



CVC Advisors (U.S.) Inc. Part 2A of Form ADV Brochure

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www.cvc.com

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This brochure provides information about the qualifications and business practices of CVC Advisors (U.S.) Inc. ("CVC U.S."). If you have any questions about the contents of this brochure, please contact Mr. Raju Hussain at 0044 207 420 4200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. CVC U.S. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about CVC U.S. is also available on the SEC's website at: www.adviserinfo.sec.gov

2. Material Changes

This brochure was updated on March 30, 2020. There were no material changes to the business practices of CVC Advisors (U.S.) Inc. ("CVC U.S.") from our previous brochure filed on March 31, 2019; however, Items 4, and 8 have been updated to reflect the creation of two new Funds (CVC Growth Partners II and CVC Strategic Opportunities II) and related risk factors and conflicts of interest.

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4. Advisory Business

CVC U.S., a Delaware corporation, is wholly-owned by CVC Advisers (Luxembourg) Sàrl (“CVC Advisers Luxembourg”), which is principally held, through various intermediate subsidiaries, by CVC Capital Partners Advisory Group Holding Foundation, a foundation incorporated under the laws of Jersey, Channel Islands (“CVC Advisory Holding Foundation” and together with its subsidiaries the “CVC Advisory Business”). The current beneficiaries of CVC Advisory Holding Foundation are the employees of the CVC Advisory Business from time to time, which will be a changing group of persons. Such beneficiaries have no direct rights to, or an interest in, the assets and income of the CVC Advisory Holding Foundation unless and until CVC Advisory Holding Foundation determines to provide a benefit.

CVC U.S. is part of CVC. As used in this brochure, the term CVC includes CVC Advisory Holding Foundation, CVC Capital Partners SICAV-FIS S.A., CVC Credit Partners Group Holding Foundation, and their respective subsidiaries and affiliates from time to time, but does not include portfolio companies of the investment funds advised by them. CVC’s private equity business is primarily engaged in advising and managing private equity funds that generally acquire controlling or significant minority interests in European, North American and Asian businesses. CVC’s global private equity platform includes investment professionals across 24 countries in Europe, the Americas and the Asia-Pacific region. CVC and its predecessors have operated as an independent investment advisory business since 1993.

CVC Advisers Jersey Limited (“CVC Advisers Jersey”)¹ is a limited company incorporated in Jersey, Channel Islands. CVC Advisers Jersey acts as investment adviser to certain CVC private equity funds (each, a “CVC Capital Fund” or “CVC Fund” or “Fund”). Local CVC-affiliated sub-advisers organized in Europe, Asia and the Americas (including CVC U.S.) make investment recommendations to CVC Advisers Jersey investment committees (the “Investment Committees”) and cost approval committees (the “Cost Approval Committees” and, together with the Investment Committees, the “Committees”) indirectly through CVC-affiliated adviser entities. Specifically, CVC U.S. indirectly makes investment recommendations in respect of the CVC Capital Funds to CVC Advisers Jersey. Each of CVC Advisers Company (Luxembourg) Sàrl (“CVC Advisers Company Luxembourg”) and then through CVC Advisers Private Equity Limited (“CVC Advisers PE”) performs administrative functions, facilitates the collation of advice from CVC U.S. and forwards these recommendations to CVC Advisers Jersey (with respect to CVC Capital Funds in an active investment period).

In particular, under a written investment advisory agreement (the “Sub-Advisory Agreement”), CVC U.S. indirectly makes investment recommendations for certain CVC Capital Funds with respect to investments in the United States and the rest of North America. CVC U.S. has no authority to make investment decisions for the CVC Capital Funds. That investment authority resides with the general partner of the relevant CVC Capital Fund and is exercised from a place of business outside of the United States. Under the Sub-Advisory Agreement, CVC U.S. further engages in ongoing monitoring and supervision of the North American investments made by the relevant CVC Capital Funds. In addition, certain CVC U.S. employees are members of the Committees for certain CVC Capital Funds. In no case do CVC U.S. personnel constitute a majority of any Committee.

CVC U.S. provides sub-advisory services to the following CVC Capital Funds:

- CVC Growth Partners I (“Growth Fund I”);
- CVC Growth Partners II (“Growth Fund II”);
- CVC Strategic Opportunities I (“Strategic Opportunities Fund I”);
- CVC Strategic Opportunities II (“Strategic Opportunities Fund II”);
- CVC Capital Partners Fund VI (“Fund VI”); and
- CVC Capital Partners Fund VII (“Fund VII”).²

Growth Fund I and Growth Fund II are referred to herein collectively as the “Growth Funds” and each as a “Growth Fund” and Strategic Opportunities Fund I and Strategic Opportunities Fund II are referred to herein collectively as the “Strategic Opportunities Funds” and each as a “Strategic Opportunity Fund.”

¹ CVC Advisers Jersey has filed with the SEC as an exempt reporting adviser.

² Each of the CVC Capital Funds comprises multiple parallel fund and co-investment vehicles formed for regulatory, tax or other reasons. When used in this brochure, the terms CVC Capital Funds, Growth Fund I, Growth Fund II, Strategic Opportunities Fund I, Strategic Opportunities Fund II, Fund VI and Fund VII include those parallel vehicles. Additionally, reference to “Partnership” in this brochure means each limited partnership or separate limited partnership forming part of a CVC Capital Fund.

A Fund that is no longer in an active investment period is referred to as a “Mature Fund.” The sub-advisory services CVC U.S. provides to the Mature Funds are limited to ongoing monitoring, exit recommendations, and follow-on investment recommendations. CVC U.S. no longer advises any investments in a Mature Fund. A Fund that is in an active investment period is referred to as a “Current Fund.” At present, the “Current Funds” for which CVC U.S. provides sub-advisory services are Fund VI, Fund VII, the Strategic Opportunities Funds, and the Growth Funds.

As of December 31, 2019, CVC U.S. is deemed to have non-discretionary regulatory assets under management of approximately \$12,922,344,150. CVC U.S. does not have investment decision-making authority for any client.

5. Fees and Compensation

Under the Sub-Advisory Agreement, CVC Advisers Company Luxembourg pays to CVC U.S. a fee equal to (i) its pre-tax cost base plus (ii) a margin of 5%. “Pre-tax cost base” means costs incurred by CVC U.S. in the provision of its advisory services, net of any third-party income including, but not limited to, director fees, monitoring fees, break fees, exit fees or other similar fees which will reduce the fee paid to CVC U.S. (as discussed in more detail below), and before deduction of certain taxes. In addition, CVC Advisers Company Luxembourg pays CVC U.S. an annual performance fee determined by reference to the performance of CVC U.S. regarding advisory services it provides relative to the performance of the other local sub-advisers in the CVC Advisory Business. This fee is paid quarterly in advance. The Sub-Advisory Agreement provides that upon termination of the Sub-Advisory Agreement, CVC U.S. shall repay to CVC Advisers Company Luxembourg, the unearned portion (computed on the basis of the number of days elapsed), if any, of any fees previously paid to CVC U.S.

CVC U.S. fees are not paid directly by the CVC Capital Funds but, rather, are paid to CVC U.S. by CVC Advisers Company Luxembourg. CVC Advisers Company Luxembourg benefits from the management fee paid by the CVC Capital Funds. Expenses for which CVC U.S. is reimbursed by CVC Advisers Company Luxembourg include CVC U.S.’ operating costs and expenses related the acquisition, monitoring, or disposition of CVC Capital Fund investments. The relevant CVC Capital Fund will ultimately reimburse CVC Advisers Company Luxembourg for the portion of costs and expenses reimbursed by CVC Advisers Company Luxembourg to CVC U.S. that would be considered partnership expenses, as provided in the respective CVC Capital Funds’ governing documents and as described in detail below. Expenses borne by CVC are limited to those items specifically enumerated in the partnership agreements (such as rent for office space, office furniture and salaries of its employees) of the relevant CVC Capital Fund, and all other costs and expenses in operating a Fund are borne by the investors. The amount of fees and expenses can be substantial and reduce the actual returns realized by investors on their investment in a CVC Capital Fund (and reduce the amount of capital available to be deployed by the Fund in investments).

Types of Expenses charged to CVC Capital Funds

Three general categories of expenses are allocated to and among CVC Capital Funds. These categories are: (1) organization / partnership expenses, (2) investment sourcing and diligence expenses and (3) ongoing expenses of portfolio companies and Investment Holding Vehicles (“IHV”). The offering and governing documents of each CVC Capital Fund contain greater detail on the type of expenses that can be charged to such CVC Capital Fund, but a summary of each category is provided below.

CVC has adopted a Global Fees and Expense Policy that generally provides that CVC will seek to allocate expenses and fees equitably across all relevant CVC Capital Funds in accordance with CVC’s contractual and fiduciary obligations. CVC reserves the right to use its good faith discretion in determining the proper allocation of expenses between CVC and the relevant CVC Capital Fund(s) or between two or more CVC Capital Funds in any manner that is fair and reasonable in the circumstances (including in a manner that may be contrary to the guidelines contained in the Global Fees and Expense Policy), based on its good faith consideration of relevant factors and in accordance with its contractual and fiduciary obligations.

Organizational / Partnership Expenses

Each Partnership, except any parallel partnership as may be formed in relation to any CVC Fund for the purposes of the CVC house commitment and/or any CVC Associate Scheme, bears its proportion of all third party (i.e. external to CVC) fees, costs and expenses (together with any applicable tax) incurred directly or indirectly in connection with the establishment of the relevant CVC Fund, up to the specific capped amount stipulated in the relevant Fund’s governing documents (“the Organizational Expenses”). Each

investor will indirectly bear its pro-rata share (based on its commitments) of each relevant Fund's Organizational Expenses. Any amounts in excess of the capped Organizational Expenses will be for the account of the applicable general partner and, to the extent such amounts have been paid by the Fund, will be offset against the management fee. Placement agent fees or expenses (if any) are borne by CVC and are not borne by any CVC Capital Fund.

Examples of Organizational Expenses are: legal, accounting and filing expenses incurred in connection with the organization and establishment of any CVC Fund and the related general partner – including but not limited to the marketing and offering of interests in such Fund.

Partnership Expenses

Each respective CVC Capital Fund bears its proportion of all third party (i.e. external to CVC) fees, costs, expenses and liabilities incurred directly (by a Fund) or indirectly (through an acquisition vehicle established in connection with an investment or through a portfolio company) relating to the ongoing administration, operation of and business of such Fund as permitted by each Fund's governing documents, including those relating to:

- Its operation, management and administration;
- Its investment-related activities (including sourcing, negotiating, acquiring, holding and disposing of actual and potential investments);
- Travel and accommodation costs relating to carrying out the due diligence of an investment for a Fund in an active investment period;
- Expenses and fees of lawyers, accountants and other professional advisors and service providers, including administrators, auditors, consultants, custodians, depositaries, finders, brokers, tax advisers and valuers;
- The general partner's compliance with its disclosure, reporting and similar obligations under the relevant LPA agreement;
- The Partnership's proportion of all abort costs and fees, costs, expenses, and liabilities of the Fund in respect of administration, reporting, custody, management, operation, termination, liquidation and winding up;
- Tax, legal and regulatory compliance costs in respect of the Fund and its investments;
- Fees, costs and expenses related to valuations;
- Fund borrowings (including interest on and fees and expenses arising out of all fund borrowings) and related fees, costs and expenses related to such borrowings, including expenses and fees of lawyers, accountants and other professional advisors;
- Bank fees for the operation of accounts and taxes, and ongoing tax and regulatory compliance costs (including the cost of making filings with regulators on behalf of a Fund);
- Printing and distributing quarterly reports and the audited accounts to investors;
- Fees, costs and expenses incurred in relation to maintaining professional indemnity insurance and directors' and officers' insurance. This excludes the cost of any director and officer indemnity insurance maintained by CVC which covers CVC executives for both portfolio companies or CVC own corporate entities.
- Fees, costs and expenses incurred in relation to any litigation or other proceedings, investigations or audits involving or relating to the Fund or its investments and the amount of any judgment or settlement entered into in connection therewith;
- Taxes and any other governmental fees or charges levied against the Fund;

- Costs of Advisory Board meetings (including the reasonable out-of-pocket expenses incurred by its members in connection with its proceedings) and investor meetings for the relevant CVC Capital Fund costs and expenses of meals, events, entertainment and travel and accommodation costs and the cost of attendance by CVC employees); and
- Fees, costs and expenses incurred in connection with any amendments, side letters (including “most favoured nations” provisions) and other constituent or related documents of the Fund and the General Partner (including costs and expenses relating to investor and Advisory Board consent, waiver or compliance and compliance monitoring-related materials).

Investment Sourcing and Diligence Expenses

Prior to making an investment, expenses are typically incurred to source and conduct due diligence related to the investment opportunity and include the fees, costs and expenses of identifying, investigating (including conducting diligence), evaluating, structuring, financing, and negotiating potential investments in relation to such opportunity.

Investment sourcing and diligence expenses may include:

- Legal, finance, accounting, consulting, IT, HR, insurance, executive and industry advisers, M&A advisers, and other professional advisory services;
- Debt financing and investment banking fees;
- Costs and expenses of attending conferences or similar meetings to source and evaluate investment opportunities related to a specific situation where the deal team has general partner approval to incur costs;
- Costs and expenses of research related to a specific situation where the deal team has general partner approval to incur costs; and
- Travel and accommodation costs relating to carrying out the due diligence of an investment for all consummated and aborted investments for CVC Capital Funds in an active investment period.

Transactional expenses (i.e. due diligence) related to a potential investment are generally either capitalised as part of the acquisition cost of the relevant investment for consummated investments or treated as sourcing and diligence expenses for investments that are not consummated (i.e. aborted).

Ongoing Expenses of Portfolio Companies and Investment Holding Vehicles

Ongoing expenses that are specific to a portfolio company may be borne by the relevant portfolio company directly. When the portfolio company bears an expense directly, each direct and indirect equity owner of such company will indirectly bear a portion of such expenses, including the Funds.

Examples of ongoing monitoring expenses include but are not limited to:

- Costs (including administrative and filing fees) of maintaining the holding structure for portfolio investments;
- Portfolio and risk management expenses (including hedging transactions and related costs);
- Bank financing costs;
- Travel, entertainment and related expenses; and
- Expenses of any actual or potential litigation or other dispute, investigation or inquiry related to any portfolio company or any actual or potential portfolio investment (including expenses incurred in connection with the investigation, prosecution, defence, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of such portfolio company or CVC) and other extraordinary expenses related to any portfolio investment (including fees; professional indemnity insurance and directors’ and officers’ insurance coverage for litigation expenses; and costs and expenses classified as extraordinary expenses under generally

accepted accounting principles in the United States).

Portfolio Company Fees and Offsets

Portfolio Company Fees

Current Funds

100 percent of the Partnership proportion of any portfolio company fee received by any CVC entity or CVC personnel is offset (after reduction of any amount equal to any deductible value added, or goods and services tax) based on cash received against future management fees.

Mature Funds

The Partnership proportion of any portfolio company fee is subject to an offset as defined in the relevant limited partnership agreement, some of which are subject to an 80:20 split. Typically, all director fees are 100 percent offset against the management fee.

Fee income is generally allocated to the Funds based on their proportional investment in the portfolio company. The portion of any portfolio company fee income not allocated for the benefit of the Funds (that is, allocated to non-fee-paying funds or investors, including co-investors) is generally retained by CVC as stipulated in the relevant Fund's limited partnership agreement.

Any non-cash portfolio company fee received will typically be converted into its cash value at the time of receipt.

If CVC U.S. or any of its personnel receives any third-party income including, but not limited to, directors' fees, monitoring fees, management fees, break fees, exit fees or other similar fees (collectively referred to as "Fee Income"), CVC Advisers Company Luxembourg will reduce the fee paid to CVC U.S. as provided in the underlying fund documents, and a corresponding reduction with respect to such Fee Income will be made to the management fees payable by the CVC Capital Funds.

Any fee received by CVC which relates to any Administration Services will not be subject to management fee offset. The aggregate amounts of such fees received by CVC are disclosed annually to the CVC Capital Funds' respective Advisory Boards.

Excess Portfolio Company Fees

The general partner of the applicable CVC Fund will initiate a process to repay any excess portfolio company fee received by a CVC Fund which has ceased to charge a management fee back to these Funds limited partners, subject to individual limited partners elections not to receive excess offset as made and agreed to in their relevant Fund side letters. Any excess offset not distributed to limited partners will be paid over to the CVC Capital Partners Foundation, who will allocate the excess offset to charities which have a measurable impact on the lives of disadvantaged children and young people in the communities where CVC operates.

Accelerated Monitoring Fees

In the event that an accelerated monitoring fee, is paid to CVC upon the occurrence of an initial public offering or other exit for a particular investment (i.e., if a CVC Capital Fund invests alongside another sponsor that takes such a fee), then such fee, unless waived by CVC, will be 100 percent offset to the management fee payable by the relevant Funds (if a management fee is payable) or, as stipulated in the relevant Fund limited partnership agreement.

Attending Portfolio Company Meetings

Current Funds

Reasonable travel and out of pocket expenses incurred by CVC personnel in connection with them acting as a director for Growth Fund I or a Strategic Opportunities Fund I or a Fund VI portfolio company generally are recharged to the relevant portfolio company in accordance with the relevant transaction document. Such fees are not offset against the management fees for the relevant CVC Capital Fund and are typically recharged directly by CVC local offices to the portfolio companies. In addition, the relevant Fund documents provide that reasonable travel and out of pocket expenses incurred by CVC personnel who are not directors of a portfolio company in respect of ongoing monitoring of the portfolio company or IHV may be charged to the applicable CVC Capital Fund as a Partnership Expense.

In circumstances where Growth Fund I, Strategic Opportunities Fund I or Fund VI is invested alongside another sponsor or third party investor in a club deal, then, considering CVC's overriding fiduciary duty to act in the best interests of investors, CVC may charge non director travel and out of pockets expenses of CVC personnel directly to the portfolio company instead of re-charging the cost as a Partnership expense to the applicable CVC Capital Fund, to ensure that CVC Capital Fund investors only pick up their proportionate costs instead of 100 percent of the cost related to the ongoing monitoring of a portfolio company.

As it relates to Fund VII, Growth Fund II and Strategic Opportunities Fund II, CVC personnel or a CVC entity will be entitled to be reimbursed directly by the relevant portfolio company or IHV for reasonable travel and reasonable out of pocket expenses in connection with acting as a director or other officer of such portfolio company or IHV or otherwise in respect of monitoring such portfolio company or IHV and such expenses will not be credited against the management fee payable to the general partner.

Mature Funds

Out-of-pocket travel expenses incurred by CVC personnel for ongoing monitoring of the portfolio companies or IHV may be charged to the portfolio company or IHV directly. Such fees are not offset against the management fees for the relevant CVC Capital Fund and are typically recharged directly by CVC local offices to the portfolio companies or IHV's.

Aborted Deals and Allocation of Investment-Related Expenses

Once a determination is made by the relevant Committee that a deal will no longer be pursued, or the deal is no longer available to the Fund (e.g., the bid was not successful), it is classified as a dead or "aborted" deal. Examples of such "Abort Costs" include fees and expenses of any legal, financial, accounting, consulting or other advisers or lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not consummated; any travel and accommodation expenses by CVC personnel for the Current Funds; any travel and accommodation expenses for third party providers and any deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, unconsummated transactions.

Allocation of Investment-Related Expenses

1. Expenses attributable to an investment opportunity that is presented to a Fund are for the account of that Fund, provided that the Fund's general partner has authorised the expenditure. In the event the general partner has not approved a particular expense, the cost is borne by CVC and not recharged to the relevant CVC Fund.
2. If an opportunity is rejected by one Fund and an investment in that opportunity is subsequently made by another Fund within three months of the first Fund rejecting that opportunity, the Fund that makes the investment bears all costs related to the investment, including those incurred before the first Fund rejected it. These costs will ultimately become a part of the acquisition cost of the completed investment. If no Fund makes the investment within three months of the date on which the first Fund rejects that opportunity, then the costs incurred by the first Fund remain with the first Fund.
3. If a Fund initially rejects an opportunity but the investment is ultimately allocated to that Fund (e.g. because the forecast internal rate of return changes significantly prior to the Final

Investment Recommendation (“FIR”) approval), expenses related to the investment will be for the account of that Fund and ultimately become a part of the acquisition cost of the completed investment.

4. Expenses attributable to an investment that is allocated to two or more Funds will be allocated to each Fund pro rata in line with each Fund’s participation in the investment.
5. Pre-Preliminary Investment Recommendation (“Pre-PIR”) expenses incurred on deals aborted before the deal reaches the Preliminary Investment Recommendation (“PIR”) stage are to be borne by the CVC Fund of the investment team requesting those expenses. If the investment teams of more than one CVC Fund are working on the transaction, and the expenses were requested by both teams, each CVC Fund will be allocated its portion of the expenses pro rata to its proposed participation.

Co-underwriting and Co-Investment Opportunities

Co-underwriting and co-investment opportunities, when available, are made outside of and are in addition to CVC Fund investors’ commitments to the relevant Fund. All co-underwriting and co-investment opportunities are made available by CVC on a discretionary, investment-by-investment, basis in accordance with the general partner’s decision (based on the Investment Committee’s recommendation) regarding the amount that the Fund should underwrite and/or hold in that investment.

Each of these processes is further explained in CVC’s Co-Investment Policy and it should be noted that, at all times, CVC retains full discretion regarding the availability and allocation of these investment opportunities amongst investors.

Pre-signing Co-Underwriting

CVC will typically require co-underwriting investors to pay their fair share of any Abort Costs, provided that CVC retains discretion to proceed with a co-underwriting investor arrangement in which Abort Costs would not be shared where CVC has determined it is in the best interest of the Fund to proceed on that basis.

Post signing, Co-Investment

If completion of a co-investment syndication occurs post-closing of the transaction, investors will be required to pay on completion of the co-investment syndication, a holding charge fee equivalent to (i) if funded through a capital call facility, an amount equal to the interest paid on the facility; or (ii) if funded through a capital call, an amount equal to the preferred return, in each case for the period commencing on the date on which the transaction closed and ending on the date on which the co-investment syndication completes. The holding charge amount is collected and paid to the relevant Fund to compensate Fund investors for underwriting the transaction from the date of investment to the date of the co-investment. However, CVC can elect not to charge the holding charge provided that all investors are treated in the same equitable manner.

CVC may, but is not required to, charge carried interest, management fees and/or other fees to co-investing Investors.

Industrial Advisers

From time to time CVC retains industry experts, senior managers and other professional advisers (“Industrial Advisers”) in:

- assessing and sourcing deals in a specific industry sector;
- performing due diligence on specific “deals”;
- assisting in the general management of a selected portfolio company;
- serving on boards of directors/advisers; and/or
- assisting with the recruitment of talent to the portfolio companies.

The terms of engagement, including the financial package, for Industrial Advisers are generally agreed between the Industrial Adviser and CVC at the time of engagement. Each consulting agreement is negotiated individually, depends upon anticipated advisory services, and may differ between the

Industrial Advisers. These consulting agreements may be updated from time to time, taking into account considerations such as, but not limited to, performance or current market practices for similar consulting services.

CVC bears the cost of fees incurred for services provided to CVC by Industrial Advisers under the consulting agreements and in certain circumstances provide administrative support to the Industrial Adviser in connection with the individual's work for CVC (i.e., office space, back office support and services). In certain limited circumstances, CVC agrees to make a charitable donation to a not-for-profit organization chosen by the Industrial Adviser instead of paying his/her retainer in cash.

The expertise of these individuals is from time to time made available to portfolio companies, in which case an appropriate amount may, in lieu of being born directly by the Fund, be charged to the relevant portfolio company under a separate agreement between the individual and that portfolio company. Such individuals may also serve on portfolio company board of directors or as executive officers and they may charge the portfolio company directly for such services.

Any remuneration, whether in the form of a consulting fee, director's fee, equity grant or other compensation received by an Industrial Adviser for such service will be retained by that person and is not subject to reimbursement to any CVC Capital Fund by way of a management fee offset or otherwise. In addition, Industrial Advisers may receive a finder's fee (which may be a percentage of the total enterprise value of the transaction) for sourcing an investment opportunity or consultancy fee under a separately negotiated agreement for sourcing and performing due diligence on a specific target company and such fee will typically be borne by the relevant CVC Capital Fund and not by CVC.

As determined by the relevant Investment Committee, in some cases Industrial Advisers are offered the opportunity to co-invest with CVC Capital Funds in connection with investments with which they are involved or receive an equity participation in such investment which generally will reduce the amount invested by the CVC Fund. Industrial Advisers do not pay management fees or carried in connection with these co-investments and are generally not charged Abort Costs.

There are circumstances in which former CVC personnel are invited to act, or to continue to act, as a director or officer (or similar) of, or to provide other services to, a portfolio company following the cessation of their employment with CVC or engagement with CVC. Such former CVC personnel is permitted to retain all directors' fees, monitoring fees and other compensation received by them in respect of acting as a director or officer (or similar) of, or providing other services to, a portfolio company and any such amounts received after the date upon which such CVC personnel ceased to be an officer, director, member, manager or employee of CVC is not subject to reimbursement to any CVC Capital Fund by way of a management fee offset or otherwise.

The governing documents of each CVC Capital Fund include detailed information regarding the fees paid by that Fund. Investors should review the governing documents and offering materials for the CVC Capital Funds in which they are invested to fully understand the total amount of fees that could be paid by the CVC Capital Funds and, indirectly, their limited partners.

Travel & Entertainment Related Expenses

Travel, entertainment and related expenses described herein may include, without limitation, first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, car services and meals (outside normal business hours), and social and entertainment events with portfolio entity management, customers, clients, borrowers, brokers and service providers).

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

As discussed in Item 5 (Fees and Compensation), CVC U.S. is paid for its sub-advisory services on a cost-plus basis, as provided in the Sub-Advisory Agreement. In addition, as discussed in Item 5 (Fees and Compensation), CVC U.S. also receives an annual performance fee determined by reference to the performance of CVC U.S. regarding advisory services it provides relative to the performance of the other local sub-advisers in the CVC Advisory Business. These fees are paid to CVC U.S. from the management fees paid by the CVC Capital Funds. CVC, its affiliates and certain personnel (including certain CVC U.S. personnel) receive a portion of the carried interest to which CVC is entitled in respect of the CVC Capital Funds. The fact that the carried interest is based on performance of the CVC Capital

Funds creates an incentive for the CVC U.S. investment professionals to recommend, and CVC Advisers Jersey or the general partners to the CVC Capital Funds to make, investments that are more speculative than would otherwise be the case.

The CVC Capital Funds vary in size, investment objectives, geographical focus, acceptable risk levels, return targets, and permissible asset classes. As a result, most investment opportunities will be allocated exclusively to one of the CVC Capital Funds. Certain investments, however, may be appropriate for more than one CVC Capital Fund. As a non-discretionary sub-adviser, CVC U.S. has no authority over investment allocations. While CVC U.S. investment teams may make recommendations regarding the CVC Capital Fund(s) for which a particular investment is suitable, allocation decisions are recommended by CVC Advisers Jersey Committees to the general partners in accordance with CVC's allocation policies and procedures, which seek to allocate investment opportunities among clients in a fair and equitable manner.

Opportunities may arise for individual investors, or other third parties, to co-invest in parallel with a CVC Capital Fund on terms to be agreed, which may provide for lower management fees and carried interests than those paid by CVC Capital Funds, or no management fee. As a sub-adviser, CVC U.S. has no authority with respect to the allocation of co-investment opportunities, which are solely in the discretion of the general partner, as recommended by CVC Advisers Jersey Committees, as appropriate, and are offered solely when it has been determined to be in the best interest of the participating CVC Capital Fund(s). There is no guarantee that any CVC Capital Fund investor will be granted co-investment opportunities.

7. Types of Clients

CVC U.S. indirectly makes investment recommendations in respect of the CVC Capital Funds to CVC Advisers Jersey. Each of CVC Advisers PE and CVC Advisers Company Luxembourg performs administrative functions, facilitates the collation of advice from CVC U.S. and forwards these recommendations to CVC Advisers Jersey. CVC Capital Fund operates as a pooled investment vehicle. Investors in the CVC Capital Funds may include, among others, public pension plans, investment vehicles (e.g., funds of funds), financial institutions, sovereign wealth funds, private sector pension funds, endowments, foundations, and high net worth individuals. All investors are required to be "accredited investors" (as defined in Regulation D promulgated under the Securities Act of 1933) or otherwise be permitted to invest under applicable securities laws.

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

The CVC Capital Funds are private equity funds focused on control-oriented equity investments in private companies. The Growth Funds focuses on investments in middle-market, growth-oriented technology companies operating in the software and technology-enabled business services sectors, in North America and Europe. The Strategic Opportunities Funds focus on high-conviction investments in quality assets that do not meet the investment criteria typically required by traditional private equity funds. Fund VI, and Fund VII are not limited by sector, and focus on investments in fundamentally sound, well-managed, cash-generative upper middle-market businesses in Europe and North America.

Origination of Potential Investment Opportunities

Consistent with CVC's global approach to sourcing private equity investments, CVC U.S. seeks to develop and maintain a pipeline of potential investments in North America and to position CVC Capital Funds as a favored buyer of a target company. CVC U.S. indirectly makes investment recommendations to CVC Jersey Advisers Committees regarding a broad range of potential North American investment opportunities. The Committees consider these potential investments alongside recommendations from other CVC sub-advisory affiliates globally and the Committees seek to select the most attractive investments that meet the strict investment criteria as set out in the governing documents and offering materials for the CVC Capital Funds.

To facilitate their identification and development of investment opportunities, CVC U.S. investment professional maintain close relationships with corporations, management teams, family owners, governments and portfolio company employees, both directly and via their large network of experienced senior executives and local Industrial Advisers, typically leading business people based locally.

Investment Recommendations

At the appropriate time, the CVC U.S. investment team will prepare a Pre-PIR and/or PIR, which is the initial proposal to the relevant Cost Approval Committee. If the preliminary investment recommendation is recommended by the Cost Approval Committee and approved by the general partner, the CVC U.S. investment team will typically be authorized to incur a specified amount in due diligence expenses directly or via CVC Capital Partners Services Sàrl, by engaging third parties, with a view to progress the opportunity to the next stage and respond to any questions or issues raised by the Committee. The expenses are typically recharged to portfolio companies / acquisition vehicles for consummated deals and/or to the applicable CVC Capital Funds on abort.

After thorough due diligence and revisions to the recommendation as appropriate, the CVC U.S. investment team will submit a FIR, which represents the formal investment recommendation to the relevant Investment Committee.

The Investment Committee will consider whether a proposed investment is of sufficient quality, and determine whether to approve it. CVC Advisers Jersey, through its Investment Committees, advise the relevant general partner with respect to investment recommendations, and the general partner has discretion to approve or reject the investment. The general partner is then responsible for directing relevant personnel to effect approved transactions.

Monitoring of Investments

If a CVC Capital Fund makes an investment that CVC U.S. has recommended, the CVC U.S. investment team retains the responsibility on a day-to-day basis for monitoring the investment until disposition. CVC Advisers Jersey, through the relevant general partner Portfolio Committees and Investment Committees, independently review the progress of the investments made and may instruct CVC U.S., as sub-adviser, to take remedial actions, as appropriate.

Value Creation

Under the Sub-Advisory Agreement, CVC U.S. assists CVC Advisers Jersey, in applying its operational, managerial, industry and functional expertise and effecting operational improvements defined in the value creation plan for the investment. The CVC U.S. investment professionals who recommend an investment will remain involved throughout the time a CVC Capital Fund owns that investment, including by working closely with the management team, as appropriate, in an effort to ensure that the company performs at its full potential.

Exiting Investments

CVC U.S. regularly reviews the investments it oversees for potential exits. On a semi-annual basis, CVC U.S. investment teams are required to prepare exit analyses, which set out updated forecasts for the performance of each portfolio company, forecast future value for all current investments, and present how and when each investment could be exited.

When the CVC U.S. investment team responsible for an investment considers that it is appropriate to exit the investment, the team submits a recommendation to the responsible Investment Committee. The exit completion process follows the same procedures as are followed in the initial investment process. The decision whether to exit an investment solely rests with the general partner.

Risk Factors and Potential Conflicts of Interests

While CVC U.S. does not have authority to make investment decisions on behalf of the CVC Capital Funds, in its role as a sub-adviser, CVC U.S. makes investment recommendations in accordance with the CVC Capital Funds' respective investment strategies and authority, as set out in their offering materials and governing documents. Below is a summary of the key risk factors associated with an investment in the CVC Capital Funds.

The summary below is not a complete or exhaustive list or explanation of all risks involved in an investment in the CVC Capital Funds. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on the investment, operational and other actual and potential risks associated to a particular CVC Capital Fund, including various regulatory risks and tax risks applicable to investing in the particular CVC Capital Fund.

Risk of Financial Loss

The CVC Capital Funds' investment portfolios consist primarily of securities issued by privately-held companies. Operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which may result in substantial losses, including the loss of an investor's entire investment. An investment in the CVC Capital Funds is speculative and long-term with no certainty of return. The value of an interest in a CVC Capital Fund (and the distributions in respect of it) can fluctuate downward as well as upward, and an investor may suffer a financial loss in connection with its investment in the CVC Capital Funds.

Suitability of Investment

Investing in the CVC Capital Funds is not suitable for all investors. An investment is suitable only for expert investors. An investor must have the financial ability and experience to understand, the willingness to accept, and the financial resources to withstand, the extent of the investor's exposure to the risks and lack of liquidity inherent in an investment in the CVC Capital Funds. Investors should consult their professional advisers to assist them in making their own legal, tax, accounting, ERISA and financial evaluation of the merits and risks of investment in the CVC Capital Funds in light of their own circumstances and financial condition.

Nature of Investment; Carried Interest

Investments and acquisitions are by their nature subject to risk. While CVC U.S. intends to recommend investments that have estimated returns commensurate with the risks undertaken, there can be no assurance of success.

The fact that CVC, its affiliates and certain personnel receive carried interest based on the performance of a CVC Capital Fund creates an incentive for CVC Advisers Jersey or the general partners of the CVC Capital Funds to make investments that are more speculative than would otherwise be the case.

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the CVC Capital Funds because to do so would risk such investors losing their limited liability.

The CVC Capital Funds may invest in companies that are underperforming, with the aim of reversing such underperformance. There can be no guarantee such underperformance will be overcome.

Investors admitted to a CVC Capital Fund at closings subsequent to the initial effective date who participate in any then-existing investments of the fund will dilute the interest of existing investors in such investments. Although any such new investors will be required to contribute their pro-rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the fund's existing investments at the time of such contributions.

Illiquidity - Restrictions on Transfers and Withdrawals

Many of the CVC Capital Funds' investments may be highly illiquid and may only attract a limited number of prospective buyers. Accordingly, investments may often be difficult to value and to sell or otherwise liquidate and their realizable value may be less than their intrinsic value. There can be no assurance that the CVC Capital Funds will be able to realize such investments in a timely manner. Consequently, the timing of cash distributions to investors is uncertain and unpredictable. Investments may be difficult to value and dispositions of such investments may require a lengthy time period. Dispositions may also take the form of distributions of securities to the investors.

An investment in the CVC Capital Funds requires the financial ability and willingness to accept substantial risk and illiquidity. There will be no public market for interests in the CVC Capital Funds and none is expected to develop. The interests in the CVC Capital Funds will not be redeemable. Investors may not be able to liquidate their investments before the end of a CVC Capital Fund's term.

Concentration

Each CVC Capital Fund has a broad investment charter, and there are only a few formal constraints on the type of investments in which a CVC Capital Fund may invest. In addition, because of the time it may take to source appropriate investments, a CVC Capital Fund's portfolio will not initially be diversified. One risk of having a limited number of investments is that the aggregate returns realized by investors may be substantially adversely affected by the unfavorable performance of a small number of such investments. Furthermore, to the extent that the total commitments are less than the targeted amount, the CVC Capital Fund may invest in fewer portfolio companies and therefore be less diversified.

If a CVC Capital Fund concentrates on businesses in basic service industries, rather than investments across a full range of industry sectors, any economic downturn in such service industries may impact the CVC Capital Fund's value.

Following its initial investment in a given portfolio company, the CVC Capital Fund may have the opportunity to increase its investment in such portfolio company. There is no assurance that the CVC Capital Fund will make follow-on investments or that the CVC Capital Fund will have sufficient funds to make all or any such investments. Any decision by a CVC Capital Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment, may result in a lost opportunity for the CVC Capital Fund to increase its participation in a successful portfolio company, may result in the fund's investment in the relevant portfolio company becoming diluted and in circumstances where the follow-on investment is offered at a discount to market value, may result in a loss of value for the CVC Capital Fund.

Technology Sector-Focused Investment Strategy of the Growth Funds

The Growth Funds invest primarily in software and technology-enabled business services companies, rather than investing across a full range of industry sectors. Any economic downturn in the technology sector may impair the value of the Growth Funds' investments. Concentration in a single industry may involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns.

The technology sector is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products. The Growth Funds' portfolio companies will compete in this volatile environment. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Instability, fluctuation, or an overall decline within the technology sector will likely not be balanced by investments in other industries not so affected, as the Growth Funds' investments are or will be concentrated in the technology, technology-enabled, and related growth sectors. In the event that the technology sector as a whole declines, returns to investors may decrease.

Difficulty and Cost of Locating Suitable Investments

Although CVC has been successful in identifying suitable investments in the past, there is no guarantee that suitable deal flow will be available so that the CVC Capital Funds will be able to invest the aggregate commitments during the commitment period or that any such investments will be successful. The success of the CVC Capital Funds depends on the ability of CVC U.S. and its affiliated foreign sub-advisers to identify, and the ability of CVC Advisers Jersey to recommend and general partners to select, effect and realize appropriate investments. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, certain types of investments may not be available to a particular CVC Capital Fund on terms that are as attractive as the terms on which opportunities were available to other CVC Capital Funds historically. Accordingly, the CVC Capital Funds may make only a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few could significantly affect the return to investors. To the extent that any of the aggregate commitments are not invested, the CVC Capital Funds' potential for return may be diminished. No assurances can therefore be given that the target returns of the CVC Capital Funds will be achieved.

Control Positions

CVC Capital Funds will generally take majority, concentrated and / or control positions in its portfolio companies. CVC generally designates directors to serve on the board of directors of the intermediate holding company of a portfolio company group and its material sub-committees. The exercise of control over a portfolio company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of government regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. However, there may be circumstances where a CVC Capital Fund is or becomes a minority investor and is not in a position to protect its interest effectively.

Portfolio companies may have substantial variations in operating results from period-to-period, face intense competition, and experience failures or substantial declines in value at any stage. Membership on the board of directors of a portfolio company can result in personal actions in litigation both in such situations and in other circumstances. The CVC Capital Funds may be liable to make payments to cover liabilities arising from such actions.

In certain instances, a CVC Capital Fund may invest in portfolio companies alongside financial, strategic or other third-party co-investors. Investments alongside co-investors will involve additional risks which may not be present in investments where a co-investor is not involved, including the possibility that a co-investor(s) may have interests or objectives that are inconsistent with those of the particular CVC Capital Fund or may be in a position to take actions contrary to that CVC Capital Fund's investment objectives or may have financial difficulties that negatively impact such investment. Also, a particular CVC Capital Fund may in certain circumstances be liable for the actions of its third-party partners or co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Minority Positions

The CVC Capital Funds may hold minority positions in certain portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic or management rights or other attributes. The CVC Capital Funds may therefore have limited ability to protect their position, or liability arising from, such companies and might not always be in a position to protect their position, or liability arising from, such companies and might not always be in a position to protect their interests effectively, particularly if such portfolio companies pursue objectives which are inconsistent with those of the CVC Capital Funds.

Investments in Less Established Companies

The Growth Funds have or will invest a portion of their assets in the securities of less established companies or early stage companies. Investments in such early stage companies may involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for the securities held by a Growth Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues and any such investment should be considered highly speculative and may result in the loss of a Growth Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Growth Fund's other investments. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the fund invests, the applicable Growth Fund may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on the Growth Funds' other investments.

Borrowings and Leverage; Subscription Facilities

Portfolio companies in which the CVC Capital Funds invest may incur debt. Such portfolio company leverage generally magnifies both the CVC Capital Funds' opportunities for gain and risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the

broader credit markets, which state is difficult to accurately forecast. During times when credit markets are unfavorable, it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the CVC Capital Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the fund. Furthermore, should the credit markets be unfavorable at the time the CVC Capital Funds determine that it is desirable to sell all or a part of a portfolio company, the CVC Capital Funds may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the CVC Capital Funds will invest generally will not be rated by a credit rating agency. Certain CVC Capital Funds enter into credit facilities (sometimes referred to as "subscription facilities") the collateral for which are the undrawn commitments of investors in the relevant CVC Capital Fund. Typically, a CVC Capital Fund will borrow under these credit facilities to fund the initial cost of investment (for either a new investment or a follow-on investment) with any amounts outstanding being repaid by the CVC Capital Fund drawing capital from its investors. These credit facilities are only used to delay the date on which the investor capital is called and they are not used to lever the fund. In addition, these credit facilities may also be used for other purposes including, without limitation, to (i) cover CVC Capital Fund management fees and expenses, (ii) cover any shortfall in capital contributions resulting from default, excuse or exclusion, (iii) cover any temporary cash flow deficit of a CVC Capital Fund or to meet any obligation of a CVC Capital Fund, (iv) make hedging arrangements in connection with acquisitions and divestments of portfolio companies, and (v) to make or facilitate distributions to limited partners (and thereby enable such limited partners to receive distributions earlier).

The four main effects of these credit facilities are:

1. Initial Rate of Return ("IRR") – the IRR for the relevant CVC Capital Fund is likely to be higher. This is because it is calculated based on the dates on which the capital is drawn from and returned to investors, and the use of the capital call facility to make or facilitate either investments in portfolio companies or distributions to investors has the effect of shortening the period of this calculation; however, the interest expense and other costs of any such borrowings will be a CVC Capital Fund expense and, accordingly, may decrease net returns of the Fund;
2. Preferred Return – the accrued preferred return is likely to be lower as it is based off the date on which the investor capital is drawn and the use of the capital call facility is to shorten the period of this calculation;
3. Money on Money ("MoM") - funding an investment with a credit facility reduces the overall capital gain given the interest expense and associated costs is an additional expense of the fund. This results in the relevant fund reporting a lower MoM multiple to investors; and
4. Carried Interest – a lower capital gain may reduce the amount of carry that a fund generates given carried interest is typically calculated as the lower of (i) 20% of the total capital gain and (ii) the delta between the actual capital gain and the preferred return.

Certain of these effects may provide an incentive for CVC Capital Funds to use a credit facility to fund the initial cost of an investment or to fund distributions to limited partners (for example, to be able to use a higher IRR in marketing presentations) when doing so may not necessarily benefit the Fund or its limited partners. The use of such credit facilities by the CVC Capital Funds is fully disclosed in the quarterly reporting provided to investors and the quarterly reporting presents both the actual IRR generated by the relevant CVC Capital Fund and an illustrative IRR showing what it would have been had the credit facilities not been used.

A CVC Capital Fund may also pledge assets of the CVC Capital Fund (including unused capital commitments) and guarantee the indebtedness of others, including portfolio companies and entities through which investments by the CVC Capital Fund are directly or indirectly held, for the same general purposes for which credit facilities may be used (as described above). Although there are typically

limitations regarding the time borrowings by CVC Capital Funds under credit facilities may remain outstanding, there are generally no limitations on the amount of time guarantees by CVC Capital Funds or borrowings of portfolio companies, or entities through which portfolio investments are directly or indirectly held, may remain outstanding, and the interest expense and other costs of any such borrowings and guarantees will generally be CVC Capital Fund expenses and, accordingly, may decrease the net returns of CVC Capital Funds. Guarantees given by CVC Capital Funds are generally not treated as borrowings that are subject to limitations under the governing documents of CVC Capital Funds, even though such guarantees (and similar arrangements) pose many of the same leverage-related risks and conflicts that such limitations are intended to address.

Valuation Risks

A majority of the CVC Capital Funds' investments are fair valued by their respective general partners, based on a review from their Portfolio Committee and advice from CVC Advisers Jersey or an affiliated party. There can be no assurance that investments will ultimately be realized for amounts equal to, or greater than, these valuations, or that the past performance information based on such valuations will accurately reflect the realization value of such investments. The actual realized returns generated by unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, and any related transaction costs and performance data. Valuations are subject to determinations, judgments and opinions, and other third parties or investors may disagree with such valuations.

Loans to Portfolio Companies and Use of Hedging Arrangements

The general partner will, from time to time, pre-fund the initial set-up costs of an investment by either advancing a loan to an Intermediate Holding Vehicle ("IHV") or paying up share capital in an IHV.

In the case of the general partner making a loan to an IHV: the loan is typically formally documented and is made on an interest free basis; the loan is either (i) paid directly to the IHV, or (ii) paid to a third party e.g. in situations where a setup related cost (e.g. a regulatory filing fee) needs to be funded by the IHV before the IHV has established a bank account; the loan is repaid prior to, or contemporaneously with, the particular CVC Capital Fund's acquisition of the investment, either (i) by the IHV, once its shares have been transferred to the CVC Capital Fund and it receives funding from the CVC Capital Fund; or (ii) by way of an assignment of the loan to the CVC Capital Fund at cost.

In the case of the general partner paying up share capital in an IHV, the general partner is reimbursed prior to the CVC Capital Fund's acquisition of the investment when the shares in the IHV are transferred at cost to the CVC Capital Fund.

In certain cases, when lending (or purchasing shares) in a currency other than the reference currency of the general partner, upon the repayment of the loan (or transfer of the shares), the general partner may generate an FX gain or loss in the general partner's favor.

Risks Regarding Disposal of Portfolio Investments

A CVC Capital Fund may make investments that may not be advantageously disposed of prior to the date that the CVC Capital Fund is terminated, either by expiration of the CVC Capital Fund's term or otherwise. Although CVC expects that the majority of investments will be disposed of prior to termination or be suitable for distribution in-specie at termination, the general partner has a limited ability to extend the term of the relevant CVC Capital Fund, and the fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of termination.

Privately held companies generally maintain less comprehensive financial information than listed companies. Therefore, CVC U.S. may make investment recommendations, and CVC Advisers Jersey / general partners (as appropriate) may make investment decisions, and monitor such investments, after reviewing information which is less comprehensive than that available to an investor in a listed public company. A public market for investments may never develop, and it may be difficult for the CVC Capital Fund to liquidate investments or find prospective buyers in the private market.

Indemnification; Hedge Clauses

The transactional nature of the business of the CVC Capital Funds exposes the CVC Capital Funds to risks of third-party litigation. Under the CVC Capital Funds' governing documents, the CVC Capital Funds will generally be responsible for indemnifying CVC for costs incurred with respect to litigation. Such liabilities may be material. For example, CVC may be subject to derivative or other similar claims brought by shareholders of such companies. A CVC Capital Fund may also indemnify third party service providers and counterparties, subject to applicable laws and the terms of the Partnership Agreements. The indemnification obligations of a CVC Capital Fund would be payable from the assets of the Fund, including the undrawn commitments of the investors. CVC may recall distributions previously made to an investor, subject to certain limitations set forth in the Partnership Agreements. These indemnification obligations may impair the financial condition of a CVC Capital Fund and its ability to acquire assets or otherwise achieve its investment object or meets its obligations.

The organizational documents for the Funds generally contain provisions (sometimes referred to as "hedge clauses") that provide that CVC and its agents have no responsibility or liability for any loss incurred by the Fund or any investor arising in connection with their activities on behalf of, or their association with, the Fund provided that such exculpation will not apply: (i) where such person acted in bad faith, was fraudulent or acted with willful misconduct; and (ii) with respect to any matter resulting from such person's gross negligence or material breach of the applicable Fund documents, save where the relevant actions are undertaken in good faith and in reliance upon and in accordance with the advice of reputable legal counsel, where appropriate, or other qualified professional advisers. Hedge clauses are limited by, among other things, Section 206 of the Advisers Act, which the SEC has interpreted to impose certain duties on investment advisers that are not waivable.

The determination of whether CVC is entitled to be indemnified, or the applicability of a hedge clause to particular conduct, by CVC, may create a conflict of interest with a Fund. However, notwithstanding this potential conflict of interest, CVC will make any such determination in good faith.

CVC Personnel

CVC and its partners, executives and investment professionals may invest in or alongside a particular CVC Capital Fund from time to time. Whilst such CVC Commitment should generally align the interests of CVC and such persons with the interests of the particular CVC Capital Fund and its investors; situations could arise in which CVC or such persons have interests which conflict with the interests of the particular CVC Capital Fund and its investors notwithstanding such CVC Commitment. In addition, CVC personnel may trade in securities or other instruments for their own accounts, subject to restrictions and reporting requirements as may be required by law and subject as provided in the partnership agreements and to any other restrictions implemented from time to time by CVC with respect to such trading activity (including CVC's Code of Ethics). Such trading activity may include buying or selling securities or other instruments in which a particular CVC Capital Fund has invested or in securities or other instruments in investment opportunities which were considered by a CVC entity for recommendation to the particular CVC Capital Fund but which that particular CVC Capital Fund turned-down. CVC personnel may also have other separate interests relating to investment opportunities that have been recommended to a particular CVC Capital Fund by any of the CVC entities and turned down, including through directorships, subject to relevant policies and procedures implemented by CVC from time to time with respect to such interests. A conflict of interest may arise because such investing CVC personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by CVC entities with respect to a potential investment by the particular CVC Capital Fund. In such circumstances, the investing CVC personnel will not share in, or reimburse the particular CVC Capital Fund or any CVC entity for, any expenses incurred in connection with presenting the investment opportunity to that particular CVC Capital Fund. In addition, the terms offered to CVC personnel in respect of such investment opportunity and the circumstances in which such terms are offered may vary from the terms which were offered to the particular CVC Capital Fund, and the circumstances that existed at the time of such offer to the particular CVC Capital Fund, in respect of such investment opportunity.

Side Letters

The general partner enters into side letters or other similar agreements with particular investors in connection with their admission to a CVC Capital Fund without the approval of any other investor, which

has the effect of establishing rights under or supplementing the terms of the Partnership Agreements with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments) or withdrawal and / or related rights with respect to the CVC Capital Fund generally in certain limited regulatory and / or policy related circumstances, (ii) reporting obligations of the general partner and/ or the investment manager, (iii) waiver of certain confidentiality obligations, (iv) management fee discounts, (v) consent of the general partner to certain transfers by such investor, (vi) preferential access to co-investment opportunities, or (vii) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor. Certain side letters grant certain investors the right to nominate a member to a CVC Capital Fund's Advisory Board; such membership may result in preferential access to confidential Fund information. Such side letters may permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. Any rights or terms established in a side letter with an investor will govern solely with respect to such investor (and any of such investor's assignees or transferees if so specified in the side letter) and will not require the approval of any other investor. As a sub-adviser, CVC U.S. has no role in negotiating or entering into side letters.

Reliance on the General Partner, the Investment Advisor and Portfolio Company Management

Control over the operation of the CVC Capital Funds will be vested entirely with the general partner based on advice received from CVC Advisers Jersey, and the CVC Capital Funds' future profitability will depend largely upon the business and investment acumen of CVC investment professionals. Investors will not have an opportunity to review the portfolio companies and the terms of a CVC Capital Fund's investment prior to investing in the CVC Capital Fund. Investors will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilized by the general partner in selecting, structuring, monitoring and disposing of investments. Investors will therefore be relying on the ability of the general partner to select the investments to be made.

Investors generally have no right or power to take part in the management of the CVC Capital Funds, and as a result, the investment performance of the CVC Capital Funds will depend entirely on the advice of CVC Advisers Jersey and the actions of the general partners, as appropriate. Although CVC Advisers Jersey and their affiliated local advisers (including CVC U.S. with respect to North American investments) will monitor the performance of each CVC Capital Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the CVC Capital Funds generally intend to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully. Additionally, there can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, such investment and the CVC Capital Fund may be adversely affected thereby.

Additionally, certain CVC investment professionals may be appointed to the board of directors of a portfolio company of a particular CVC Capital Fund as a result of which an investment professional may have an interest in, or owe a duty to, a portfolio company which conflicts with such investment professional's interest in, or duty to, either the particular CVC Capital Fund or its other portfolio companies. More generally, the interests of one or more portfolio companies of any other CVC Capital Fund may conflict or compete with the interests of any one or more portfolio companies of the particular CVC Capital Fund, which could give rise to conflicts of interests in connection with that particular CVC Capital Fund's and such other CVC Capital Fund's activities in respect of such portfolio companies.

CVC may from time to time hire short-term or long-term personnel (or interns) who are connected or associated with an investor, a portfolio company or a service provider. Although reasonable efforts are made to mitigate any potential conflicts of interest with respect to such hires, there is no guarantee that CVC can control all such potential conflicts of interest, and conflicts could arise as a result of any such hires.

Co-Investment Opportunities

In certain situations a CVC Capital Fund may not take up an entire investment opportunity or retain an investment in full and the general partner may determine that one or more parties should participate in such investment alongside the particular CVC Capital Fund at the time such investment is made or following a syndication process. Any such co-investment opportunities are offered at the discretion of the general partner and, whilst such opportunities may be offered to investors in that particular CVC Capital Fund, the general partner has no obligation to do so. The general partner may put its own interests ahead of those of the investors in that particular CVC Capital Fund in determining the allocation of co-investment opportunities. Transaction-specific returns, and an investor's overall returns from its exposure to any portfolio companies, may be affected significantly by the extent to which such investor is offered and chooses to participate in co-investment opportunities. The performance of co-investments will not be aggregated with that of the particular CVC Capital Fund, including for purposes of determining the carried interest or management fees. The general partner shall be entitled to charge a management profit share (or similar) and/or carried interest in relation to any such co-investment opportunity and shall be under no obligation to account to the particular CVC Capital Fund for any such fees. This may create an incentive to allocate a share of an investment to co-investors where fees received by CVC in respect of such co-investment are not credited against the management fees in circumstances where such fees would be so credited had the entire investment been allocated to the particular CVC Capital Fund. Please refer to Item 5 for further details.

Risk of Default by Investors

Any default by an investor in advancing capital in respect of its commitments to a CVC Capital Fund could have an adverse impact upon the CVC Capital Fund's ability to complete a transaction and / or could increase the relative exposure of non-defaulting investors to such transactions.

Conflicting Investor Interests

Investors may have conflicting investment, tax and other interests with respect to their investments in a CVC Capital Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to an investor's individual tax situations. In selecting and structuring investments appropriate for a CVC Capital Fund, CVC Advisers Jersey, in conjunction with the Fund's general partner, will consider the investment and tax objectives of the CVC Capital Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Public Company Holdings

A CVC Capital Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject the CVC Capital Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include but are not limited to greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the CVC Capital Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including CVC investment professionals, and increased costs associated with each of the aforementioned risks.

Regulatory Risk

Before making an investment, a thorough due diligence of compliance with statutory and corporate requirements by the portfolio company will be completed by the relevant CVC-affiliated sub-advisers, including CVC U.S. The relevant general partner Portfolio Committee is charged with review of risks over the period of a CVC Capital Fund's investment. However, none of CVC U.S., CVC Advisers Jersey, or the general partner can give any assurance that the portfolio company is, and will continue to be, fully compliant with all necessary regulations. This risk is more significant in the case of unlisted companies than listed companies. Additionally, unlisted companies are not regulated by equivalent levels of

disclosure and investment protection regulations that apply to listed companies. Also, changes in regulatory conditions may adversely affect the marketability and financial performance of certain investments, which in turn may affect the distributions which the CVC Capital Fund receives from such investments. Regulatory restrictions may reduce the number of investment opportunities available to the CVC Capital Funds or result in a CVC Capital Fund being unable to pursue certain elements of its investment strategy.

Certain markets and sectors in which a CVC Capital Fund may invest are highly regulated at a national and supranational level. Changes in applicable law and regulations, or changes in the interpretations of such laws and regulations, could result in one or more portfolio companies being subject to increased compliance costs, additional capital expenditures or a requirement to divest certain assets. In addition, CVC U.S., CVC Advisers Jersey, or the general partner may be subject to competition or other regulatory restrictions that arise as a result of investments held by other CVC Capital Funds. Such restrictions may prevent or otherwise limit a CVC Capital Fund from proceeding with an investment opportunity where the acquisition of the relevant portfolio company would result in a concentration of ownership and / or control by such CVC Capital Fund, or otherwise result in a breach of applicable competition or other regulatory restrictions. Such competition or other regulatory restrictions may reduce the number of investment opportunities available to a CVC Capital Fund or result in a CVC Capital Fund being unable to pursue certain elements of its investment strategy.

Cyber Security Breaches and Disaster Recovery

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. CVC's, the CVC Capital Funds, the portfolio companies' and our service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information. Although CVC has implemented, and portfolio companies and service providers may implement or already have implemented, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in CVC's, the CVC Capital Funds and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and their beneficial owners) and the intellectual property and trade secrets of CVC and/or portfolio companies. CVC, the CVC Capital Funds and/or a portfolio company could be required to make a significant investment to remedy the effects of any such failures, harm their reputations, subject them and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance.

Market Stability

The operation of a CVC Capital Fund's investments may be affected by sovereign or political risk. Major disturbances such as wars, riots, strikes, blockades, acts of terrorism or outbreak of associated military or responsive action have the potential to adversely affect the costs or revenues of the CVC Capital Fund's investments, which could have a material adverse effect on the earnings of the CVC Capital Fund and its ability to make distributions.

General economic conditions, including interest rates, the availability of financing, the price of securities and participation of other investors in the financial markets may adversely affect the value and number of investments made by a CVC Capital Fund. There is a risk, particularly given the recent instability in the financial sector that counterparties may default on their contractual obligations to the CVC Capital Fund or its investments. Any such counterparty default would be likely to have an adverse effect on the value of the investments and on the returns to investors.

Brexit

The United Kingdom ("UK") ceased to be a member of the European Union ("EU") on 31 January 2020 with the benefit of a transition period lasting until 31 December 2020. During the transition period, all of the current rules and arrangements will remain in place while the UK and the EU seek to negotiate a free trade agreement ("FTA"). The FTA will govern the trading relationship between the UK and the EU following the transition period.

The UK will remain subject to EU law with access to the single market and privileges to provide services until the end of the transition period, but any further privileges after that date will depend either on extending the transition period, or on the terms of the FTA (if the parties have agreed to an FTA). It is not clear whether the FTA will cover the provision of services by UK firms.

If the UK and the EU are unable to agree to the terms of an FTA by 31 December 2020, and do not agree to extend the transition period, the UK will become a third country vis-à-vis the EU on the expiry of the transition period. As a third country, the cross-border trade in goods between the UK and the EU will depend on any multilateral trade agreements to which both the EU and the UK are parties (such as those administered by the World Trade Organization ("WTO")) and the provision of services by UK firms will be generally restricted to those that could be provided by firms established in any third country.

UK regulated firms and other UK businesses could be adversely affected under an FTA or under WTO terms. A tariff or non-tariff barrier, customs checks, the inability to provide cross-border services, changes in withholding tax, restrictions on movements of employees, restrictions on the transfer of personal data, etc., all have the potential to materially impair the profitability of a business, require it to adapt, or even relocate.

Given the relatively short time within which to negotiate an FTA, there is a risk that the UK may leave the transition period without a future trade agreement and may not seek an extension. In such circumstances, it is probable that the adverse effects of leaving on unfavorable terms would principally affect the UK (and those having an economic interest in, or connected to, the UK). However, given the size and global significance of the UK's economy, uncertainty about whether it will secure an FTA by the end of the transition period, and thus uncertainty as to the substance of its future legal, political and economic relationships with Europe, may continue to be a source of instability, produce currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements.

The uncertainty surrounding the UK's future relationship with the EU could therefore adversely affect a CVC Capital Fund, the performance of its investments and its ability to fulfil its investment objectives (especially if its investments include, or expose it to, businesses that have relied on access to the single market or whose value is affected adversely by the UK's future relationship with the EU).

Coronavirus and Public Health Emergencies

As of the date of this brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact, to the private equity industry and global markets as a whole, is as yet unknown. The global ramifications of the outbreak are rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Many businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in the global public and private markets, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession

(which recessions some financial experts opine have already arrived), are increasingly uncertain and difficult to assess.

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

The extent of the impact of any public health emergency on a Fund's and its portfolio companies' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may negatively impact the value and performance of a Fund's portfolio companies, a Fund's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and a Fund's ability to achieve its investment objectives, all of which could result in significant losses to a Fund. Any such disruptions may continue for an extended period of time. In addition, the operations of a Fund, its portfolio companies, and CVC may be significantly impacted, or even temporarily or permanently halted (as is already the case with certain businesses within the Funds' portfolio), as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and is expected to continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, the Funds are expected to incur heightened legal expenses which could similarly have an adverse impact to a Fund's returns. For example, but not by limitation, a Fund or its portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the appropriate Fund. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a Fund or its portfolio companies in the form of economic harm, data loss or other negative outcomes.

Arrangements Between Portfolio Companies and/or Between Portfolio Companies and CVC Capital

Certain of the CVC Capital Funds' portfolio companies (each a "CVC Operating Company") are or will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of the same CVC Capital Fund, other investment funds or arrangements managed, operated and/or advised by CVC or with CVC which agreements, transactions or other arrangements may not have been entered into but for the service provider being a portfolio company of a Fund, and which may involve fees and/or servicing payments to CVC which are not subject to offset against management fees paid to CVC and/or may be subject to fee arrangements which would not have been applicable but for the association with CVC. These arrangements may involve commissions, servicing payments, discounts and/or other remuneration that may, directly or indirectly inure to the benefit of CVC, the CVC Capital Funds and affiliates or portfolio companies (including CVC Operating Companies). To the extent that a CVC Operating Company is providing a service to another portfolio company of that or another CVC Capital Fund, or to CVC, such CVC Operating Company will benefit. Whether between portfolio companies of different CVC Capital Funds or between a portfolio company and CVC, these arrangements may result in one (or the other) receiving a greater benefit at the expense of the other. Further, the benefits received by the particular CVC Operating Company providing the service may be greater than those received by the entity receiving the service, and in some cases, the benefit received by CVC may be greater than the benefit received by a portfolio company who also receives such services. CVC is not involved in the day to day management of such CVC Operating Companies, the respective management teams of the relevant CVC Operating Company and such transaction counterparty will independently make their own determinations with regard to any business transacted between them, CVC may request that such CVC Operating Companies pursue portfolio companies of CVC funds as potential customers. In addition, CVC may introduce portfolio companies of CVC funds

to the CVC Operating Company and vice versa. CVC notes that these arrangements may impact the operations of one or more portfolio companies. In some cases, CVC representatives sit on the board of the relevant portfolio company(ies).

Service Providers and Value-Added Investors

Certain conflicts of interest may arise in respect of service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment or commercial banking firms), which may be CVC Operating Companies, and certain other advisors and agents of a CVC Capital Fund which may be investors and / or sources of investment opportunities and co-investors or counterparties in a particular CVC Capital Fund or other CVC Capital Funds and may also provide goods or services to or have business, personal, financial or other relationships with CVC and/or its affiliates or be entities in which CVC and/or a particular CVC Capital Fund has an investment (and payments by the relevant CVC Capital Fund and/or such entities may indirectly benefit CVC and/or such CVC Capital Fund). These relationships may influence the general partner in deciding whether to select such a service provider to perform services for the particular CVC Capital Fund or in respect of any investment (the cost of which will generally be borne by the CVC Capital Fund) or may influence CVC in deciding whether to recommend a service provider to a portfolio company of a CVC Capital Fund.

Notwithstanding the foregoing, investment transactions for a particular CVC Capital Fund that requires the use of a service provider (including a CVC Operating Company) generally will be allocated to service providers on the basis of the general partner's judgment as to factors such as best price or other similar factors, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the general partner believes to be of benefit to the particular CVC Capital Fund. Additionally, misconduct by service providers (such as the improper use or disclosure of confidential information which could result in litigation or serious financial harm, including limiting the particular CVC Capital Fund's business prospects or future activities), which the general partner may not be able to detect and prevent, could cause significant losses to the particular CVC Capital Fund. In certain circumstances, advisors and service providers, or their affiliates (including CVC Operating Companies), may charge different rates or have different arrangements for services provided to CVC, the general partner, the investment adviser or their respective affiliates as compared to services provided to the particular CVC Capital Fund and/or portfolio companies of a CVC Capital Fund, which may result in more favorable rates or arrangements than those payable by the particular CVC Capital Fund or portfolio company. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the particular CVC Capital Fund and its portfolio companies are different from those used by CVC or its affiliates; CVC or its affiliates may pay different amounts or rates than those paid by the particular CVC Capital Fund and portfolio companies. This may result in more favorable rates applying in respect of CVC and its affiliates than those that apply in respect of the particular CVC Capital Fund and its portfolio companies.

9. Disciplinary Information

CVC U.S. and its personnel have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of the firm or its personnel.

10. Other Financial Industry Activities and Affiliations

CVC Personnel are encouraged to discuss any perceived risks or concerns about CVC's business practices with their direct supervisor or members of CVC's Legal and Compliance teams. In addition, to enable CVC Personnel to voice their concerns in an effective manner and show its commitment to the highest standards of openness, probity and accountability, CVC has implemented a Whistleblowing Policy. This policy is accessible on the Compliance section of Insight.

CVC Private Equity Business

CVC U.S. is affiliated with CVC Advisers Luxembourg, CVC Advisers Company Luxembourg, CVC Advisers PE and CVC Advisers Jersey through the indirect common ownership by CVC Advisory Holding Foundation. In addition, CVC Advisers Jersey and the general partners of the CVC Capital Funds are deemed related persons of CVC U.S. for Form ADV disclosure purposes.

CVC Credit Business

CVC Credit Partners, LLC, a Delaware limited liability company, is a wholly owned subsidiary of CVC Credit Partners Investment Management Limited.

The CVC Credit Partners global platform also includes two separately-organized U.K. investment advisers, CVC Credit Partners Limited and CVC Credit Partners Investment Management Limited, which are regulated by the U.K. Financial Conduct Authority and are Relying Advisers of CVC Credit Partners, LLC. Additionally, CVC Credit Partners' global platform includes CVC Credit Partners Investment Fund Manager Limited, which is regulated by the Jersey Financial Services Commission and is a Relying Adviser of CVC Credit Partners, LLC.

The CVC Credit Partners advisers above are under common ultimate control with two other registered investment advisers which focus on the management of Collateralized Loan Obligation ("CLO") vehicles and are held under a separate ownership structure. These advisers are, CVC Credit Partners U.S. CLO Management LLC in the U.S. and CVC Credit Partners European CLO Management, LLP, which is regulated by the U.K. Financial Conduct Authority. Both of these advisers are wholly-owned subsidiaries of CVC Credit Partners Global CLO Management Limited, a closed ended private limited liability company incorporated in Jersey.

Collectively all of the above investment advisers are referred to herein as "CVC Credit Partners."

The CVC Credit Partners business is managed independently of CVC's private equity business.

CVC Credit Partners provides investment advisory services to clients including collateralized loan obligations, collateral debt obligations and collective investment vehicles, private funds and separately managed accounts for institutional investors on a discretionary and non-discretionary basis (together "CVC Credit Funds"). CVC Credit Funds pursue primarily U.S. and European leveraged and performing credit strategies (such as broadly syndicated bank loans, secured and leveraged loans, floating rate loans, second lien loans, corporate and high yield bonds, convertible bonds), alternative credit strategies (such as mezzanine debt, structures and illiquid credit), special situations (such as stressed and distressed credit, equity and preferred securities, reorg equity), and mid-market lending (privately negotiated loans to mid-market companies). In pursuit of these strategies, CVC Credit Partners will also utilize currency forwards and other derivative instruments on behalf of the CVC Credit Funds. These investments are generally not suitable for the CVC Capital Funds. Notwithstanding the foregoing, certain conflicts of interest, or the appearance of conflicts of interest, may arise in situations in which CVC Capital Funds and CVC Credit Funds independently make investments in different parts of the capital structure of the same company (e.g., a CVC Credit Fund provides financing to, or otherwise invests in the debt instruments of, a CVC Capital Fund's portfolio company).

In order to address these potential conflicts of interest, CVC has adopted policies and procedures that establish certain barriers between CVC Credit Partners and the rest of CVC (including CVC U.S.). CVC Credit Partners and the rest of CVC maintain separate investment committees and operating boards. No member of CVC Credit's investment committees serves on any of the Investment Committees for CVC Capital Funds and vice versa. While certain senior CVC personnel serve on the CVC Credit Partners Advisory Board and other companies where CVC Credit Partners holds an investment, these personnel have no access to underlying private information and do not participate in CVC Credit Partners investment decisions. CVC also maintains strict information barriers to prevent inadvertent dissemination of information between CVC Credit Partners and the rest of CVC. Collaboration between CVC Credit Partners personnel and CVC Capital Partners personnel may therefore be limited; this in turn may reduce potential synergies across CVC.

Material conflicts between a CVC Capital Fund and any member of CVC are brought to the attention of the investor Advisory Boards of the relevant funds, as provided in the CVC Capital Funds' governing documents. CVC Credit Partners has established an independent subcommittee of independent persons to conduct reviews on behalf of and to provide guidance to CVC Credit Partners with respect to any situation where there is the potential for (or perception of) a material conflict of interest between CVC Credit Partners and the rest of CVC. In addition, if CVC Credit Partners clients provide financing to portfolio companies of the CVC Capital Funds, the CVC Credit Partners clients participate on arm's length terms no more favorable than the terms on which any other similarly situated lenders participate. determined in

accordance with CVC Credit Partners' standard process for review and engagement of third-party service providers.

CVC Credit Partners Funds or other CVC Capital Funds may participate in the debt tranches of an investment (alone or in addition to participating in the equity tranche). As the general partner, manager and/or adviser of a particular CVC Capital Fund and any such other CVC Capital Fund, CVC would owe a fiduciary duty to such other CVC Capital Fund, as well as to the particular CVC Capital Fund. If such a CVC Capital Fund were to purchase high yield securities or other debt or other instruments from a portfolio company senior to the particular CVC Capital Fund's investments, CVC may, in certain instances, face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such CVC Capital Fund and the particular CVC Capital Fund (e.g., with respect to the terms of such high yield securities or other debt or other instruments, the enforcement of covenants, the terms of recapitalizations). If a CVC Credit Partners Fund were to purchase such securities, CVC may face a conflict of interest. To mitigate the risk of such a conflict arising, the investment decision process in respect of CVC Credit Partners Funds runs separately to that in respect of CVC Capital Funds with no overlap of decision-making personnel.

CVC Funding, LLC

CVC Funding, LLC is registered as a broker-dealer in the U.S. with the SEC and FINRA and is a wholly-owned subsidiary of CVC Credit Partners, LLC. CVC Funding, LLC's primary focus is to conduct activities as a finder and/or placement agent for CVC Credit Partners and CVC Capital Partners own proprietary private funds. These private placements are offered pursuant to Rule 506 of Regulation D, as well as Regulation S. CVC Funding, LLC does not execute transactions on behalf of CVC.

Commodity Pool Operators and Commodity Trading Advisors

Because certain CVC Capital Funds may have the ability to invest in commodity interests, the CVC Capital Funds may be subject to regulation as a commodity pool and CVC U.S. as commodity pool operator under the Commodity Exchange Act and the rules of the U.S. Commodity Futures and Trading Commission ("CFTC"). However, because CVC Capital Funds limit trading in commodity investments and because interest in the CVC Capital Funds are offered and sold without marketing to the public, CVC and CVC U.S. is exempt from having to register as a commodity pool operator pursuant to CFTC Rule 4.13(A)(3).

Board Positions

Personnel of CVC U.S. or its affiliates, or of other entities within CVC's private equity business, may serve as directors of, and provide advice to, CVC Capital Fund portfolio companies. These affiliations and activities facilitate the investment strategy and management of client portfolios. Compensation, if any, in connection with directorships with portfolio companies of the CVC Capital Funds is typically remitted for the benefit of the relevant CVC Capital Fund. As discussed above in Item 5, Industrial Advisers also may serve on portfolio company boards of directors. Fees paid to Industrial Advisers in connection with such services do not benefit the CVC Capital Funds, by offset to the management fee or otherwise.

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

CVC U.S. is subject to CVC's global Code of Ethics (the "Code"). The Code expresses CVC's operating principles of integrity, honesty and fiduciary duties owed to clients. The Code sets forth a standard of business conduct expected of all of CVC directors, officers, partners and employees ("CVC Persons") as well as policies and procedures that CVC Persons must follow to prevent activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of unethical behaviour. CVC U.S.' personnel are all CVC Persons subject to the Code.

Subject to certain exceptions consistent with industry requirements (e.g., U.S. government securities, open-end investment companies, etc.), the Code requires CVC Persons to report securities transactions each quarter in accounts in which they, or their immediate family members or other family members living in their household, have a "beneficial interest." CVC Persons must also report any newly opened

accounts on an ongoing basis. Additionally, CVC Persons certify annually in writing regarding holdings and existing accounts as well as compliance with the terms of the Code. The Code also requires CVC Persons to receive pre-clearance before entering into purchases and sales (investments and redemptions) involving IPOs or private placements.

In addition, the governing documents for the CVC Capital Funds impose limitations on personal investing by certain CVC Persons in opportunities within the investment scope of the funds.

Additionally, CVC has adopted policies and procedures to prevent insider trading, which are designed to ensure proper handling of confidential information to prevent violation of laws and regulations prohibiting the misuse of such information, and to avoid situations which might create the appearance of such misuse. CVC also has adopted procedures that establish certain information barriers between CVC U.S. and the rest of CVC's private equity business, on the one hand, and CVC Credit, on the other, as previously discussed in Item 10. These procedures are designed to prevent inadvertent dissemination of information between CVC Credit and the rest of CVC, including CVC U.S. CVC's Compliance team is responsible for administering the prevention of insider trading procedures, monitoring compliance with the information barriers established by CVC and overseeing the manner by which CVC addresses potential conflicts of interest.

The Code additionally requires CVC's compliance department to regularly review all personal trading documents and to address any issues noted during the review, including the appropriateness of imposing sanctions for violations of the Code.

A copy of the Code will be provided to any investor or prospective investor upon request by contacting Mr. Raju Hussain, CVC U.S.' Global Chief Compliance Officer at 0044 207 420 4200.

12. Brokerage Practices

CVC U.S. has no authority to execute investments, or to select or engage financial intermediaries such as broker-dealers, on behalf of the CVC Capital Funds.

13. Review of Accounts

CVC U.S. engages in ongoing monitoring and review of North American portfolio company investments made on behalf of the CVC Capital Funds. CVC U.S. provides reports to CVC Advisers Luxembourg with respect to such investments including: (i) monthly financial trading summary, (ii) a quarterly review of each portfolio company investment, (iii) information on and estimates of the value of each investment at least every six months and more frequently if there are material changes in value; and (iv) periodic legal, regulatory, tax and accounting reporting with respect to portfolio company investments.

CVC U.S. relies on the general partners of the CVC Capital Funds to provide quarterly and annual reports, including audited financial statements, to investors in the CVC Capital Funds in accordance with the terms of the applicable governing documents.

14. Client Referrals and Other Compensation

From time to time, CVC U.S. personnel may be entitled to receive cash and non-cash breakup, directors', underwriting, syndication and other similar fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions and other rights in respect of securities owned by the CVC Capital Funds. CVC U.S. will request those fees be paid to CVC U.S. and not directly to its personnel. As disclosed in Item 5 (Fees and Compensation), to the extent that any Fee Income is received by CVC U.S. or its personnel, CVC Advisers Company Luxembourg will reduce the fee paid to CVC U.S. as provided in the underlying fund documents.

15. Custody

CVC U.S. may be deemed to have custody of client accounts because entities within CVC's private equity business serve as general partner, managing member or a similar role for the CVC Capital Funds. CVC U.S. relies on the audit exception to the reporting and surprise examination obligations under the SEC's custody rule that is available to pooled investment vehicles. Audited financial statements are distributed

to each of the CVC Capital Fund's respective investors no later than 120 days after the relevant CVC Capital Fund's fiscal year end.

16. Investment Discretion

CVC U.S. does not have investment decision-making authority for any client. As described above, CVC U.S. sources potential investments and indirectly makes investment recommendations in respect of the CVC Capital Funds to CVC Advisers Jersey.

17. Voting Client Securities

CVC U.S. does not have authority to vote client securities. The general partners upon the recommendation of CVC Advisers Jersey's Investment Committees, as appropriate, have authority to make voting decisions with respect to all material matters subject to a vote and that may have an economic impact on the CVC Capital Fund's investment. Voting decisions with respect to administrative and routine business matters generally are made by the boards of directors of the holding companies established by the CVC Capital Funds to hold portfolio company investments.

In connection with its ongoing monitoring and supervision of CVC Capital Fund investments in North America under the Sub-Advisory Agreement, CVC U.S. personnel may (i) make recommendations to the Investment Committees with respect to proxy voting or corporate actions in connection with those investments or (ii) serve as directors on the holding company boards that make voting decisions on administrative and routine business matters. CVC U.S. also may be directed by CVC Advisers Jersey or CVC Capital Fund general partners to submit votes on behalf of the CVC Capital Funds.

CVC U.S. has adopted and implemented policies and procedures under which CVC U.S. makes voting recommendations in accordance with its commitment to act in the best interests of the CVC Capital Funds.

18. Financial Information

CVC U.S. has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to sub-advise the CVC Capital Funds.