

INVESTMENT ADVISER BROCHURE

PARKERGALE, LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of ParkerGale, LLC (“ParkerGale”). If you have any questions about the contents of this Brochure, please contact us at (312) 698-6300. 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 authority.

ParkerGale is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding ParkerGale is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

ParkerGale filed its most recent Form ADV Part 2 on March 22, 2019. This annual amendment makes various minor amendments throughout. There are no material changes.

ADVISORY BUSINESS

ParkerGale, a Delaware limited liability company and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. ParkerGale commenced operations in April 2015.

ParkerGale's current clients are the following (each, a "**Fund**," and together with any future private investment fund to which ParkerGale or its affiliates provide investment advisory services, the "**Funds**"):

- ParkerGale Capital, LP
- ParkerGale Capital II, LP

The following general partner entities (each, a "**General Partner**") are affiliated with ParkerGale:

- ParkerGale Management, LP
- ParkerGale Management II, LP

Except where specified, references to an "**Adviser**" in this Brochure refer to any of the adviser entities (including the General Partners) described above, and references to the "**Firm**" collectively refer to all Advisers, including ParkerGale, and their affiliated entities.

Each General Partner is deemed registered and subject to the Advisers Act pursuant to ParkerGale's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operates as a single advisory business together with ParkerGale.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "portfolio companies." The Firm's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted under certain conditions. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of ParkerGale or its affiliates generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

The Firm's advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a "**Memorandum**"), limited partnership or other operating agreements or governing documents (each, a "**Partnership Agreement**" and, as applicable, together with any relevant Memorandum, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the General Partners have entered into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Governing Documents, the Advisers reserve the right to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, ParkerGale's personnel and/or certain other persons associated with ParkerGale and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in ParkerGale's sole discretion, ParkerGale reserves the right to charge interest on the purchase to the co-investor or co-investment vehicle (or otherwise equitably adjust the purchase price under certain conditions) and to seek reimbursement to the Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the Fund.

As of December 31, 2019, the Firm managed \$641,839,183 in client assets on a discretionary basis. ParkerGale is controlled by Devin Mathews, James Milbery, Kristina Heinze, David Milligan and Corey Dossett.

FEES AND COMPENSATION

In general, ParkerGale receives a management fee and a carried interest in connection with advisory services. ParkerGale or other Firm entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to ParkerGale. Investors in a Fund also bear certain expenses.

Management Fees

Each of the Funds pays ParkerGale, on a quarterly basis in advance, a management fee (the “**Management Fee**”) equal to 2.0% on an annual basis of aggregate Fund investor capital commitments (“**Commitments**”). Investors participating in a closing after the initial closing date of a Fund bear the Management Fee from the Fund’s initial closing date. Upon the earlier to occur of (i) the date when all the Fund’s Commitments have been invested or otherwise used to pay expenses of the Fund, (ii) unless the approval of holders of two-thirds of the Fund’s Commitments is obtained, the sixth month anniversary of the date when certain of ParkerGale’s principals are no longer involved in the Fund’s affairs or cease to own at least a specified amount of ParkerGale or the General Partner, (iii) the date the Firm begins to receive management fees with respect to a Fund with objectives, strategy and scope substantially similar to the Fund or (iv) the fifth anniversary of the effective date of each Fund, the Management Fee will be reduced and will equal 2.0% of the aggregate amount of contributions used to make, or pay expenses directly connected to, an investment that has not yet been disposed of or completely written off, subject to certain conditions set forth in the Fund’s Partnership Agreement. After the date all of the Fund’s assets have been distributed or upon the occurrence of certain other events specified in the applicable Partnership Agreement, the Fund’s Management Fee will be reduced to zero. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on *pro rata* basis according to the actual number of days in such period.

The Management Fee will be reduced by all of a Fund’s share of Transaction Fees (as defined in the applicable Fund’s Partnership Agreement), which include closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from unconsummated transactions, monitoring fees, consulting fees and directors’ fees, but only to the extent such fees are net of the Firm’s expenses incurred in connection with the generation of such fees, as provided in the applicable Partnership Agreement. To the extent that such an offset credit would reduce the Management Fee for a given three-month period below zero, the credit will be carried forward for future application against payable Management Fees. If a credit remains as of the liquidation of the Fund (or upon certain other events set forth in the applicable Partnership Agreement), a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result). Certain Funds may provide in their Partnership Agreements that all Transaction Fees received after a specified time will not be subject to any offset or rebate.

The Firm reserves the right to be paid Transaction Fees from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which have the potential to be significant.

Certain Governing Documents permit the applicable General Partner to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the applicable General Partner, which is effectively invested in the applicable Fund on such General Partner’s behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of a Fund may be required to make a *pro rata* contribution

according to their respective Commitments to fund any contribution that would otherwise be required of the Firm in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by the Firm and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed or not be fully realized by investors in the Fund, resulting in a net additional benefit to the Firm.

Carried Interest

ParkerGale will receive a carried interest with respect to each Fund equal to 20% of all realized profits subject to an 8% compound preferred return but including a “catch up” provision, as more fully described in the applicable Partnership Agreement. The carried interest distributed to ParkerGale is subject to a potential giveback at the end of life of the Fund if ParkerGale has received excess cumulative distributions.

It is expected that any future Funds will have a similar fee structure.

Other Information

The Firm is permitted to exempt certain “affiliated partner” investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including ParkerGale and any other person designated by the applicable General Partner. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by ParkerGale and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a ParkerGale professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, the Firm has the right to permit investors, affiliated with ParkerGale or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of the Firm generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by ParkerGale or its affiliates.

In addition to the Management Fee and carried interest payable to ParkerGale, each Fund bears or is expected to bear certain expenses. As set forth more fully in the Governing Documents of each Fund, each Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund’s activities, investments, business, portfolio companies or actual or potential

investments (including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company) to the extent not reimbursed by a portfolio company or potential portfolio company, including without limitation all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and the Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the Firm or any affiliated partner on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports, or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or its limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the Partnership Agreement, or otherwise approved by the applicable General Partner in its sole discretion, activities or proceedings of the advisory board of the Fund (including any reasonable out-of-pocket costs and expenses incurred by representatives of the applicable General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of such advisory board); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying a Fund partner or other person pursuant to the applicable Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the

applicable Partnership Agreement), except as otherwise set forth in such Partnership Agreement; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith (except, in the case of any such fees, costs and expenses incurred in connection with indemnifying any Fund partner or other person pursuant to the applicable Partnership Agreement, to the extent such amounts have been determined to be excluded from the indemnification provided for in the applicable Partnership Agreement); (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s), in each case to the extent incurred by the Fund, the Firm or any of its affiliates; (xviii) except as otherwise determined by the applicable General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xix) the termination, liquidation, winding up or dissolution of the Fund; (xx) defaults by Fund partners in the payment of any capital contributions; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, any parallel fund, and any alternative investment vehicle of the Fund or its parallel fund, including the preparation, distribution and implementation thereof; (xxii) (A) complying with any law or regulation related to the activities of the Fund (including regulatory expenses of its General Partner incurred in connection with the operation of the Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the applicable Partnership Agreement; (xxiii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer of Fund interests contemplated by the applicable Partnership Agreement; (xxiv) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Partnership is reimbursed therefor or such tax, fee or charge is treated as having been distributed to the Fund partners); (xxv) distributions to the Fund partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxvi) compliance or regulatory matters related to the Fund, except as otherwise set forth in the applicable Partnership Agreement; (xxvii) any travel (but not including private air travel expenses), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxviii) any organizational expenses in excess of an amount specified in the applicable Partnership Agreement; (xxix) any placement fees; and (xxx) any other fees, costs, expenses, liabilities or obligations approved by the Fund's advisory board; but not including ordinary overhead and administrative expenses that are payable by the Firm pursuant to the applicable Partnership Agreement. The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of ParkerGale and/or its affiliates, such as the cost of attending training programs, meetings or other events for portfolio companies and/or their personnel sponsored by ParkerGale. As is typical for private equity funds, the Funds likely

bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

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

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside the Fund, subject to ParkerGale’s related policies and the relevant Partnership Agreement and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Fund, and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such broken deal expenses.

ParkerGale and/or its affiliates generally have discretion over whether to charge Transaction Fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and ParkerGale and/or its affiliates on the other hand.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the relevant General Partner receives a carried interest allocation on certain realized profits in its Funds. ParkerGale does not advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under “Fees and Compensation.” Additionally, to the extent that ParkerGale personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

ParkerGale seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to

the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Firm or any Firm personnel.

ParkerGale also manages ad hoc co-investment vehicles that are not charged performance-based compensation, or are charged performance-based compensation in lower percentages or with higher preferred return amounts that must be met before ParkerGale is compensated. ParkerGale does not believe this practice presents a conflict of interest because such co-investment vehicles are designed to make only one investment, which is disclosed to its investors in advance.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although ParkerGale generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

ParkerGale provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of ParkerGale and its affiliates and members of their families, or other service providers retained by ParkerGale.

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

The Funds generally have a minimum investment amount of \$1,000,000 for third-party investors, and the Funds's interests are offered and sold solely to qualified purchasers (or qualified knowledgeable Firm personnel). Such minimum investment amount may be waived by ParkerGale.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

The Firm is a private investment firm focused on investments in companies believed to benefit from the Firm's in-house operating professionals and experience. ParkerGale's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments.

ParkerGale's investment strategy for the Funds is to take controlling equity interests in profitable technology companies within the smaller end of the private equity market and professionalize them during its ownership to deliver attractive returns to its investors. ParkerGale has a particular interest in acquiring founder-owned companies where the Fund or Funds are the company's first institutional capital and divisions or assets from larger companies that are being under-managed and require additional focus and management. Target companies generally will have positive EBITDA and will generally be less than \$100 million in enterprise value. Equity investments will generally range in size from \$15 million to \$60 million.

There can be no assurance that ParkerGale will achieve the investment objectives of any Fund and a complete loss of investment is possible.

Investment and Operating Strategy

Deal Sourcing. ParkerGale focuses on four main avenues for deal flow: (1) actively represented companies; (2) proactive industry and executive research and networking; (3) corporate development executive correspondence; and (4) thought leadership and brand recognition. The Firm manages relationships with different types of intermediaries including brokers, bankers, lawyers, accountants and fundless sponsors in different ways. The Firm's goal is to remain top-of-mind with intermediaries of all types by maintaining consistent contact with them. Beyond the deal flow of intermediated companies, ParkerGale believes that it continually needs to become an expert in the technology sub sectors it pursues and is focused on specific, thesis-based markets to research. Investments are oftentimes looked at in conjunction with senior industry executives who will take a full-time operating or board role post-closing. ParkerGale has an ongoing process to meet and track these key executives. In addition, the Firm has a list of corporate development executive targets and contacts that it does put effort against to not only know the potential buyers of their businesses, but to specifically have insight into and become aware of corporate carve-outs. ParkerGale also believes that the Firm needs to also stake a claim in thought leadership and increase its visibility to founders and companies that are not actively in a sale process. Using print and online media, and social networks, the ParkerGale team seeks to build its brand to appeal to company owners and intermediaries. In 2013, members of the team started a podcast called the Private Equity FunCast that is focused on the issues founders encounter when running their growing companies, and the ParkerGale team provides examples from its experience to offer advice to common problems these founders often face. Additionally, the Partners of the Firm are often sought out for their opinions about private equity and technology and have appeared in Fortune.com, PEHUB.com, at conferences, roundtables and in local and regional publications. The Firm believes these efforts help establish ParkerGale as a trusted partner to founders and deal sources.

Investment Screening. ParkerGale evaluates potential investment opportunities meeting basic type, sector, size and financial criteria through two broad themes ParkerGale's partners have refined over their careers based on their experience buying small companies. ParkerGale targets opportunities with common characteristics in terms of the company type and investment dynamics. These characteristics are: (i) majority control positions only; (ii) focus on niche markets and technology solutions; (iii) first institutional capital in the company; (iv) situations where operational improvements can be made; (v) having an angle to win the transaction and execute post-closing; and (vi) situations where the entry valuation is compelling.

Post-Investment Operations. Post-acquisition, ParkerGale will be actively engaged in the management of the business in areas including building out the team, implementing sales and marketing initiatives, building technology for resiliency and scalability, developing new products, and improving overall systems and reporting to help the acquired company plan and execute its growth plans during ParkerGale's ownership period and beyond. The Firm is involved in recruiting and hiring senior executives across its portfolio companies and the Firm's partners expect to regularly tap their network to bring world class talent to small companies that might not have access to such talent without the involvement of ParkerGale. In addition, immediately following acquisition, a portfolio company is often still operating on the same technology platform, applications, and network infrastructure with which it started several years in the past. ParkerGale's experience is that investments in these areas are paramount to unlock growth potential and allow small companies to scale. During due diligence, ParkerGale assesses the need for these upgrades and prioritizes their implementation from the outset. Furthermore, the Firm invests heavily in product initiatives throughout its ownership period, and offers portfolio companies technical talent to help management teams take meaningful steps in product features, reliability, scalability and competitive differentiation. To support sales growth, ParkerGale helps portfolio companies determine the key metrics that are most predictive of long-term revenue growth and then build systems to track and report those metrics. Once a system is in place, ParkerGale helps develop a process for hiring new salespeople and developing existing ones. After adequate systems and processes are in place, the focus shifts to accelerating sales and marketing investments and activities. The Firm's external resources help its portfolio companies with CRM design and implementation, sales training and development, product marketing, branding and messaging, customer interviews and analysis, market segmentation and other sales and marketing related tasks.

Investment Monitoring & Exiting. ParkerGale evaluates each portfolio company's path to liquidity at quarterly review meetings to determine if it is on track or off track compared to initial expectations. If the target return threshold for a company is reached faster than expected, the Partners will discuss the risk-reward tradeoffs of holding longer taking into account the market conditions, the management team's abilities, the competitive dynamic and the visibility of future financial performance among other factors. Generally, ParkerGale chooses in favor of liquidating an investment when the return is attractive rather than holding on for future, but uncertain, gains. When portfolio companies are not performing to expectation, ParkerGale will use the resources at its disposal to improve performance. The Firm ultimately needs to balance the effort required to manage underperforming investments with the potential for a turnaround. It is the Firm's strong desire (and part of initial underwriting) to recoup initial cost even in underperforming investments, though this cannot be controlled in all situations. The Firm will also strive to achieve interim liquidity during its investment period through the prudent use of leverage and dividend recapitalizations.

ParkerGale believes it is its partners' responsibility to know the likely buyers of its companies from the outset of its investments. The Firm does not rely solely on intermediary relationships to interpret the market interest in its portfolio companies, so its partners proactively reach out to the likely buyers directly and start forming relationships long before a potential sale. ParkerGale actively manages these relationships over the investment period.

Risks of Investment

Each Fund and its investors bear the risk of loss that ParkerGale's investment strategy entails. The risks involved with ParkerGale's investment strategy and an investment in a Fund include, but are not limited to:

Business Risks. A Fund's investment portfolio may consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

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

Concentration of Investments. A Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, a Fund's limited partners will be required to bear management and other fees through the Fund during the investment period based on the entire amount of the limited partners' commitments and other expenses as set forth in the applicable Partnership Agreement.

Small Buyout Transactions. A Fund's strategy will include targeting small buyout investments. While small buyouts investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Small buyout portfolio companies have smaller profit bases from which to fund their growth and operational needs. Small buyout portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

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

Leveraged Investments. A Fund reserves the right to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a 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 a 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 its debt service, the applicable Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. A Fund may also borrow money or guarantee indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by a Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. A Fund reserves the right to incur leverage on a joint and several basis with one or more other investment funds and entities managed by its general partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

Subscription Lines. A Fund reserves the right to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing

Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund. In addition, in order to secure a subscription line, the relevant General Partner reserves the right to request certain financial information and other documentation from limited partners to share with lenders. The relevant General Partner will have significant discretion in negotiating the terms of any subscription line and reserves the right to agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A Fund may also utilize Fund-level borrowing when its General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the applicable Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to a Fund's partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to such partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the applicable Partnership Agreement, including the value used to determine the amount of carried interest available to the Fund's general partner with respect to such investment.

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

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

Absence of Operating History. A Fund will be entirely dependent on its General Partner. There can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the principals of the Fund's General Partner. In addition, a Fund's investments may differ from previous investments made by the principals of the Fund's General Partner in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

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

Conflicting Investor Interests. A Fund's limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Fund's general partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, a Fund's general partner generally will consider the investment and tax objectives of the Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

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

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

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of the Fund, could adversely affect the ability of the fund's principals, employees or other individuals associated with the Fund, the Management Company or the Fund's general partner who were or may in the future be granted direct or indirect interests in such general partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from the Fund and its General Partner, which could make it more difficult for the general partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. These same issues may also apply to officers, directors and employees of the Fund's portfolio companies if such persons receive a profits interest in such companies.

Alternative Investment Fund Managers Directive. The European Union ("EU") Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). To the extent a Fund is actively marketed to investors domiciled or having their registered office in the EEA: (i) the Fund will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund and its General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) the applicable General Partner will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Fund in relation to EEA portfolio companies including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors

based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of commitments.

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

Non-U.S. Investments. The Funds reserve the right to invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the applicable Fund), the application of complex U.S. and non-

U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the applicable Fund and/or its partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or its partners. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Hedging Arrangements; Related Regulation. A General Partner reserves the right to (but is not obligated to) endeavor to manage its Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. Such Fund reserves the right to incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Dilution. Limited partners admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will be required to contribute its 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.

Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including ParkerGale's principals, and increased costs associated with each of the aforementioned risks.

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

Litigation. In the ordinary course of its business, a Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Fund's general partner's and its principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend

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

Market Conditions. Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that its General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objectives.

Ability to Finance and Consummate Investments. A Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events occur, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

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

Unfunded Pension Liabilities of 80%-Owned Portfolio Companies. Recent court decisions have suggested that, where an investment fund owns 80% or more of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Fund intends to manage its investments to minimize any such exposure, the Fund reserves the right to, from time to time, own an 80% or greater interest in a portfolio company that has unfunded pension fund liabilities. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests 80% or more of the equity.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, a Fund and its General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Fund and, ultimately, its investors.

Risks in Effecting Operating Improvements. In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of the Fund to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements may divert the attention of key personnel and disrupt normal business. There can be no assurance that a Fund will be able to successfully identify and implement such improvements.

Material Non-Public Information. As a result of the operations of ParkerGale and its affiliates, ParkerGale frequently comes into possession of confidential or material non-public information. Therefore, ParkerGale and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or ParkerGale's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Cyber Security Breaches and Identity Theft. The Funds' and its portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquake. Although the Firm intends to implement measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function

properly, the Firm, the Funds and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, the 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 the beneficial owners of investors). Such a failure could harm the Firm's, a Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance.

Data Protection Considerations. Prospective investors from countries in the European Union should be aware that, in considering and/or making an investment in a Fund, and interacting with a Fund, its affiliates, agents, advisers and/or delegates by: (i) submitting subscription documents, (ii) communicating through telephone calls, written correspondence and emails (all of which may be recorded); or (iii) providing personal data concerning individuals connected with the investor, such as directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners, advisers and/or agents, they may be providing the Fund, its affiliates, agents, advisers and/or delegates with personal data, as defined in any applicable EU data protection legislation. The Firm has prepared a EU privacy notice, which provides further information regarding the personal data collected and used by it including in relation to a Fund, and the purposes for which such personal data is processed. The EU privacy notice will be provided to EU investors and is also available from the applicable General Partner upon request.

Conflicts of Interest

ParkerGale and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. ParkerGale will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of ParkerGale conducting its activities, the interests of a Fund may conflict with the interests of ParkerGale, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, ParkerGale will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by ParkerGale principals through such Fund, subject to certain limited exceptions set forth in the Fund's Governing Documents and ParkerGale's allocation policies. Without limitation, ParkerGale principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments. ParkerGale's principals and ParkerGale's investment staff will continue to manage and monitor such investments until their realization. Such other investments that ParkerGale principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund,

ParkerGale principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, ParkerGale will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of ParkerGale. In determining which investment vehicles should participate in such investment opportunities, ParkerGale and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Governing Documents, ParkerGale is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of ParkerGale in a portfolio company may also raise the risk of using assets of a client of ParkerGale to support positions taken by other clients of ParkerGale.

ParkerGale must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. ParkerGale generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement, as well as factors including but not limited to: conflict of interest provisions in the relevant Governing Documents and Side Letters, investment restrictions and objectives, diversification limitations, strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life-cycle and structure. ParkerGale will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount that would be appropriate for such Fund and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Fund's Partnership Agreements, Side Letters and ParkerGale's procedures regarding allocation. ParkerGale's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; ParkerGale's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair ParkerGale's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; ability of the prospective investor to invest an amount of capital consistent with the needs of the investment (including for potential add-on acquisitions); lender requirements; whether ParkerGale believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or ParkerGale; the prospective investor's history of co-investing with ParkerGale; whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the likelihood that the prospective co-investor would require governance rights that would complicate or jeopardize the transaction or would be willing to defer to ParkerGale in governing the investment; whether the prospective co-investor has any interests in any competitor of the underlying investment; the size of the prospective co-investor's interest to be held in the underlying portfolio company; whether

the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investor; the expected investment holding period; and services provided by the prospective co-investor with respect to the investment. ParkerGale may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

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

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

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

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

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

In certain cases, ParkerGale will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, ParkerGale will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

As a result of the Funds' controlling interests in portfolio companies, ParkerGale and/or its affiliates typically have the right to appoint portfolio company board members (including current or former ParkerGale personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to ParkerGale and/or its affiliates. Except to the extent such amounts are subject to the Partnership Agreement's offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to ParkerGale.

Additionally, a portfolio company typically will reimburse ParkerGale or service providers retained at ParkerGale's discretion for expenses (including without limitation travel expenses) incurred by ParkerGale or such service providers in connection with its performance of services for such portfolio company. This subjects ParkerGale and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. ParkerGale determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to ParkerGale

or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

ParkerGale generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for products or services with (i) ParkerGale or a related person of ParkerGale (which may include a portfolio company of a Fund), (ii) an entity with which ParkerGale or its affiliates or current or former members of their personnel has a relationship or from which ParkerGale or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, ParkerGale may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects ParkerGale to conflicts of interest, because although ParkerGale selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, ParkerGale may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest, such as an interest in maintaining goodwill between itself and its former, existing and prospective portfolio companies. There is a possibility that ParkerGale, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or ParkerGale), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not ParkerGale has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at higher quality or lesser cost.

Although uncommon, from time to time ParkerGale reserves the right to cause the Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to co-investors or co-investment vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities. Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another investment vehicle. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Fund's limited partnership agreements or otherwise in the sole discretion of ParkerGale, ParkerGale may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the Fund (including, where authorized, the consent of the Fund's advisory board) to such transactions. In certain circumstances, ParkerGale reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. ParkerGale intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to the Fund under the circumstances, including a consideration of the potential present and future benefits with respect to the Fund.

Although ParkerGale generally structures transactions to avoid cross-guarantees and other circumstances in which the Fund bears liability for all or part of the obligations of co-investors and co-investment vehicles, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other co-investors' and co-investment vehicles' share of the relevant obligation and/or joint and several liability among investing entities. In each such case, ParkerGale intends to cause the relevant other investing entities to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

ParkerGale and/or its affiliates reserve the right to also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by ParkerGale and/or its affiliates; conversely, former personnel or executives of ParkerGale and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by ParkerGale. Similarly, ParkerGale, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, ParkerGale and/or its affiliates, and/or the Funds or other investment vehicles they advise. ParkerGale may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide ParkerGale information about markets and industries in which ParkerGale operates (or is contemplating operations) or will provide other services that are beneficial to ParkerGale. ParkerGale may have a conflict of interest in making such recommendations, in that ParkerGale has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

ParkerGale, its affiliates, and equity holders, officers, principals and employees of ParkerGale and its affiliates reserve the right to buy or sell securities or other instruments that ParkerGale has recommended to a Fund. Such transactions are subject to any restrictions in the Fund's Partnership Agreement and the policies and procedures set forth in ParkerGale's Code of Ethics, which, among other matters, forbids any trade that competes with a Fund investment and requires preclearance of trades in securities in which the Firm may have material non-public information. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of ParkerGale have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore may have additional conflicting interests in connection with these investments.

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

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

ParkerGale and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Any of these situations subjects ParkerGale and/or its affiliates to potential conflicts of interest. ParkerGale attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by ParkerGale's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, ParkerGale will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, ParkerGale consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

DISCIPLINARY INFORMATION

ParkerGale and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

ParkerGale is affiliated with the General Partners (referred to in the "Advisory Services" section) which operates as a single advisory business together with ParkerGale and serves as the general partner of the Fund and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Firm has adopted the ParkerGale Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Firm principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Firm personnel to report their personal securities transactions, prohibits or requires pre-clearance for Firm personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Firm personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions,

without first obtaining approval from the Firm's Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Corey Dossett, the Firm's Chief Compliance Officer, at (312) 698-6300. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

ParkerGale and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, ParkerGale and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of ParkerGale.

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

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

ParkerGale and its affiliates, principals and employees reserve the right to carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and reserve the right to give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar.

In borrowing on behalf of a Fund, ParkerGale is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a

preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

ParkerGale will effect such borrowings in a manner it believes to be fair and equitable to the relevant Fund, and consistent with ParkerGale's obligations to the Fund under the Governing Documents.

BROKERAGE PRACTICES

ParkerGale focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, ParkerGale reserves the right to also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although ParkerGale does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If ParkerGale sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by ParkerGale. In such event, ParkerGale will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, ParkerGale may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

ParkerGale has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although ParkerGale generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with ParkerGale seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although ParkerGale generally does not make use of such services at the current time and has not made use of such services since its inception.

ParkerGale does not anticipate engaging in significant public securities transactions; however, to the extent that ParkerGale engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, ParkerGale reserves the right to also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, ParkerGale reserves the right to, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of ParkerGale is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

In ParkerGale’s private company securities transactions on behalf of the Funds, ParkerGale reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, ParkerGale may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although ParkerGale generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, ParkerGale closely monitors companies in which the Funds invest, and the Firm’s Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner’s tax return and (iii) annual reports providing a narrative summary of the status of each portfolio company investment.

CLIENT REFERRALS AND OTHER COMPENSATION

ParkerGale and/or its affiliates reserve the right to provide certain business or consulting services to companies in a Fund's portfolio and reserves the right to receive compensation from these companies in connection with such services. As described in the Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. *See* "Fees and Compensation."

From time to time, ParkerGale reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by ParkerGale indirectly through an offset against the applicable Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). ParkerGale retained each of Riverstone Capital Services LLC, d/b/a Beartooth Advisors ("**Beartooth**") and Shannon Advisors LLC ("**Shannon**") to serve as a placement agent for the Fund specified in their respective engagement agreements. In exchange for such placement services on behalf of the Firm and the applicable Fund, which include introducing prospective investors and reviewing such Fund's offering materials, Beartooth the placement agent(s) has or will receive a percentage of the amounts raised from prospective investors into the applicable Fund and from such investors into such Fund's first successor fund and Shannon has or will receive a flat placement fee plus a percentage of commitments to the applicable Fund in excess of a specified threshold. Also, each of Beartooth and Shannon have or will have certain of its expenses reimbursed.

CUSTODY

ParkerGale maintains custody of assets held in the name of one or more Funds with the following qualified custodians: Silicon Valley Bank and BMO Harris N.A.

INVESTMENT DISCRETION

The General Partner has discretionary authority to manage investments on behalf of the Fund. As a general policy, the Firm does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, however, ParkerGale and/or its affiliates reserve the right to enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Firm assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

ParkerGale has adopted the ParkerGale Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Fund's (and any other

Fund's) portfolio investments. The Proxy Policy seeks to ensure that ParkerGale votes proxies (or similar instruments) in the best interest of the applicable Fund, including where there may be material conflicts of interest in voting proxies. ParkerGale generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that ParkerGale reserves the right to address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board may approve ParkerGale's vote in a particular solicitation. ParkerGale does not consider service on portfolio company boards by ParkerGale personnel or ParkerGale's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by ParkerGale when voting proxies on behalf of a Fund. Clients or investors that would like a copy of ParkerGale's complete Proxy Policy or information regarding how ParkerGale voted proxies for particular portfolio companies may contact Corey Dossett, the Firm's Chief Compliance Officer, at (312) 698-6300, and it will be provided at no charge.

FINANCIAL INFORMATION

ParkerGale does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.