



FORM ADV PART 2A: FIRM BROCHURE

BANNER RIDGE PARTNERS, LP

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This brochure (the "Brochure") provides information about the qualifications and business practices of Banner Ridge Partners, LP. ("Banner Ridge" or the "Adviser"). If you have any questions about the contents of this Brochure, please contact us by phone at (646) 363-6094 or by e-mail at Compliance@BannerRidge.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Banner Ridge also is available on the SEC's website at www.adviserinfo.sec.gov.

Being a "registered investment adviser" or describing Banner Ridge as being "registered" does not imply a certain level of skill or training.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

ITEM 2: MATERIAL CHANGES

Banner Ridge is providing this Brochure as part of its registration renewal as an investment adviser with the United States Securities and Exchange Commission (the “SEC”). Since the most recent Brochure dated November 19, 2019, the Adviser has not undergone any material changes.

Banner Ridge will ensure its Clients (as defined below) receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the Adviser’s fiscal year. The Adviser may further provide other ongoing disclosure information about any material changes as necessary.

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ITEM 4: ADVISORY BUSINESS

Banner Ridge Partners, LP (the "Adviser" or "Banner Ridge"), a Delaware limited partnership formed in June 2019 is an investment advisory firm with its headquarters in New York, New York. Anthony Cusano and Christopher Driessen (the "Principals") are the founding partners and principal owners of Banner Ridge. Mr. Cusano and Mr. Driessen are responsible for the management of the strategies employed by Banner Ridge. Banner Ridge LLC serves as the general partner of Banner Ridge and is owned by Mr. Cusano.

Banner Ridge serves as the investment manager and provides discretionary advisory services to private funds and special purpose vehicles (each a "Fund" or "Client" and collectively the "Funds" or "Clients"). Banner Ridge may establish additional Funds for a limited number of Clients where such Fund's strategy and investment restrictions are determined by such Clients.

The general partner or equivalent of each Fund is an affiliate of the Adviser (each a "General Partner"). Each General Partner is subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") pursuant to the Adviser's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Adviser.

Banner Ridge III GP LLC serves as General Partner, or in a similar management role, of one or more Funds to co-invest alongside other Funds in circumstances where Banner Ridge determines that a Fund's Portfolio Investment (as defined below) should be less than the total equity investment required for such Portfolio Investment. Banner Ridge may make the determination to utilize a co-investment Fund for reasons such as the size or specific characteristics related to the applicable investment or for other strategic reasons, as determined by Banner Ridge.

The Funds are structured as private equity funds that make Portfolio Investments. The Adviser's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments.

See Item 10 below for additional information.

The investment objective of Banner Ridge is to meet the investment goals of its Clients by identifying what it believes are best-in-class alternative asset managers, with a focus on private equity, in niche markets and to work alongside those managers to (i) provide them with committed capital to make private market investments ("Primary Investments"), (ii) provide liquidity solutions to their underlying limited partners ("Secondary Investments") and (iii) invest alongside them in pre-identified transactions ("Co-Investments"). Banner Ridge believes it can achieve this objective by targeting deep value opportunities, focusing on fragmented markets and working through structural complexities.

In making Primary Investments, Banner Ridge seeks to identify world-class alternative asset managers with fortified competitive advantages in niche markets. Banner Ridge believes its Principals have extensive experience and relationships in niche markets, particularly distressed, special situations and credit. Banner Ridge believes closely monitoring the distressed asset class

allows it to make more targeted commitments depending on the market cycle including distressed trading, distressed-for-control, turnaround private equity and structured credit.

In making Secondary Investments, Banner Ridge provides liquidity solutions to owners of private equity interests, hedge fund side pockets, and other types of locked-up capital. Banner Ridge may also invest in separately managed accounts. Banner Ridge's investments stem from its extensive relationships across investment funds and intermediaries. Banner Ridge focuses on investments where it believes it has identified an information advantage and a market inefficiency. Banner Ridge primarily targets opportunities in distressed private equity, hedge fund side pockets and out-of-favor managers. While these pools of capital had different initial strategies, they often own similar assets; Banner Ridge believes that by understanding relative value, it can generate outperformance. Finally, Banner Ridge believes its investment team has significant experience with complex transaction structures.

Banner Ridge invests in Co-Investments by partnering with what it believes are best-in-class managers to find undervalued opportunities. Banner Ridge believes: (i) strong co-investments start with strong historical relationships with its partners; (ii) identifying managers with robust diligence processes and differentiated sourcing ensures attractive opportunities; and (iii) demonstrating that Banner Ridge is a reliable and complimentary partner ensures the option to invest. Finally, Banner Ridge believes its robust investment process of identifying value and focusing on market inefficiency ensures strong performance.

Finally, Banner Ridge may opportunistically buy or sell public or private securities that de-risk or complement its portfolio including equities, derivatives, total return swaps and credit instruments.

The majority of the Adviser's assets are interests in private equity funds (the "Underlying Funds") managed by unaffiliated third-party managers (the "Underlying Managers") and private equity-backed companies or securities (collectively, "Portfolio Investments"). In providing services to Funds, among other things, Banner Ridge: (i) manages the Funds' assets in accordance with the terms of the applicable Fund's confidential offering memorandum, individual limited partnership agreement, limited liability company operating agreement, investment advisory agreement and other governing documents applicable to each Fund (collectively the "Governing Documents"); (ii) formulates investment objectives and, to the extent applicable, investment restrictions; (iii) directs and manages the investment and reinvestment of the Funds' respective assets; and (iv) provides, or causes to be provided, periodic reports to investors and/or Funds, as applicable. Banner Ridge provides investment advice directly to the applicable Fund and not individually to limited partners, members or shareholders of a particular Fund.

Fund investors are not currently permitted to impose restrictions on the types of investments in which their respective Fund may invest. Investment restrictions for a Fund, if any, are established in the Governing Documents of the applicable Fund.

Banner Ridge may, in the future, organize additional investment vehicles or provide investment advisory services to other accounts that follow an investment strategy similar to or different from the investment program of the Funds.

As of December 31, 2019, Banner Ridge has \$504,019,410 regulatory assets under management.

ITEM 5: FEES AND COMPENSATION

In general, the Adviser receives a management fee from each of the Funds that it manages as compensation for the investment advisory services rendered to the applicable Fund. The Adviser also typically receives performance-based compensation or carried interest pursuant to the applicable governing documents for such Fund.

The precise amount, the manner of calculation and the manner and timing of payment of any such management fee, carried interest, or performance-based compensation for each such Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's governing documents provided to each investor prior to investment in such Fund. Nonetheless, the structure of the management fee and carried interest which the Adviser currently employs and which the Adviser expects to employ with respect to future Funds going forward is summarized below.

Management Fees

A Fund pays the General Partner a management fee (the "Management Fee") equal to a fixed percentage of each limited partner's capital commitment, which is payable quarterly in arrears in such amounts as are set forth in the Governing Documents of each applicable Fund.

Installments of the Management Fee payable for any period other than a full calendar quarter are adjusted on *pro rata* basis according to the actual number of days in the calendar quarter.

Carried Interest

The applicable General Partner is entitled to receive performance-based carried interest distributions ("Carried Interest Distributions") in respect of each Fund. Generally, these Carried Interest Distributions represent a share of distributions to be received by an investor in a Fund in excess of the relevant investor's invested capital, and allocable fees and expenses. Carried Interest Distributions may be applied each time an investment is realized or on an annual (or more frequent) basis with respect to certain investors in the Funds.

For any Fund, Carried Interest Distributions are subject to certain preferred return hurdles, catch-up allocations and clawback provisions. The manner of calculation and application of Carried Interest Distributions are disclosed in the offering documents for, and detailed in the Governing Documents of, each applicable Fund. For more information please see Item 6.

Banner Ridge may, in its sole discretion, waive, modify, reduce or rebate the Management Fee and/or Carried Interest Distributions with respect to the investment of any investor, including its employees, owners, affiliates, relatives of such persons, and for certain large or strategic investors.

Other Information

In addition to the Management Fee and Carried Interest Distributions and as set forth in more detail in the applicable Governing Documents, each Fund pays all applicable expenses attributable to the operation of such Fund as detailed in their Governing Documents. Expenses are generally shared by all of the investors in the Funds, while expenses related to one or more

particular series or classes of investments are allocated accordingly. In the event that one or more Funds (each a “feeder fund”) invest all or a substantial portion of its assets through another Fund (i.e., a “master fund”) each such “feeder fund” is also be responsible for its pro rata portion of such master fund’s costs and expenses. Each Portfolio Investment in which a Fund invests has its own operational, administrative, management, including custodial, trustee, record keeping fees (including preparation of financial statements, and the costs and expenses of preparing and circulating reports and any fees or imposts of a governmental authority imposed in connection therewith, investment, brokerage (as applicable) and other fees and expenses, in addition to performance based compensation, if any, which are charged against such Fund’s assets. Expenses of more than one Fund are allocated on an equitable basis among such Funds based on the aggregate capital commitments of each applicable Fund, unless Banner Ridge, in its sole discretion, determines that a different allocation methodology would be more appropriate and equitable. Notwithstanding the foregoing, Banner Ridge may elect to bear some or all of the above expenses of the Funds.

Certain fees and other remuneration received by Banner Ridge or certain of its affiliates in connection with services provided to, or on behalf of, Portfolio Investments, may be offset against the Management Fees to be received by Banner Ridge (the “Fees Subject to Offset”). The Fees Subject to Offset vary between the Funds, but do not reduce the Management Fees below zero. Fund investors and prospective Fund investors should refer to the Governing Documents of each applicable Fund for specific information concerning the amount and timing of such Fees Subject to Offset.

The Adviser may receive compensation of the type referred to in the preceding paragraph from, or on behalf of or with respect to co-investors in an investment. The receipt of such compensation does not reduce any Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund, in most cases, only benefits with respect to its allocable portion of any such compensation and not the portion of any compensation that relates to such co-investors which have the potential to be significant. Similarly, in certain circumstances, the Adviser expects that co-investors or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset is applied after excluding any amounts paid to such persons.

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds (including, without limitation, legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Fund(s) by their share of such expense, without interest. While the Adviser believes such circumstances to be highly unlikely, it is possible that one of the other Fund(s) could default on its obligation to reimburse the paying Fund. In certain circumstances, the Adviser is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the Adviser’s related policies and the relevant partnership agreement(s) and/or side letter(s). Where a co-invest vehicle is formed, such entity generally bears expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned ultimately is not consummated,

including a transaction for which a co-investment was believed necessary in order to consummate such transaction, or would otherwise be beneficial, in the judgment of the General Partner, all broken deal expenses relating to such proposed transaction generally is paid solely by such potential co-investors.

The Adviser and/or its affiliates generally have discretion over whether to charge Fees Subject to Offset related to a Portfolio Investment and, if so, the rate, timing, method and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Fees Subject to Offset generally gives rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates, on the other hand.

Banner Ridge and its supervised persons do not accept any compensation (e.g., brokerage commissions) for the sale of securities or other investment products, including interests in the Funds.

For more information regarding Banner Ridge's brokerage practices and brokerage expenses discussed herein, please see Item 12.

ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Distributions to investors in most Funds are subject to Carried Interest Distributions for the benefit of an affiliate of Banner Ridge. Generally, these profit allocations represent a share of distributions made by a Fund in excess of the relevant investors' invested capital, allocable fees and expenses and after a preferred return hurdle has been achieved as more fully described in the Governing Documents of each applicable Fund. Carried Interest Distributions with respect to each Fund may be applied each time an investment is realized or at such other times as determined by an affiliate of Banner Ridge and are generally subject to a general partner clawback provision.

Carried Interest Distributions are subject to regulation under Section 205 of the Advisers Act and Rule 205-3 thereunder. Therefore, Banner Ridge seeks to ensure that any Funds or investors in a Fund that are directly or indirectly assessed performance fees or are subject to carried interest profit allocations satisfy the qualifications of Rule 205-3 under the Advisers Act and have been advised of such fees or allocations and their risks prior to making an investment in the applicable Fund. Carried Interest Distributions may create an incentive for Banner Ridge to make more speculative investments than would otherwise be made or make decisions regarding the timing and manner of realization of investments differently than if such Carried Interest Distributions were not made to its affiliate.

In addition, an Underlying Manager of a Portfolio Investment in which a Fund invests may charge incentive or performance-based fees/allocations, which are borne by such Fund.

Banner Ridge may manage Funds with varying fee structures that may have the ability to make similar investments or may hold the same investment. As such circumstances may create a conflict of interest, Banner Ridge has established an allocation policy. A summary of the

allocation policy is provided below. A full copy of the allocation policy is available to investors in each Fund upon request.

If Banner Ridge is presented with an investment opportunity that it determines is appropriate for more than one Fund and/or Client, such investment opportunity is generally allocated pro rata based on Banner Ridge's reasonable assessment of the amounts available for investment by each Client involved. Similarly, in the event that more than one Client holds an investment that Banner Ridge has determined to dispose of, the sale opportunity is generally allocated pro rata among the Clients on the basis of their respective investment held; provided that, if opportunities to sell are limited, priority to sell is given to any Funds in their liquidation periods (and among such Funds in their liquidation periods, to the oldest of such Funds).

The Adviser seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities are allocated to the Funds in accordance with each Fund's investment guidelines and governing documents, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel.

ITEM 7: TYPES OF CLIENTS

As described in Item 4 "Advisory Business," the Adviser provides investment advisory services only to Funds, which are investment partnerships, or similar entities, which are exempt from registration under the Investment Company Act. Investors in the Funds may include, but are not limited to, high net worth qualified individuals, family offices, fund-of-funds, endowments, foundations, trusts, charitable organizations, pension and profit-sharing plans, and corporate or business entities, and may include, directly or indirectly, Principals or other employees of the Adviser and its affiliates and member of their families, and consultants or other service providers retained by the Adviser.

Details concerning applicable investor suitability criteria are set forth in the respective Client's Governing Documents. The minimum commitment for an investor is outlined in the applicable Client's Governing Documents, including the discretion of Banner Ridge and its affiliates to accept less than the minimum commitment threshold. Each investor is required to meet certain suitability qualifications as more fully set forth in the applicable Governing Documents. Each investor in a Fund is required to meet certain suitability qualifications, such as being (i) an "accredited investor" as defined under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended, and/or (ii) a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Funds' investment strategies are described in their respective Governing Documents.

The investment objective of Banner Ridge is to meet the investment goals of its Clients by identifying what it believes are best-in-class Underlying Managers in niche markets and to work

alongside those managers to (i) provide them with committed capital to make private market investments via Primary Investments, (ii) provide liquidity solutions to their underlying limited partners via Secondary Investments and (iii) invest alongside them in pre-identified transactions via Co-Investments. Banner Ridge believes it can achieve this objective by targeting deep value opportunities, focusing on fragmented markets and working through structural complexities.

Key components of the Funds' strategy include the following: niche market focus, specialized sourcing, diligent underwriting, efficient execution, disciplined risk management and actively monitoring the Funds' assets.

The Funds' focus is on investments that Banner Ridge believes represent deep value opportunities. Such investments may be characterized by, among other things, having significant underlying asset value or a history of cash flow generation. Often such investments are categorized as distressed, special situations or credit. Banner Ridge believes that such investments are less speculative and therefore should have more predictable outcomes.

The Funds' focus is also on fragmented markets where, among other factors, there is greater supply than demand, a distinct sourcing advantage exists or a distinct operating advantage exists. Banner Ridge broadly believes that private equity markets are more fragmented than public equity markets where barriers to entry are lower and information is more broadly available. In making Secondary Investments, Banner Ridge targets investments with asymmetrical information, proprietary sourcing, limited auction processes or increased operational difficulty that may limit the number of bidders. When making Primary Investments, Banner Ridge targets investments where the Underlying Manager has established historical success sourcing investments and operating businesses, where the Underlying Manager has established a unique sourcing advantage, in market segments with less competition and in situations where a fund has already identified strong potential investments. In making Co-Investments, Banner Ridge targets investments with differentiated sourcing (limited or no competition) and businesses where the sourcing manager has a demonstrated operating track record.

The Funds' primary focus is on value-oriented distressed, special situations and credit asset classes. The Funds' geographic focus is the U.S. and Western Europe. However, Banner Ridge also regularly evaluates and acquires, subject to the restrictions within the relevant Fund's governing documents, assets in Eastern Europe, Asia, and various emerging markets.

Independent of its investment due diligence process, Banner Ridge conducts a risk-based review of an Underlying Manager's operational and financial controls as part of its operational due diligence process.

Banner Ridge considers a range of deal types, with a primary focus on Secondary Investments (including the purchase of limited partnership interests from existing investors, the restructuring of existing private equity funds, the purchase of assets from an existing private equity fund and financing solutions for private equity funds or limited partnership interests). Primary Investments involve committing directly to a private equity fund while co-investments entail purchasing a minority interest in a company or the entity that holds such company. Finally, Banner Ridge opportunistically buys or sells public or private securities that de-risk or complement its portfolio including equities, derivatives, total return swaps and credit instruments.

One or more Funds may recycle capital distributed from underlying investments within a short period of its initial investment. This allows such Funds to effectively execute more deals with the objective of generating additional profits for investors. Banner Ridge employs a capital call facility for short-term cash management, to smooth the frequency of capital calls from investors and to better manage a Fund's portfolio.

The description set forth above is general and is not intended to be exhaustive. The risks of each Client's business are substantial and each Client could realize losses rather than gains from some or all of the investments described herein. Investing in securities involves a risk of loss that Clients should be prepared to bear. Clients should refer to the respective Governing Documents for additional information.

Risks Involved with an Investment in a Fund and Portfolio Investments

THE FOLLOWING IS AN EXPLANATION OF THE MATERIAL RISKS THAT BANNER RIDGE BELIEVES ARE ASSOCIATED WITH ITS INVESTMENT STRATEGY, INCLUDING PRIMARY INVESTMENTS, SECONDARY INVESTMENTS AND CO-INVESTMENTS. NOT ALL OF THESE RISKS ARE EQUALLY RELEVANT TO EACH CLIENT OR FUND THAT IS MANAGED BY BANNER RIDGE AT ANY TIME. FURTHER DISCUSSION OF THESE AND OTHER RISKS ASSOCIATED WITH AN INVESTMENT IN EACH FUND ARE SET FORTH IN THE APPLICABLE FUND'S GOVERNING DOCUMENTS. THE FOLLOWING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE LIST OR EXPLANATION OF ALL THE RISKS ASSOCIATED WITH AN INVESTMENT IN ONE OR MORE OF THE FUNDS.

Lack of Operating History. Banner Ridge is a newly-formed company with limited operating history. Likewise, a Fund is also a newly-formed entity which does not have an operating history for prospective investors to evaluate prior to making an investment in a Fund.

Investment Judgment; Market Risk. The profitability of a significant portion of a Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of investments. There can be no assurance that Banner Ridge can predict accurately these price movements. With respect to the investment strategy utilized by a Fund, there is always some, and occasionally a significant, degree of market risk.

Reliance on Key Person. A Fund is substantially dependent on the services of the Principals. In the event of the death, disability, departure or insolvency of either of the Principals, or the complete transfer of either of the Principal's interest in Banner Ridge, the business of a Fund may be adversely affected. The Principals devote such time and effort as they deem necessary for the management and administration of a Fund's business. However, the Principals may engage in various other business activities in addition to managing a Fund, and consequently may not devote all time to a Fund's business.

Dependence on Key Personnel. The success of a Fund is highly dependent on the expertise and performance of Banner Ridge's investment team. There can be no assurance that the members of the investment team will continue to be associated with Banner Ridge throughout the life of a Fund. The loss of certain of these individuals could have a significant adverse impact on the business of a Fund. Investors in a Fund may have limited recourse in the event that any of these individuals ceases to perform services for the Fund. Investors are not expected to be permitted

to withdraw commitments or investments in a Fund as a result of the departure of one of the professionals responsible for the activities of the applicable Fund.

Risk of Private Equity Investments. There is no assurance that each Fund's Portfolio Investments will be successful. Generally, the investments made by a Fund are illiquid and difficult to value, and there is little or no collateral to protect an investment once made. Expenses of a Fund may exceed its income, and an investor therein could lose the entire amount of its contributed capital.

No Assurances as to Resale of Portfolio Investments. There can be no assurances that a Fund will be able to sell or otherwise dispose of a Portfolio Investment at a time that Banner Ridge considers to be economically opportune or at all.

General Risks of Secondary Investments. There is no established market for Secondary Investments and Banner Ridge does not currently expect a liquid market to develop. Moreover, the market for Secondary Investments has been evolving and is likely to continue to evolve. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number and attractiveness of investment opportunities available to a Fund and adversely affecting the terms upon which investments can be made. Accordingly, there can be no assurance that a Fund will be able to identify sufficient investment opportunities or that it acquire sufficient Secondary Investments on attractive terms. When a Fund acquires an Underlying Fund interest as a Secondary Investment, a Fund may acquire contingent liabilities associated with such interest. Specifically, when the seller has received distributions from the relevant Underlying Fund and, subsequently, that Underlying Fund recalls any portion of such distributions, a Fund (as the purchaser of the interest to which such distributions are attributable) may be obligated to pay an amount equivalent to such distributions to such Underlying Fund. While a Fund may be able, in turn, to make a claim against the seller of the interest for any monies so paid to the Underlying Fund, there can be no assurance that a Fund would have such right or prevail in any such claim. In some instances, a Fund may have the opportunity to acquire a portfolio of interests from a seller on an "all or nothing" basis. Certain of the interests in the portfolio may be less attractive than others, and certain of the sponsors of such interests may be more familiar to a Fund than others or may be more experienced or highly regarded than others. In certain instances, the purchase of an interest in a new fund may be less attractive than a secondary market purchase of an existing limited partner interest. In such cases, it may not be possible for a Fund to exclude from such purchases those investments that Banner Ridge considers (for commercial, tax, legal, or other reasons) less attractive. The overall performance of a Fund's Secondary Investments depends in part on the acquisition price paid, which may be negotiated based on incomplete or imperfect information.

Where a Fund acquires an Underlying Fund interest as a Secondary Investment, in Banner Ridge's experience, a Fund generally does not have the ability to modify or amend such Underlying Fund's constituent documents (e.g., limited partnership agreements) or otherwise negotiate the economic terms of the interests being acquired. In addition, the costs and resources required to investigate the commercial, tax and legal issues relating to Secondary Investments are typically greater than those relating to primary investments. A Fund may acquire Secondary Investments as a member of a purchasing syndicate, in which case a Fund may be exposed to additional risks including, among other things: (i) counterparty risk; (ii) reputation risk; (iii) breach of confidentiality by a syndicate member; and (iv) execution risk. Finally, a Fund may,

instead of making a Secondary Investment, make purchase a portfolio, and in such cases a Fund may not be able to carve out from such purchases those investments that Banner Ridge considers (for commercial, tax, legal or other reasons) less attractive.

Competition for Secondary Investments. The activity of identifying and completing attractive Secondary Investments is highly competitive and involves a high degree of uncertainty. A Fund is competing for Secondary Investments with other secondary investment vehicles, as well as financial institutions and other investors. In recent years, an increasing number of secondary investment funds and other capital pools targeted at the secondary sector have been formed, and additional capital will likely be directed at this sector in the future. Some of a Fund's competitors have greater resources or different return criteria than a Fund, and may have greater access to secondary investment opportunities and greater ability to complete investments than a Fund, any of which affords them a competitive advantage. In addition, recent years have seen an increase in the sales of secondary portfolios conducted by a limited auction process, which generally increases competition from prospective buyers. There can be no assurance that a Fund will be able to identify and complete an adequate number of investments which satisfy its target return, or that it will be able to invest fully its committed capital.

Reliance on Underlying Managers. None of the Funds nor Banner Ridge currently have an active role in the day to day management of the assets managed by the Underlying Managers. Moreover, none of the Funds nor Banner Ridge typically have the opportunity to evaluate the specific investments made by any Underlying Manager prior to the consummation of such investments. While considering a Portfolio Investment for a Fund investment, and during the period such Fund holds such an investment Banner Ridge often has only a limited opportunity to confirm the accuracy of information received from Underlying Managers. Portfolio Investments may carry their investments at cost or may employ another valuation method that may differ from the fair market value of such investments. Generally, there is no independent pricing source for interests in Portfolio Investments. The returns of each Fund depend in part on the performance of these unrelated investment managers over which such Fund has no control and could be adversely affected by the unfavorable performance of one or more investment managers. Banner Ridge attempts to evaluate each Underlying Fund based on an analysis of its investment portfolio at the time of investment from available information, criteria such as the performance history of the Underlying Funds or other funds managed by such investment managers, and the investment strategies of the Underlying Funds. Past performance may not, however, be a reliable indicator of future results, and investment managers, investment management personnel and investment strategies of any Underlying Fund in which a Fund invests may change without the consent of such Fund.

Proprietary Investment Strategies. Selected portfolio managers of Underlying Managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to Banner Ridge or the Funds. These strategies may involve risks under some market conditions that are not anticipated by portfolio managers or the Funds. Portfolio managers generally use investment strategies that are different than those typically employed by traditional managers of portfolios of stocks and bonds. The investment niche, arbitrage opportunity or market inefficiency employed by a portfolio manager may become less profitable over time as portfolio manager and competing asset managers or investors manage a larger group of assets in the same or similar manner (tending to arbitrage away the profit

opportunities), or market conditions change. The strategies employed by portfolio managers may involve significantly more risk and higher transaction costs than more traditional investment methods. The Funds seek to reduce these risks by spreading the investments among a variety of different portfolio managers using investment strategies with returns that are not highly correlated with one another so that the volatility of different strategies (the profits from one portfolio manager and the losses from another) tend to reduce the overall fluctuation in value of the Funds' assets. It is possible that the performance of portfolio managers may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to the Funds and its investors.

Importance of Valuation and Structuring of Acquisitions. The overall performance of each Fund depends in large part on the acquisition price paid by such Fund for its investments, which is typically determined by reference to the carrying values most recently reported by the Underlying Funds and other available information. Although many Underlying Funds are generally valued on a quarterly basis, the Underlying Funds are not generally obligated to update any valuations in connection with a transfer of interests on a secondary basis, and such valuation may not be indicative of current or ultimate realizable values. Moreover, there is no established market for secondary investments or for the privately held portfolio companies in which the Underlying Funds may own securities, and there may not be any comparable companies for which public market valuations exist. As a result, the valuation of secondary investments may be based on limited information and is subject to inherent uncertainties. Generally, a Fund does not acquire interests directly from the issuers thereof, does not have the opportunity to negotiate the terms of the interests being purchased or any special rights or privileges, and expects to hold its secondary investments on a long-term basis. As a result, the performance of such Fund is adversely affected in the event the valuations assumed by Banner Ridge in the course of negotiating acquisitions of investments prove to have been too high. A Fund also faces portfolio sales or other situations where, in order to make investments considered desirable, such Fund is required to make other investments considered less desirable or for which it is less comfortable with the estimated valuations.

Co-Investment Risk. When a Fund invests alongside other investors in co-investment structure ("Co-Investment Opportunity"), the realization of portfolio company investments made as co-investments may take longer than would the realization of investments under the sole control of Banner Ridge or the Fund because co-investors may require an exit procedure requiring notification of the other co-investors and possibly giving the other co-investors a right of first refusal or a right to initiate a buy-sell procedure (i.e., one party specifying the terms upon which it is prepared to purchase the other party's or parties' participation in the investment and the non-initiating party or parties having the option of either buying the initiating party's participation or selling its or their participation in the investment on the specified terms). Co-Investment Opportunities may involve risks in connection with such third-party involvement, including the possibility that a third-party may have financial difficulties, resulting in a negative impact on such investment, or that the Fund may in certain circumstances be held liable for the actions of such third-party co-investor. Third-party co-investors may also have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take or block action in a manner contrary to the Fund's investment objective. In circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the Co-Investment Opportunities, including incentive compensation arrangements, and the interests of such third parties may not be aligned with the interests of the

Fund. When a Fund makes direct investments in operating companies that are Co-Investment Opportunities alongside investment managers, the Fund is highly dependent upon the capabilities of the investment managers alongside which the investment is made. The Fund may indirectly make binding commitments to Co-Investment Opportunities without an ability to participate in the management and control of, and with no or limited ability to transfer its interests in, the pertinent operating company. In some cases, the Fund is obligated to fund its entire direct investment in a Co-Investment Opportunity up front, and in other cases the Fund makes commitments to fund investments from time to time as called by the investment manager of another Investment Fund in a Co-Investment Opportunity. Generally, neither Banner Ridge nor the Fund have control over the timing of capital calls or distributions received from such Co-Investment Opportunities, or over investment decisions made in such Co-Investment Opportunities. When a Fund participates in a Co-Investment Opportunity, the Fund generally does not have control over the underlying portfolio company, and is not be able to direct the policies or management decisions of such portfolio company. Thus, the returns to the Fund from any such investments are more dependent upon the performance of the particular portfolio company and its management in that the investment manager, on behalf of the Fund, is not be able to direct the policies or management decisions of such portfolio company.

Leverage. Subject to applicable margin and other limitations, a Fund may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of a Fund's portfolio would be amplified. Interest on borrowings would be a portfolio expense of a Fund and would affect the operating results of the Fund. Also, a Fund could potentially create leverage via the use of instruments such as options and other derivative instruments.

Distressed Securities and Loans. An Underlying Fund may invest in securities and loans issued by companies in weak and/or deteriorating financial condition, experiencing poor operating results, needing substantial capital investment, perhaps having negative net worth, facing special competitive or product obsolescence problems or involved in bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the issuers. Such investments can result in significant or even total losses. In addition, the markets for distressed and high-yield securities are at times illiquid.

Special Situations and Distressed Investments. A Fund may invest in securities and other obligations of companies that are in special situations involving significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although some such investments have the potential to result in significant returns, these types of investments also involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is very high. There is no assurance that the value of the assets collateralizing a distressed investment or the prospects for a successful reorganization or similar action in respect of any distressed investment will be correctly evaluated. In any reorganization or liquidation proceeding relating to a distressed investment in which a Fund (directly or indirectly) invests, the Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Fund's original investment, and/or may be required to accept payment over an extended period of time. Investments in companies with significant ongoing or potential financial or business distress require active monitoring.

Cash Distributions and Leverage. A Fund's ability to make cash distributions to a limited partner may be limited by, among other things, the terms of the investment leverage entered into by the Fund for the purpose of making Portfolio Investments on a leveraged basis.

Leveraged Investments; Credit Risk. The portfolio investments of an Underlying Fund may be expected to employ or involve some/significant leverage and/or credit risk. Such portfolio investments may include companies whose capital structures have significant leverage, such as would be the case following a leveraged buyout or management buying transaction. The leveraged capital structure of such portfolio investments would increase their exposure to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio company or its industry. A highly leveraged company is generally more sensitive to downturns in its business and to changes in prevailing economic conditions than is a company with a lower level of debt. A company which is already highly leveraged may be less able to raise additional capital or financing to meet unanticipated contingencies. Other investments in which an Underlying Fund may participate directly or indirectly, such as distressed securities and other special situations, may also involve exposure to interest-rate or credit risk.

Bank Loans and Loan Participations. An Underlying Fund may invest in corporate bank debt ("Bank Loans") and participations therein originated by banks and other financial institutions. It is anticipated that such Bank Loans will primarily be term loans, may pay interest at a fixed or floating rate and may be senior or subordinated. Purchasers of Bank Loans are predominantly commercial banks, investment funds and investment banks and there can be no assurance that current levels of supply and demand in Bank Loan trading provide an adequate degree of liquidity. An Underlying Fund may acquire interests in Bank Loans either directly (by way of sale or assignment) or indirectly (by way of participation or other derivative contract). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. Participation interests in a portion of a debt obligation typically result in a contractual relationship only with the institution participating out the interest, not with the borrower. In purchasing participations and other derivatives, an Underlying Manager generally has no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and the Underlying Fund may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Underlying Fund assumes the credit risk of both the borrower and the institution selling the participation or other derivative contract.

Loan Risk. The value of the assets which underlie the loans of an Underlying Fund are subject to market conditions. Changes in the market may adversely affect the value of the collateral and thereby lower the value to be derived from liquidation. In addition, loans have, and in the future may, become non-performing for a wide variety of reasons and may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan. Moreover, even if such restructuring is successfully accomplished, a risk exists that upon maturity of such loan, replacement "take-out" financing will not be available.

Loan Quality. The Underlying Funds may invest in loans that are below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of loans tend to reflect individual corporate developments to a greater extent than do higher rated loans, which react primarily to fluctuations in the general level of interest rates. It is highly likely that a major economic recession could have a materially adverse impact on the value of such investments. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of the loans.

Default and Credit Risk. Loans involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the loan documents. In evaluating credit risk, the Underlying Managers often rely upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on an Underlying Fund.

General Risks of Investments in Distressed and Restructuring Corporate Credit. The Underlying Funds in which a Fund may invest are subject to all the risks inherent in investing in distressed and restructuring corporate credit, which risks may be increased by the Underlying Fund's use of leverage. These risks include without limitation: liquidity risk as these investments are highly illiquid, general macroeconomic, microeconomic and local economic risk associated with an industry or asset class, fluctuations in valuations of a company, asset, operating business or real estate values, the financial resources of the company; the ability of the company or asset to obtain financing or extend its financing. Such risks also include fluctuations in cost of operating the asset or company which could adversely affect the value of the assets as well as the ability for a management team to optimally or effectively operate or manage the asset or company or control the costs associated with operating or managing the asset or company. The Underlying Funds' investment objectives may not be realized and significant principal loss may be incurred in the event that risk factors lead to a deterioration of the asset or company. The Underlying Funds (and as a consequence, a Fund) may have to advance funds to protect an investment, forgo the receipt of interest income on debt investments, or may be required to dispose of investments on disadvantageous terms if necessary to raise needed funds.

High Yield Securities Risk. A Fund may invest in securities that are rated below investment-grade (commonly referred to as "junk bonds," including those bonds rated lower than "BBB-" by Standard & Poor's Ratings Services and Fitch or "Baa3" by Moody's), or are unrated, may be deemed speculative and involve greater levels of risk than higher-rated securities of similar maturity and are more likely to default. High yield securities may be issued by less creditworthy issuers. Issuers of high yield securities may have a larger amount of outstanding debt relative to their assets than issuers of investment-grade bonds. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of high yield securities holders, leaving few or no assets available to repay high yield securities holders. High yield securities frequently have redemption features that permit an issuer to repurchase the security from a Fund before it matures. If the issuer redeems high yield securities held by a Fund, the Partnership may have to invest the proceeds in bonds with lower yields and may lose income. A fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer.

Risks of Investments in Mezzanine Funds. Certain Funds may invest in Underlying Funds that are involved in mezzanine transactions. While mezzanine securities are typically senior to common stock and other equity securities in a portfolio company's capital structure, they may be subordinate to significant amounts of senior debt, and mezzanine securities are generally unsecured.

Structured Finance Securities Risk. A Fund's investments may consist of tranches of CLOs or other structured financial instruments including but not limited to Residential Mortgage-Backed Securities and Commercial Mortgage-Backed Securities. Such structured finance securities are generally backed by an asset or a pool of assets, which serve as collateral. Depending on the type of security, the collateral may take the form of a portfolio of mortgage loans or bonds or other assets. TA Fund, an Underlying Fund and other investors in structured finance securities ultimately bear the credit risk of the underlying collateral. In some instances, the structured finance securities are issued in multiple tranches, offering investors various maturity and credit risk characteristics, often categorized as senior, mezzanine and subordinated/equity according to their degree of risk. If there are defaults or the relevant collateral otherwise underperforms, scheduled payments to senior tranches of such securities take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. In light of the above considerations, structured finance securities may present risks similar to those of the other types of debt obligations in which a Fund or an Underlying Fund may invest and, in fact, such risks may be of greater significance in the case of structured finance securities. Moreover, investing in structured finance securities may entail a variety of unique risks. In addition to the risks noted above and other risks, structured finance securities may be subject to prepayment risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including the structured finance security's priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. In addition, the complex structure of the security may produce unexpected investment results, especially during times of market stress or volatility. Investments in structured finance securities may also be subject to illiquidity risk.

Small- and Mid-Capitalization Companies. The small- and mid-capitalization companies in which a Fund may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small- and mid-capitalized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small- and mid- cap stocks may be more volatile than those of larger companies.

Exchange-Traded Funds. A Fund may invest in exchange traded funds ("ETFs"). ETFs generally represent an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with a Fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may

trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs' performance may not correctly replicate the performance of the index. A Fund's investment in ETFs, closed-end funds and other investment companies results in the layering of fees and expenses on the limited partner, such that limited partners indirectly bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Venture Capital. A Fund may invest in a venture capital company, which is usually characterized by investments in private companies that have a limited operating history, are attempting to develop or commercialize unproven technologies or implement novel business plans or are not otherwise developed sufficiently to be self-sustaining financially or to become public. These investments may offer the opportunity for significant gains, but such investments involve a high degree of business and financial risk that can result in substantial losses, which risks generally are greater than the risks of investing in public companies that may be at a later stage of development.

Investment Controls. Restrictions or controls may at times limit or preclude foreign investment in certain emerging markets and increase the costs and expenses of a Fund. Certain emerging markets require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors. Certain emerging markets may also restrict investment opportunities in issuers in industries deemed important to national interests.

Investments in emerging markets may require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if a deterioration occurs in an emerging market's balance of payments, the country could impose temporary restrictions on foreign capital remittances. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restrictions on investments. Investing in emerging markets may require a Fund to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the Partnership.

Foreign Investments. Certain Funds invests in Underlying Funds that hold portfolio investments outside of the United States. Foreign investments involve certain factors not typically associated with investing in U.S. businesses and securities. For instance, investments in non-U.S. businesses (i) may require government approvals under corporate, securities, exchange-control, non-U.S. investment and other similar laws and regulations, and (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly in use in the U.S. In addition, such risks of non-U.S. investing may include, in general, risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and various foreign currencies in which an Underlying Fund's investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, the absence of uniform

accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic and political factors, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; and (iv) the possible imposition of foreign taxes on income and gain recognized with respect to such securities.

Economic and Political Risks. A portion of a Fund's assets may be invested in countries where the market economy is relatively less developed. Although the recent general trend in such countries has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organized crime or other factors beyond Banner Ridge's control could have a material adverse effect on the performance of a Fund.

International Trade. The economies of many emerging markets are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

Risks Related to Investing in Europe. A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and without Europe. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro, the common currency of the European Union, and/or withdraw from the European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching. The Funds cannot predict for how long economic conditions will continue to impact the European markets adversely, or to what degree economic conditions will deteriorate further. Any decline in the performance of national economies or the credit markets in European countries could have a negative impact on general economic and market conditions in Europe and globally. These events could negatively affect the value and liquidity of a Fund's investments in the Underlying Funds.

Emerging Market Inflation. Emerging market countries tend to have periods of high inflation and high interest rates, as well as substantial volatility in interest rates. The value of emerging market

securities can be expected to be extremely sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant security.

Master-Feeder Structure. Certain Funds invest through a "master-feeder" structure. Although a common investment fund structure, the "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in the master fund may be materially affected by the actions of a larger feeder fund investing in the master fund. If a feeder fund withdraws from the master fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. In addition, to the extent a Fund's assets are invested in the master fund, certain conflicts of interest may exist due to different tax considerations applicable to the Fund and other feeder funds.

Illiquidity. The investments made by a Fund are very illiquid, and consequently a Fund may not be able to sell such investments at prices that reflect the General Partner's assessment of their value or the amount paid for such investments by a Fund. Illiquidity results from the Interests not being freely transferrable, as well as the absence of an established market for the investments, legal, contractual or other restrictions on their resale by a Fund and other factors. Furthermore, the nature of a Fund's investments typically require a long holding period prior to profitability. An investment in a Fund may be suitable only for sophisticated investors who have no need for liquidity in such investment.

Investments Longer Than Term. A Fund may make investments that may not be advantageously disposed of prior to the date a Fund will be dissolved, either by expiration of a Fund term or otherwise. A Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time. As a result, a Fund may sell, distribute, or otherwise dispose of its investments for a price which is less than the price that could have been obtained if the investments were held for a longer period of time.

Currency Risk. A Fund may invest its capital in securities that are custodied in different countries, the prices of which are determined with reference to currencies other than the U.S. dollar. A Fund values its securities in U.S. dollars and therefore may be affected by fluctuations in currency values.

Currency Hedging. Capital contributions are made in U.S. dollars unless otherwise determined by Banner Ridge. Investments in Underlying Funds which are denominated in currencies other than U.S. dollars are subject to the risk that the value of a particular currency will change in relation to the U.S. dollar. Banner Ridge may, but is under no obligation to, hedge such risk through the use of certain derivative instruments. The costs of such hedging strategies and the risks associated therewith are borne by the applicable Funds. There is no assurance that a Fund will be hedged against currency exchange risks or that such hedging strategies, if used, will be successfully implemented or maintained. Therefore, while the Funds may enter into such transactions to reduce currency exchange risks, if the currency transactions are incorrectly matched, such transactions could have an adverse effect on the performance of the Funds or could only partly hedge the risks associated with fluctuations in currency value. Furthermore, perfect hedges do not exist and there can be no assurance that such hedging transactions will be effective. Each investor in a Fund, and not the Fund, bears any risk of any foreign currency exposure resulting from changes, if any, in the value of the U.S. dollar relative to the value of the currency in which each investor maintains its net worth.

Short Sales. A Fund may enter into transactions, known as “short sales,” in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by a Fund that are not made “against the box” theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. A Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, a Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Hedging. Each Fund may utilize certain financial instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success depends on, among other factors, Banner Ridge's ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategies may also be subject to Banner Ridge's ability to correctly readjust and execute hedges in an efficient and timely manner. There is also a risk that such correlation changes over time rendering the hedge ineffective. It may be more difficult to hedge a position in a smaller cap issuer than a larger-cap issuer. No Fund's portfolio is expected to be completely hedged at all times and at various times Banner Ridge may elect to be more fully hedged and at other times hedged only to a limited extent, if at all. Accordingly, a Fund's assets may not be adequately protected from market volatility and other conditions. Furthermore, an Underlying Fund may utilize certain financial instruments such as derivatives, options, interest rate swaps, caps and floors and forward contracts for risk management purposes.

Structured Credit Products. Special risks may be associated with an Underlying Fund's investments in structured credit products — i.e., collateralized debt obligations, synthetic credit portfolio transactions and asset-backed securities. For example, synthetic portfolio transactions may be structured with two or more tranches, each of which receives different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of any given tranche may be extremely sensitive to the default rate in the underlying reference portfolio.

Equities. The equity securities in which an Underlying Fund may invest may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which an Underlying Fund may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize).

Derivatives. Derivative instruments, or “derivatives,” include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the

underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each counterparty. In the event of the counterparty's default, the Partnership will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

Options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Counterparty Risk. A Fund is subject to the risk that counterparties of derivative contracts and other instruments in which it invests and trades may default on their obligations under those instruments and that certain events may occur that have an immediate and significant adverse effect on the value of those instruments. Some of the markets in which a Fund effects its transactions are over-the-counter or inter-dealer markets. The participants in such markets are typically not subject to credit evaluation by an exchange or clearing organization and regulatory oversight as are members of exchange-based markets. A Fund therefore is exposed to a greater risk that a counterparty will not timely settle a transaction or otherwise perform its obligations in accordance with contractual terms and conditions because of a dispute over the terms of the contract (whether or not bona fide), or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement of positions and segregation and minimum capital requirements applicable to intermediaries. Although a Fund intends to enter into transactions only with counterparties that Banner Ridge believes to be creditworthy, attempting to reduce a Fund's exposure by obtaining collateral in appropriate cases and pursues any available remedies under any of these contracts, there can be no assurance that a counterparty will not default and that the Fund will not sustain a loss on a transaction as a result. A Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Concentration of transactions with a limited number of counterparties could increase the potential for losses by a

Fund. A Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

Commodities and Futures. A Fund may trade on a limited basis in futures and other commodity interests. Such trading activity is regulated by the Commodity Futures Trading Commission (the "CFTC"). Pursuant to an exemption from registration under CFTC regulations, neither the applicable General Partner nor Banner Ridge is required to register, and is not registered, with the CFTC or the National Futures Association ("NFA") as a commodity pool operator (a "CPO") or as a commodity trading advisor ("CTA"). To comply with the exemption, the applicable General Partner and Banner Ridge are subject to specific limitations on the amount of commodity interests and futures that they can trade on behalf of a Fund. Should a Fund's investments in commodity interests or futures instruments exceed the limits provided by the applicable exemption from registration, the applicable General Partner and/or Banner Ridge will either have to register with the NFA or cease providing commodity interest trading advice to the applicable Fund and liquidate that Fund's holdings of commodity interests and futures which could result in losses and additional costs to the Fund.

Diversification Risk. The Underlying Funds in which a Fund may invest may participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Underlying Funds may be substantially adversely affected by the unfavorable performance of even a single portfolio investment.

Control of Portfolio Companies. An Underlying Fund (alone, or together with other investors) may be deemed to have a control position with respect to some portfolio companies in which it invests which could expose it to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Lack of Control Over Investments. An Underlying Fund may hold minority or non-controlling interests in a number of their private equity or real estate investments. Accordingly, the Underlying Funds may be unable to exercise control over their investments, and the shareholders with the controlling interests in such investments may be able to take actions, which adversely affect the value of the investment or a Fund's interest therein.

Risks of Investment in Real Estate Funds. Certain Funds may invest in Underlying Funds that invest in real estate. The Underlying Funds are subject to all the risks inherent in investing in private equity, private equity-related or real estate and real estate-related investments, which risks may be increased by an Underlying Fund's use of leverage. These risks include without limitation: liquidity risk as these investments are highly illiquid, general macroeconomic, microeconomic and local economic risk associated with an industry or asset class, fluctuations in valuations of a company, asset, operating business or real estate values, the financial resources of the company or for real estate the tenants, vacancies, rent strikes, changes in tax, zoning, building, environmental and other applicable laws, rent control laws, real property tax rates, changes in interest rates and the availability of mortgage funds; the ability of the company or asset to obtain financing or extend its financing. Such risks also include fluctuations in occupancy rates, rent schedules and operating expenses, or cost of operating the asset or company which could adversely affect the value of the properties as well as the ability for a management team to

optimally or effectively operate or manage the asset or company or control the costs associated with operating or managing the asset or company. There can be no assurance of profitable operations for any private equity investment or real estate property or the repayment of any debt investment made by an Underlying Fund. The cost of operating a property may exceed the rental income, EBITDA or cash flow it generates, and the Underlying Fund may have to advance funds to protect an equity investment, forgo the receipt of interest income on debt investments, or may be required to dispose of investments on disadvantageous terms to raise needed funds. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. In addition, general economic conditions in the United States and abroad, as well as conditions of domestic and international financial markets, may adversely affect operations of real estate-focused Underlying Funds.

Concentration of Investments. Certain Funds have a material percentage of their respective assets in one or a few Portfolio Investments and a loss in any investment could have a material adverse impact on the Fund's capital. Such Fund's investments are not diversified. The lack of diversification caused by these factors may subject the investments of such Fund to more rapid change in value than would be the case if the assets of such Fund were more widely diversified.

Portfolio Investments; Compensation Arrangements. Each Fund invests in pooled investment vehicles and certain marketable investments managed by investment managers unrelated to and outside of the control of such Fund. Finding, selecting and investing in vehicles managed by other managers is a complex process. In determining how to invest a Fund's capital in other private investment vehicles, Banner Ridge looks for Underlying Managers whose investment strategies are expected to offer superior returns, considering both objective information relating to such Underlying Managers (such as historical performance data) and subjective information. However, there can be no guarantee that Banner Ridge's assessment of any Underlying Manager will be accurate. There can be no assurance that past performance data or other objective or subjective information relating to an Underlying Manager will provide any indication as to how private investment vehicles managed by such Underlying Manager will perform in the future. Even if Banner Ridge is able to accurately identify Underlying Managers whose Portfolio Investments are likely to produce attractive returns, there can be no assurance that the Fund will be able to invest in such Portfolio Investment.

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in a partnership, such as a Fund, are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors may therefore be subject to uncertainty with respect to the tax consequences associated with certain aspects of an investment in a Fund. Each prospective investor should have the tax aspects of an investment in a Fund reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles.

Cybersecurity Risks. A Fund's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely

affect a Fund and its limited partners, despite the efforts of Banner Ridge and the Fund's 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 a Fund and its limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of Banner Ridge, a Fund's service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Banner Ridge's systems to disclose sensitive information in order to gain access to Banner Ridge's data or that of a Fund's limited partners. A successful penetration or circumvention of the security of Banner Ridge's systems could result in the loss or theft of a limited partner's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause a Fund, Banner Ridge or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the underlying portfolio companies in which a Fund would invest, which could have material adverse consequences for such Fund, and may cause the Fund's investments to lose value.

Data Privacy & Cybersecurity Laws. Governments continue to address the evolving use of information systems and the transfer and management of personal data. These regulations, including the European General Directive on Privacy Regulation, the California Consumer Privacy Act, and potential future regulation could impose material operational costs on a Fund, a General Partner, Banner Ridge, the Underlying Funds, the portfolio companies and their respective service providers, and a failure by any of these parties to comply with such regulations could result in substantial fines and other regulatory enforcement action which results in a materially adverse effect. Industry specific regulations, including those promulgated by states, may impose additional operating costs, materially conflict in a manner which excludes market access to a particular territory, and otherwise adversely impact the financial performance of the regulated party.

Agreements with Certain Limited Partners. A Fund or the applicable General Partner may enter into "side letter" agreements with certain limited partners pursuant to which a Fund may give certain Limited Partners rights not granted to other limited partners, including one or more of the following: (i) reduced Management Fees, (ii) reduced Carried Interest distributions and (iii) additional transparency into a Fund's investment activities or other operations. Subject to applicable law, a Fund does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the limited partners that have entered into such agreements.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the Funds, and providing transaction-related, legal, management and other services to Funds and Portfolio Investments. The Adviser devotes such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant partnership agreement although the Funds and their respective investments place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its

activities, the interests of a Fund may conflict with the interests of the Adviser, Portfolio Investments or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser determines all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Board of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities are pursued by the Principals through such Fund, subject to certain limited exceptions set forth in the Fund's Governing Documents. Without limitation, the Principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund is investing, and may direct certain relevant investment opportunities to those investments. The Principals and the Adviser's investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Principals may control or manage may potentially compete with the Portfolio Investments acquired by a Fund. Following the commitment period of a Fund, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

In allocating investment opportunities, the Adviser must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's partnership agreement, where applicable, as well as factors including, but not limited to: investment restrictions and objectives (including those set forth in the relevant Fund's partnership agreement, strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limits, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. The Adviser determines the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and may take into consideration factors such as those set forth above.

To the extent that an investment opportunity is appropriate for one or more Funds organized as a pooled investment vehicle such investment opportunity is generally allocated to such Funds in an equitable manner; provided, however, that Banner Ridge (or its affiliate) in its sole discretion has and, in the future may, share investment opportunities with third parties, one or more investors in a Fund or affiliated investment funds with respect to which it determines in good faith (i) would be beneficial to the relevant Fund(s) or beneficial in consummating a Portfolio Investment, disposing of a Portfolio Investment or otherwise adding value to a Portfolio Investment or the relevant Fund(s) or (ii) the desired level of investment by the relevant Fund(s) has been achieved. To facilitate co-investments, Banner Ridge may form additional funds structured as an "overflow fund" or other special purpose vehicle to participate in such co-investment opportunities, and Banner Ridge or an affiliate thereof may charge management fees and/or carried interest with respect to any such co-investments; provided however, that to the extent that a Fund invests in a co-investment through another vehicle managed by Banner Ridge, such Fund (and the investors therein) is not charged any duplicative or additional management fees, carried interest distributions or other performance compensation. In determining which investment vehicles should participate in such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the Investors in such investment

vehicles. Except as required by the relevant Governing Documents, the Adviser is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Fund in a Portfolio Investment may also raise the risk of using assets of a Fund to support positions taken by other Funds.

Following such determination, the Adviser determines if the amount of an investment opportunity in which one or more Funds invests exceeds the amount that would be appropriate for such Fund(s) and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Funds' partnership agreements, side letters and the Adviser's procedures regarding allocation. The Adviser's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or similar co-investors; the Adviser's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; and whether the Adviser believes that allocating investment opportunities to an investor or other person helps to establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds and/or the Adviser. Although a prospective co-investor's willingness to invest in future Funds may be considered by the Adviser, it generally is not the sole determining factor considered by the Adviser in identifying co-investors. The Adviser may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

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

The Adviser's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such

persons, and such allocations may be more or less advantageous to some such persons relative to others. While the Adviser allocates investment opportunities in a manner that it believes in good faith is fair and equitable to its Clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject did not exist.

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Adviser and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the partnership agreements of the Funds, the Adviser allocates fees and expenses in a manner that it believes in good faith is fair and equitable to its Clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically are allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions are generally made by the Adviser or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size or in certain circumstances determining whether a particular expense has greater benefit to a Fund or the Adviser. The Funds may have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

The Adviser generally expects to exercise its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) the Adviser or a related person of the Adviser (which may include a portfolio company of such Fund), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit, or (iii) certain investors or their affiliates. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain investors or their affiliates that are engaged in lending or related business. This

discretion subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, the Adviser may have an incentive to recommend the related or other person (including an investor) because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Fund or the Adviser), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefits 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 could provide such services at lesser cost.

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

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

Since the Adviser is permitted to retain certain additional compensation (as described under "Fees and Compensation") in connection with management and other services performed with respect to Portfolio Investments of the Funds, it could have a conflict of interest in connection with approving transactions and setting such compensation. Additionally, the Adviser its personnel, affiliates or others designated by the Adviser may from time to time receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied, the Adviser and/or such other recipients are permitted to retain such securities as additional compensation, and in doing so are subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the Adviser) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund.

The Adviser and/or its affiliates may enter into side letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to its Funds and their investors and attempts to allocate investment opportunities among a Fund and other Funds in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser reviews the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

Pursuant to a Fund's Governing Documents, a Fund's General Partner may appoint an Advisory Board consisting of limited partners and other applicable persons of the relevant Fund(s). Where appropriate, and to the extent provided in a Fund's governing documents, the Adviser consults and receives consent to conflicts, Advisers Act matters, and other Fund matters from the relevant Advisory Board.

The Underlying Managers of the Underlying Funds (and their affiliates, principals and employees) are also subject to actual and potential conflicts of interest, which may be similar or different than those outlined above.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Banner Ridge's advisory business or the integrity of Banner Ridge's management. The Adviser and its management persons have not been subject to any legal or disciplinary events required to be discussed in this Brochure.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Banner Ridge and its principals and employees (the "Staff Members") are not registered, and do not have any application pending to register, with the SEC as a broker-dealer or a registered representative of a broker-dealer. Pursuant to an exemption from registration under CFTC regulations, neither Banner Ridge nor its affiliates is required to register, and is not registered, with the CFTC or the NFA as a CPO or as a CTA.

Banner Ridge evaluates any material conflicts of interest presented by any proposed relationship or arrangement it contemplates with a service provider, broker or similar party that has a material business relationship with the Funds to ensure that the transaction or arrangement is fair and equitable to the investors in the Funds, and on terms that are consistent with arm's length dealings, and Banner Ridge reviews any such arrangement on an ongoing basis thereafter to ensure continued benefit to the Clients and their investors.

Except as otherwise set forth in the Governing Agreements of each applicable Fund, none of the General Partner, Banner Ridge, their affiliates and their Principals and employees are required to refrain from any other activity nor disgorge any profits from any such activity and are not required to devote all or any particular part of its time and effort to the Fund and its affairs. Rather, the General Partner and Banner Ridge and their principals and employees devote so much of its time and effort to the affairs of the Fund as the General Partner, in its sole judgment, determines is necessary in order to accomplish the purposes of the Fund. Without limiting the generality of the foregoing, the General Partner, Banner Ridge, their affiliates and their principals and employees may act as investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, Funds, securities firms or advisory firms.

Banner Ridge and its principals and employees may become aware of individual securities purchased and sold by Underlying Funds. Banner Ridge has adopted certain policies and procedures designed to prevent Banner Ridge, its principals and employees from using information acquired by any such person in the conduct of Banner Ridge's business in a manner that is contrary to a Client's interests.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), Banner Ridge has adopted a written code of ethics ("Code of Ethics"), which is designed to address and avoid potential conflicts of interest and is applicable to all Staff Members. Accordingly, each Staff Member of Banner Ridge must disclose or avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interest of Clients. The Code of Ethics may also be applied to any other person designated by the Chief Compliance Officer of Banner Ridge ("CCO").

A summary of the Code of Ethics is provided below. A full copy of the Code of Ethics is available to investors in each Fund or prospective investors upon request.

The Code of Ethics addresses personal trading of "reportable securities" (as such term is defined in Rule 204A-1 of the Advisers Act), receiving and giving gifts and entertainment, engaging in outside activities, making political contributions and payments, making other donations, and the administration and enforcement of the Code of Ethics. Violations of the Code of Ethics must be promptly reported to the CCO, who is primarily responsible for administering and enforcing Banner Ridge's Code of Ethics. A violation of the Code of Ethics may result in the imposition of disciplinary and remedial measures, including, without limitation, disgorgement or termination.

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

Principals and employees of the Adviser and its affiliates may directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities may also be presented to certain affiliates of Banner Ridge, as well as third-party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company. Such co-investment opportunities generally are allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

The Adviser and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and

may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds.

ITEM 12: BROKERAGE PRACTICES

Banner Ridge does not select brokers-dealers with respect to the Funds' investments in Underlying Funds. Instead, such authority remains with the applicable Underlying Managers. With respect to any direct investments made on behalf of Clients, Banner Ridge has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the broker-dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

In selecting broker-dealers to effect portfolio transactions for Funds or Clients where Banner Ridge has the applicable authority, Banner Ridge uses its best judgment to choose broker-dealers most capable of providing best execution on an overall basis. In connection therewith, Banner Ridge considers a number of factors to assess the overall value and quality of services provided by broker-dealers, such as the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker-dealer; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of related services considered to be of value; and the competitiveness of commission rates in comparison with other broker-dealers satisfying Banner Ridge's selection criteria. Accordingly, if Banner Ridge determines in good faith that the amount of commissions charged by a broker-dealer is reasonable in relation to the value of the research and brokerage products or services provided by such broker, the Funds may pay commissions to such broker-dealer in an amount greater than the amount another broker-dealer might charge for effecting the same transaction.

Banner Ridge does not receive research or other products or services (including any "soft dollar benefits") other than execution from a broker-dealer or a third party in connection with any Client securities transactions. Banner Ridge does not consider whether it or a related person receives any Client referrals from a broker or dealer. Banner Ridge does not aggregate the purchase or sale of securities for various Fund accounts. Each investment made by a Fund in an Underlying Fund is considered independently and each Fund completes and executes separate subscription documents and agreements in connection with such investments. If Banner Ridge is able to execute separate subscription documents and agreements in connection with an investment, such investment is allocated in line with the allocation policy of Banner Ridge. For additional information on the Banner Ridge allocation policy, please see Item 6.

ITEM 13: REVIEW OF ACCOUNTS

Clients' portfolios are reviewed on a regular basis. Banner Ridge's investment personnel hold investment meetings to discuss investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment strategies. In addition, Banner Ridge personnel may regularly provide updates to Clients and investors in Funds managed by Banner Ridge.

Banner Ridge provides each investor in a Fund with the following reports in accordance with the terms of the applicable Fund's Governing Agreements: (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return and (iii) at the time of delivery of the financial statements, reports providing a description of all investments held by the Funds and a narrative summary of the status of each such investment.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

The Funds or Banner Ridge may enter into agreements with one or more third-parties providing for, among other things, (i) payments to such third parties of a fully disclosed sales charge, which may be paid from investments of certain investors that agree thereto, (ii) payments by Banner Ridge to one or more of such third parties of a one-time or ongoing fee based upon the capital commitments or capital contributions of certain investors or fees received by Banner Ridge received from Clients referred by third parties. In addition, Banner Ridge may have an incentive to select or use a broker-dealer based on receiving investor referrals from that counterparty.

From time to time, the Adviser may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents are borne by the Adviser indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

ITEM 15: CUSTODY

Banner Ridge is deemed to have custody of the Funds' assets because of the authority that Banner Ridge and/or its affiliated entities have over those assets. The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each investor in each Fund generally within 180 days following the end of each fiscal year of the applicable Fund (within 120 days following the end of each fiscal year if such Fund is not a fund-of-fund). The audited financial statements are prepared in accordance with generally accepted accounting principles (GAAP). Banner Ridge urges investors to carefully review the audited financial statements of the Funds in which they are invested.

ITEM 16: INVESTMENT DISCRETION

In accordance with the terms and conditions of the Funds' Governing Documents and subject to the direction and control of the Funds' general partner and directors, as applicable, Banner Ridge generally has discretionary authority to determine, without obtaining specific consent from the Funds or its investors, the securities and the amounts to be bought or sold on behalf of the Funds and to perform the day-to-day investment operations of the Funds.

ITEM 17: VOTING CLIENT SECURITIES

The Adviser's investment strategy focuses on private equity investments. As a result, the Adviser does not generally hold Fund investments in public equity securities and therefore does not generally receive proxies on behalf of its Clients, however, it retains the right to vote such proxies on behalf of its Clients at its sole discretion. If a situation arises where the Adviser needs to exercise proxy voting, it will comply with its written policies and procedures governing the voting of client securities to ensure such proxies are voted in the best interests of its Clients.

If a material conflict is identified, the Principal, or such other designee (in consultation with outside compliance consultants and/or legal counsel) will determine what course of action is in the best interests of the affected Clients (which may include utilizing an independent third party to vote such proxies). Further, the Adviser will determine whether it is appropriate to disclose the conflict to affected Clients and give such Clients (and investors, if applicable) the opportunity to vote the proxies in question themselves.

In the event the Adviser participates in proxy voting, the Adviser will keep record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and the Adviser's response for the previous five years. Investors do not have the ability to direct proxy votes.

Investor may obtain additional information regarding how the Adviser voted proxies and may obtain a copy of the Adviser's proxy voting policies and procedures by contacting shalper@bannerridge.com.

ITEM 18: FINANCIAL INFORMATION

A balance sheet is not required to be provided as Banner Ridge: (i) does not solicit fees more than six months in advance; (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to Clients; or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.