaged Park Hill Group LLC, a registered broker-dealer.

### **Item 15 – Custody**

The Advisers Act Rule 206(4)-2 (the “Custody Rule”) requires that pooled investment vehicles advised by Linden either undergo an annual audit pursuant to GAAP by an auditing firm registered with and subject to examination by the Public Company Accounting Oversight Board (“PCAOB”) or be subject to a surprise custody examination, also by a PCAOB registered and inspected auditing firm. Linden is deemed to have custody of the Funds’ assets because of its affiliation with each Fund’s General Partner and the General Partners’ ability to deduct fees from investor accounts. In order to comply with the Custody Rule, Linden has elected to undergo an annual GAAP financial statement audit by a PCAOB registered and inspected auditing firm for each of its Fund vehicles over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective investors within 120 days of the fiscal year end. In addition, upon the final liquidation of a Fund, Linden will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying investors promptly upon completion of the audit. Investors in the Funds should carefully review such financial statements.

Linden does not accept physical custody of any Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly sent or wired to each Fund’s custodial bank accounts. Linden receives monthly or quarterly statements from all of its custodians on behalf of the Funds. For more information about Linden qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

### **Item 16 – Investment Discretion**

Linden and its General Partners have discretionary authority based on the Governing Documents of each Fund to buy and sell securities or other investments on behalf of the Funds and to determine the amount of such investments to be bought and sold. Investment advice is provided directly to the

Funds, subject to the discretion and control of the relevant General Partner, and not to investors in the Funds individually. The terms upon which Linden serves as an investment manager of a Fund are established at the time each Fund is established and are set out in the Governing Documents of each Fund.

To become an investor in a Linden Fund, an investor must execute a subscription agreement and a limited partnership agreement with the Fund. Such documents generally contain a power of attorney that grants Linden or its General Partner certain powers related to the orderly administration of the affairs of the Funds. Once an investor executes these documents, with limited exceptions, such as discussed elsewhere in this Brochure, Linden is not required to contact an investor prior to transacting any business.

Generally, Linden's only restrictions with respect to managing a Fund, such as the type of securities in which a Fund may invest, will be contained in the relevant Fund's Governing Documents. However, an investor can seek to impose limitations on Linden's authority through a side letter agreement and Linden and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion. Linden's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Such limitations will be evidenced in both the investor's limited partnership agreement with the Firm and in a side letter agreement that must be presented to Linden in writing and agreed to by Linden and such investor. Other investors may be provided with notice regarding such side letter agreements and are provided an opportunity to elect certain items contained in those side letter agreements, subject to the relevant Fund's Governing Documents, but are not given consent rights over such agreements.

### **Item 17 – Voting Client Securities**

By virtue of the applicable Governing Documents, Linden has the authority to vote proxy statements on behalf of the Funds. The majority of "proxies" received by Linden, however, are written shareholder consents or similar instruments for private companies owned by the Funds. As such, Linden has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. Linden's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there are material conflicts of interest in voting proxies. Linden generally believes its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds. However, in the event that there is a conflict of interest in voting proxies, Linden's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives as set forth in Linden's proxy voting policy. Investors in the Funds cannot direct how Linden votes proxies or shareholder consents nor is Linden required to seek investor approval or direction from investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by Linden (including Operating Partners) often sit on the boards of portfolio companies to which Linden provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. Linden does not consider service on portfolio company boards by the aforementioned persons or their receipt of nominal board fees, if any, to create a material conflict of interest in voting proxies with respect to such companies.

Linden will provide a copy of its proxy voting policy to any existing or prospective investor by contacting its Chief Compliance Officer, Doug VanDegrift, at (312) 506-5600. Investors can also obtain information from the Firm, free of charge, about how Linden voted previous public proxies, if any.

### **Item 18 – Financial Information**

Linden does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance, has no financial commitment reasonably likely to impair its ability to meet contractual and fiduciary commitments to the Funds or investors and has not been the subject of a bankruptcy petition.