

INVESTMENT ADVISER BROCHURE

ALIGN CAPITAL PARTNERS, LP

ALIGN CAPITAL PARTNERS GP I, LP

ALIGN CAPITAL PARTNERS GP II, LP

**3401 Tuttle Road, Suite 250
Shaker Heights, OH 44122
www.aligncp.com
mmir@aligncp.com**

March 26, 2020

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Align Capital Partners, LP and its affiliates (together, “Align Capital Partners”). If you have any questions about the contents of this Brochure, please contact us at 214-780-0857. 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.

Align Capital Partners 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 Align Capital Partners is also available on the SEC’s website at www.adviserinfo.sec.gov.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	2
Advisory Business	2
Fees and Compensation	3
Performance-Based Fees and Side-By-Side Management	8
Types of Clients	8
Methods of Analysis, Investment Strategies and Risk of Loss	9
Disciplinary Information	25
Other Financial Industry Activities and Affiliations	25
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	25
Brokerage Practices	27
Review of Accounts	28
Client Referrals and Other Compensation	28
Custody	29
Investment Discretion	29
Voting Client Securities	29
Financial Information	29
Supplemental Information About Certain Principals of Align Capital Partners	30

MATERIAL CHANGES

Align Capital Partners, LP is providing this brochure as part of its 2019 Annual Amendment to the Form ADV. There were no material changes to report. However, in February 2020 Align Capital Partners, LP launched Align Capital Partners Fund II, LP and Align Capital Partners Fund II-A, LP.

ADVISORY BUSINESS

Align Capital Partners, LP, a Delaware limited partnership and a registered investment adviser (the “**Management Company**”), provides investment advisory services to investment funds privately offered to qualified investors primarily in the United States. It commenced operations in April 2016.

The Management Company’s clients include the following (each, a “**Fund**,” and together with any future private investment fund to which the Management Company or its affiliates provide investment advisory services, the “**Funds**”):

- Align Capital Partners Fund I, LP;
- Align Capital Partners Fund I-A, LP
- Align Capital Partners Fund II, LP, and
- Align Capital Partners Fund II-A, LP.

Align Capital Partners GP I, LP and Align Capital Partners GP II, LP are general partner entities affiliated with the Management Company (collectively the “**General Partner**” and together with the Management Company, “**Align Capital**” or the “**Advisers**”). The General Partner is registered under the Advisers Act pursuant to Align Capital Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with the Management Company.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Align Capital Partners’ 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 circumstances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Align Capital Partners 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.

Align Capital Partners’ 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

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 Partner generally expect to enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Partnership Agreement, the Advisers expect 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, Align Capital Partners personnel and/or certain other persons associated with Align Capital Partners. 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).

As of December 31, 2019, Align Capital Partners manages approximately \$818 million in client assets on a discretionary basis (this number includes Align Capital Partners Fund II, LP and Align Capital Partners Fund II-A, LP which each had its first close in February 2020). Align Capital Partners is controlled by Stephen P. Dyke, Christopher K. Jones and Robert A. Langley (collectively, the “**Principals**”).

FEES AND COMPENSATION

The below Fees and Compensation language is related to Align Capital Partners Fund I, LP and Align Capital Partners Fund I-A, LP. As of March 26, 2020, Align Capital Partners Fund II, LP and Align Capital Partners Fund II-A, LP have not charged any fees. All fee arrangements are disclosed in the relevant fund offering documents. All investors should read the offering documents thoroughly before participating in an offering.

In general, Align Capital Partners receives a management fee and a carried interest in connection with advisory services. The Management Company or other Align Capital Partners entities or affiliates expect to 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 the Management Company. Investors in a Fund also bear certain expenses.

Management Fees

During the investment period, each of the Funds will pay the Management Company or its designated affiliate, quarterly in advance, a management fee (the “**Management Fee**”) equal to 2.0% on an annual basis of aggregate non-affiliated investor capital commitments (as it pertains to each Fund, “**Commitments**”). An investor participating in a Fund’s closing after such Fund’s

effective date (as further described in such Fund's Partnership Agreement) will bear the Management Fee from such Fund's effective date and, in addition, will be charged an amount equal to the product of (i) 8% per annum multiplied by (ii) the amount of such assessed Management Fee, calculated from the date such Management Fee payments would have been due if such investor was admitted for its full Commitment on or prior to such Fund's effective date. Commencing with the first Management Fee due date after the expiration of the investment period or earlier upon the occurrence of certain events as set forth in the relevant Partnership Agreement, the Management Fee will equal 2.0% of aggregate investment contributions, less certain amounts, and subject to the calculation specified in the relevant Partnership Agreement.

The Management Fee will be reduced by 80% of Transaction Fees attributable to non-affiliated investors. For these purposes, "**Transaction Fees**" include: (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) breakup fees with respect to Fund transactions not completed that are paid to the General Partner, in each case net of certain expenses (including those described below) as set forth in the relevant Partnership Agreement; but not including, in any event, any amount received by the General Partner, the External Operations Group (as defined below) or other person from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by the External Operations Group (or a member thereof) to a portfolio company or prospective portfolio company. As a result, Align Capital Partners will be permitted to retain "**Supplemental Fees**" without offset against the Management Fee, including 20% of management services or advisory consulting fees paid by any portfolio company and 20% of transaction fees paid to the Advisers by any portfolio company. The remaining 80% of such portfolio company-related fees will be credited as an offset against the Management Fee. To the extent that such an offset credit would reduce the Management Fee for a given period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation 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).

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the General Partner in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees.

As a matter of practice, Align Capital Partners expects to be paid fees of the type referred to in the preceding paragraphs 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. Additionally, as further described below and in the applicable Memorandum and/or Partnership Agreement of each Fund, the Advisers have the right to retain certain operating professionals (including persons with whom the Principals may have prior professional

relationships) to provide services to (or with respect to) current or prospective portfolio companies in which one or more Funds invest (the “**External Operations Group**”). External Operations Group members are not expected to be employees of Align Capital Partners, but any such External Operations Group members would be expected to provide services to portfolio companies, which may include serving in management or policy-making positions for such portfolio companies. Such External Operations Group members are expected to receive compensation, including but not limited to transaction consulting fees, and no such compensation will result in additional offsets to the Management Fee.

Carried Interest

Align Capital Partners will receive a carried interest with respect to a Fund equal to 20% of all realized profits subject to an 8% compound preferred return, as more fully described in the relevant Partnership Agreement. The carried interest distributed to Align Capital Partners is subject to a potential giveback at the end of life of a Fund if Align Capital Partners has received excess cumulative distributions and at certain interim intervals as provided in the relevant Partnership Agreement.

Other Information

The Management Company is permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Align Capital Partners and any other person designated by the General Partner. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Management Company and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an Align Capital Partners 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, certain Advisers have the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

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 relevant 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 Align Capital Partners generally are expected to receive a portion of the Management Fee, carried interest or other compensation received by Align Capital Partners or its affiliates.

In addition to the Management Fee and carried interest payable to Align Capital Partners, each Fund bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement of each Fund, a Fund bears all expenses relating to the Fund’s activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce transaction fees, including but not limited to, all fees, costs, expenses, liabilities and obligations attributable to: (i) activities with respect to sourcing, structuring, organizing, negotiating,

acquiring, financing, re-financing, hedging, holding, managing, monitoring, operating, valuing, trading, dissolving, winding-up, liquidating, restructuring, taking public or private, selling or otherwise disposing of, as applicable, a Fund's portfolio companies and its actual and potential investments (including follow-on investments) or in seeking to do any of the foregoing, whether or not any contemplated transaction or project is consummated and whether or not such activities are successful (expenses related to transactions which are not ultimately consummated, "**Broken Deal Expenses**"), (ii) indebtedness of, or guarantees made by, a Fund, the Advisers or any "affiliated partner" on behalf of a Fund, including interest with respect thereto or of seeking to put in place any such indebtedness or guarantee, (iii) broker, dealer, underwriting (including, without limitation, both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services, (iv) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services, (v) legal, accounting, auditing, administration (including fees and expenses associated with a Fund's third-party administrator), information, appraisal, advisory, valuation, research, consulting (including consulting and retainer fees paid to an External Operations Group or any of its members, consultants performing investment initiatives and other similar consultants), tax and other professional services, (vi) reverse breakup, termination and other similar fees, (vii) financing, commitment, origination and similar fees and expenses, (viii) directors and officers liability, errors and omissions liability and other insurance and regulatory expenses, (ix) filing, title, transfer, registration and similar fees and expenses, (x) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedules K-1, administrative or regulatory filings or reports (including Form PF and any Fund-related filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information (including an allocable portion of any licensing, maintenance, upgrade and/or implementation fees, expenses and costs of any investor administrative tools (including software and extranet tools) related to the foregoing), (xi) any activities with respect to protecting the confidential or non-public nature of any information or data, (xii) to the extent provided in the relevant Partnership Agreement or otherwise approved by the General Partner in its sole discretion, proceedings of a Fund's advisory board (including any reasonable out-of-pocket costs and expenses incurred by the members in attending such meetings), (xiii) indemnification, except to the extent a Fund's payment of such cost, expense, liability or obligation is otherwise prohibited by the relevant Partnership Agreement, (xiv) 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, (xv) the Management Fee, (xvi) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the relevant Partnership Agreement), (xvii) the annual limited partner meeting of the Funds and any other conference or meeting with any limited partner(s), (xviii) except as otherwise determined by the 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 or organizational expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation of any feeder vehicles to the extent not paid by the investors investing in such entities, (xix) expenses incurred in connection with the winding-up, liquidation

or termination of a Fund, (xx) expenses relating to defaults by Partners in the payment of any capital contributions, (xxi) expenses incurred in connection with any amendments to the constituent documents of a Fund and related entities, (xxii) any and all expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities of a Fund (including, but not limited to, regulatory expenses of the General Partner incurred in connection with the operation of a Fund) or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving a Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except, however, to the extent such expenses or amounts have been determined to be excluded from the indemnification; (xxiii) expenses incurred in connection with distributions to the partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses, (xxiv) unreimbursed expenses and unpaid fees of the External Operations Group or its members, (xxv) any travel, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities and (xxvi) expenses related to any compliance or regulatory matters related to a Fund (except those regulatory expenses that are excluded pursuant to the relevant Partnership Agreement). The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of Align Capital Partners. Excluded from fund expenses are ordinary administrative and overhead expenses of the General Partner incurred in connection with managing, originating and monitoring investments, including employees' salaries, rent, utilities and other similar expenses specified in the relevant Partnership Agreement. As is typical for private equity funds, the Funds likely will 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."

As described above, in certain circumstances, the General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Align Capital Partners' related policies and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity 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, ultimately is not consummated, all Broken Deal Expenses relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction.

Align Capital Partners and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Align Capital Partners and/or its affiliates on the other hand.

External Operations Group

Additionally, as further described herein and in the applicable Memorandum and/or Partnership Agreement of each Fund, the Advisers have the right to retain certain operating professionals to provide services to (or with respect to) one or more Funds or certain current or

prospective portfolio companies in which one or more Funds invest, whether as part of an “External Operations Group” or otherwise. Such External Operations Group members generally will not be employees of Align Capital Partners (but may include affiliates of Align Capital Partners, employees of such affiliates, third party consultants, “operating partners,” “strategic partners,” “executive partners” or “senior advisors”), and will provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. These services may also include serving in management or policy-making positions for portfolio companies.

External Operations Group members are expected to receive compensation, including, but not limited to consulting fees, transaction fees, a profits or equity interest in a portfolio company, profits or equity interests in one or more Funds or the General Partner, stock awards, incentive-based compensation or other compensation, which typically will be determined by the General Partner. Such compensation may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the relevant External Operations Group member, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. External Operations Group members who hold a board seat at a portfolio company also would be expected to receive compensation for their board service. Any such compensation received by an External Operations Group member may be paid and/or reimbursed by a portfolio company or prospective portfolio company or directly by a Fund, and no such compensation will offset the Management Fee. Any use of an External Operations Group is expected to subject the Advisers to conflicts of interest, as discussed under “Conflicts of Interest,” below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” Align Capital Partners receives a carried interest allocation on certain realized profits in the Funds. Align Capital Partners does not expect to advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners (whether directly or through the use of an executive Fund) as described under “Fees and Compensation.”

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 Align Capital Partners generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Align Capital Partners 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 Align Capital

Partners and its affiliates and members of their families, External Operations Group members or other service providers retained by Align Capital Partners.

The Funds generally have a minimum investment amount of \$5 million for third-party investors, and interests are offered and sold solely to qualified purchasers and accredited investors that are also qualified clients (or qualified knowledgeable Align Capital Partners personnel). Such minimum investment amount may be waived by Align Capital Partners.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Align Capital Partners is a private investment firm focused on leveraged buyouts, equity, debt and other investments in companies believed to benefit from Align Capital Partners' in-house operating professionals and experience. Align Capital Partners' investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly of non-public companies although investments in public companies are permitted in certain circumstances.

Align Capital Partners' investment strategy for the Funds focuses on the acquisition of controlling interests in companies that are founder-owned and where Align Capital Partners is the first institutional investor. As a result of the above factors, Align Capital Partners aims to purchase for the Funds good quality businesses at valuations Align Capital Partners believes to be low relative to underlying potential. Align Capital Partners focuses on investments that require equity capital of approximately \$15 million to \$30 million, although the required capital may be greater or less than such amounts.

Once an investment opportunity has been identified, Align Capital Partners seeks to implement an effective operating strategy to improve the performance of the acquired company through (i) operational improvements, (ii) talent upgrades and (iii) accretive add-on acquisitions.

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

Investment and Operating Strategies

Deal Sourcing and Due Diligence. Align Capital Partners uses a structured, process-driven sourcing model that utilizes its broad network of bankers, brokers and intermediaries. The firm maintains multiple offices, providing access to regional opportunities, and it upholds a focus on high quality investments over volume alone. Align Capital Partners utilizes a three-step deal scrutiny model, beginning with an initial approval by the Principals, followed by a mid-course review and ending with a final approval by majority consent among the Principals. This process is aided by Align Capital Partners' diligence templates, investment filters and industry scorecards, all of which contribute to a consistently rigorous investment evaluation process. In addition, Align Capital Partners deploys a modern and sophisticated CRM system to efficiently facilitate and effectively manage its relationships and source high quality investment opportunities. Align Capital Partners also utilizes industry-oriented senior leadership, outside board members, and

advisers to help screen deals, assist in due diligence, and drive growth and create value across its portfolio.

Portfolio Management and Value Creation. With a focus on becoming the first institutional investor in founder-owned businesses, Align Capital Partners formulates strategic growth plans, makes operational improvements and executes accretive add-on acquisitions for the Funds' portfolio companies. These efforts are designed to culminate in the sale of larger and more profitable portfolio companies in more efficient sale processes.

Dedicated Operating Personnel. Align Capital Partners hires and oversees operating professionals and resources, which it guides into a coordinated approach for each portfolio company. In some cases, Align Capital Partners expects to engage seasoned operating personnel, relevant third-party consultants and senior advisers to work with portfolio companies. In addition, one of the Principals typically serves as chairman of the board of directors for each portfolio company, where they typically will be joined by one of Align Capital Partners' operating partners and/or another investment team member, fostering intimate involvement by Align Capital Partners at each portfolio company.

Develop Restructuring and Operating Plan. Senior members of the professional and operating staff of Align Capital Partners and its affiliates develop a restructuring and operating plan prior to the close of each transaction focusing on the target's strengths, weaknesses, competitive position, industry trends and other relevant factors.

Build Management Team. Align Capital Partners may supplement or replace the management team at a new portfolio company or advise the existing management team on ways to improve performance. Align Capital Partners and its affiliates search for highly qualified senior managers and strive to identify qualified candidates early on in the investment process. In certain instances, operating professionals of Align Capital Partners or its affiliates may fill key management roles (including chief executive officer or chief financial officer) on an interim basis immediately following closing until a professional management team can be assembled.

Maintain Active Involvement in Portfolio Companies. Align Capital Partners aims to act decisively with respect to newly acquired portfolio companies and endeavors to make significant changes to the company within the initial period after acquisition. Thereafter, through weekly calls with portfolio company executives, monthly operating and financial reviews and quarterly board meetings, Align Capital Partners closely monitors strategic and tactical objectives, constantly pushing for progress on agreed-upon priorities.

Internal Growth and Add-on Acquisitions. Once the above strategies have been implemented, Align Capital Partners will often seek to utilize the portfolio company's cash flow, equity value and borrowing capacity to accelerate growth through new product and market opportunities and add-on acquisitions.

Exit Strategy. Align Capital Partners takes a disciplined and holistic approach to formulating appropriate exit strategies, including consideration of fund dynamics and a company's potential. Align Capital Partners further seeks to enhance a company's exit process through initiatives including developing pre-sale diligence programs, instituting management presentation

skills training, helping to create marketing strategies, standardizing the exit model (flow of funds), and bringing rigorous project management skills to all exits.

Risks of Investment

Each Fund and its respective investors bear the risk of loss that Align Capital Partners' investment strategy entails. The risks involved with Align Capital Partners' 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.

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

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, limited partners will be required to bear Management Fees through a Fund during the investment period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the relevant Partnership Agreement.

Dynamic Investment Strategy. While Align Capital Partners generally intends to seek attractive returns for a Fund primarily through making private equity investments as described herein, Align Capital Partners may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. Align Capital Partners may pursue investments outside of the industries and sectors in which the Principals have previously made investments.

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 a Fund (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded Commitments.

Leveraged Investments. A Fund may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a 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, a 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, a 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 guaranty 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 a Fund that may not be covered by distributions made to a Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by Align Capital Partners 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.

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 relevant 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 the 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 the 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 relevant Partnership Agreement, including the value used to determine the amount of carried interest available to Align Capital Partners with respect to such investment.

Reliance on Align Capital Partners and Portfolio Company Management. Control over the operation of a Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the Principals may in the future, manage or advise other investment funds besides the Funds and the 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 Principals. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend on the actions of the General Partner. In addition, certain changes in Align Capital Partners or circumstances relating to Align Capital Partners may have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

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

Absence of Operating History. The Funds have no operating history and will be entirely dependent on Align Capital Partners. While the Principals have previous experience making and managing investments similar to those contemplated by a Fund, the Principals have limited experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Principals. In addition, a Fund's investments may differ from previous investments made by the Principals 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 Align Capital Partners 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. Limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by Align Capital Partners 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, Align Capital Partners generally will consider the investment and tax objectives of a 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 a 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 may 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 a 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 a Fund, could adversely affect the ability of the Principals, employees or other individuals associated with such Fund or Align Capital Partners who were or may in the future be granted direct or indirect interests in the General Partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from a Fund and the General Partner, which could make it more difficult for Align Capital Partners and its affiliates to incentivize, attract and retain individuals to perform services for such Fund. These same issues may also apply to officers, directors and employees of a Fund's portfolio companies if such persons receive a profits interest in such companies.

Alternative Investment Fund Managers Directive. The 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"). If a Fund is actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) a Fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in a Fund incurring additional costs and expenses; (ii) a Fund and/or Align Capital Partners may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in a Fund incurring

additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) Align Capital Partners may be required to make detailed information relating to a Fund and its investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of a Fund in relation to EEA portfolio companies including, in some circumstances, a 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 may 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 a Fund will make follow on investments or that a 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 a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. Although not part of the Funds' anticipated strategy, a Fund may 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 a 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 a Fund and/or its partners with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a 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. Align Capital Partners may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may 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 the 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.

Dilution. Limited partners admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of a 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 a Fund's existing investments at the time of such contributions.

General Partner's Carried Interest. The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for Align Capital Partners to cause a Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject a 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 a 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 the Principals, and increased costs associated with each of the aforementioned risks.

Non-controlling Investments. Although not part of the Funds' anticipated strategy, a Fund may 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 may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that 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 a Fund to liquidate its interests than it would be had such Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of a 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 a Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Director Liability. A Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately a Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

Limitation of Recourse and Indemnification. A Fund's Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to a Fund. As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the relevant Partnership Agreement will provide that a Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of a Fund. Such indemnification obligations could materially impact the returns to limited partners.

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 a Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Align Capital Partners' and the 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.

Advisory Board. Align Capital Partners will appoint one or more limited partner representatives to the advisory board. The relevant Partnership Agreement may provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the relevant Fund or any other partner. In addition, representatives of the advisory board may have various business and other relationships with Align Capital Partners and its partners, employees and affiliates. These relationships may influence their decisions as members of the advisory board.

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 a 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 a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and 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 a 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 a Fund to dispose of investments at prices that Align Capital Partners 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 objective.

Conflict of Interest. Until such time as Align Capital Partners is permitted to raise a successor investment fund to a Fund, the Principals will pursue all appropriate investment opportunities that meet the investment criteria of a Fund principally for the benefit of a Fund, subject to certain exceptions set forth in a Fund's Partnership Agreement. However, the Principals may in the future manage several other investment funds besides a Fund and investments similar to those in which a Fund will be investing and may direct certain relevant investment opportunities to those investment funds and investments. Align Capital Partners believes that the significant investment of the Principals in a Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Partners, although the Principals have or may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the Principals may control or manage may compete with a Fund or companies acquired by a Fund. At such time as Align Capital Partners is permitted to raise a successor investment fund to a Fund, the Principals will continue to manage a Fund's investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to a Fund's investments. Certain investments may be allocated between a Fund and any successor or predecessor fund in a manner as set forth in a Fund's Partnership Agreement.

Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or, under certain circumstances, less than 80%) 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. A Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment

in a manner where a Fund may own an 80% or greater interest in a portfolio company that has unfunded pension fund liabilities. If a Fund (or other 80%-owned portfolio companies of a Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of a Fund and the companies in which a Fund invests 80% or more of the equity. This discussion is based on current court decisions, statutes and regulations regarding ERISA control group liability as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by a Fund. When estimating fair value, Align Capital Partners 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 Align Capital Partners 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.

Co-Investments. Align Capital Partners may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by Align Capital Partners in its sole discretion, may not be in the best interests of a Fund or any individual limited partner. In exercising its sole discretion in connection with such co-investment opportunities, Align Capital Partners may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by Align Capital Partners or its affiliates. A Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of a Fund, or may be in a position to take action contrary to the investment objectives of a Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, a Fund and the 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 a Fund and, ultimately, its investors.

Conflicts of Interest

Align Capital Partners and its related entities are expected to 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 the Funds and portfolio companies. Align Capital Partners and its Principals 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 Align Capital Partners conducting its activities, the interests of a Fund may conflict with the interests of Align Capital Partners, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Align Capital Partners 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 investment period of a Fund, all appropriate investment opportunities will be pursued by Align Capital Partners through such Fund, subject to certain limited exceptions. Without limitation, the 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. The Principals and Align Capital Partners' investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Principals may control or manage may potentially compete with companies acquired by a Fund. Following the investment period of a Fund, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Align Capital Partners will be presented with investment opportunities that would be suitable not only for a particular Fund, but also for other funds and other investment vehicles operated by advisory affiliates of Align Capital Partners. In determining which investment vehicles should participate in such investment opportunities, Align Capital Partners and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Align Capital Partners in a portfolio company may also raise the risk of using assets of a client of Align Capital Partners to support positions taken by other clients of Align Capital Partners.

Align Capital Partners must first determine whether a Fund will, or is required to, participate in the relevant investment opportunity. Align Capital Partners generally assesses whether an investment opportunity is appropriate for a particular Fund based on such Fund's Partnership Agreement, investment objectives, strategies, life-cycle and structure. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested.

Align Capital Partners 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, as determined by a Fund's Partnership

Agreement, Side Letters and Align Capital Partners' procedures regarding allocation. Align Capital Partners' 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; Align Capital Partners' 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 Align Capital Partners' ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; and whether Align Capital Partners 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 Fund(s) or Align Capital Partners.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by Align Capital Partners 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 Align Capital Partners investors. When and to the extent that employees and related persons of Align Capital Partners and its affiliates make capital investments in or alongside certain Funds, Align Capital Partners 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.

Align Capital Partners' 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 Align Capital Partners 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 Align Capital Partners 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. Align Capital Partners 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 relevant Partnership Agreement of a Fund, Align Capital Partners 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, Align Capital Partners 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. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Align Capital Partners 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. Over time, various Funds may have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, Align Capital Partners and/or its affiliates typically have the right to appoint portfolio company board members, 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 Align Capital Partners and/or its affiliates. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to Align Capital Partners.

Additionally, a portfolio company typically will reimburse Align Capital Partners or service providers retained at Align Capital Partners' discretion for expenses (including, without limitation, travel expenses) incurred by Align Capital Partners or such service providers in connection with its performance of services for such portfolio company. This subjects Align Capital Partners 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. Align Capital Partners 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, any fee paid or expense reimbursed to Align Capital Partners or such service providers generally is subject to: agreements with 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 conflicts of interest.

Align Capital Partners generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) Align Capital Partners or a related person of Align Capital Partners (which may include a portfolio company of such Fund), (ii) an entity with which Align Capital Partners or its affiliates or current or former members of their personnel has a relationship or from which Align Capital Partners or its affiliates or their personnel

otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, Align Capital Partners 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 subjects Align Capital Partners to conflicts of interest, because although Align Capital Partners 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, Align Capital Partners may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Align Capital Partners, 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 Align Capital Partners), 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 Align Capital Partners 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 lesser cost.

Align Capital Partners and/or its affiliates may 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 Align Capital Partners and/or its affiliates; conversely, former personnel or executives of Align Capital Partners and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Align Capital Partners. Similarly, Align Capital Partners, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or may be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Align Capital Partners and/or its affiliates, and/or the Funds or other investment vehicles they advise. Align Capital Partners 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 Align Capital Partners information about markets and industries in which Align Capital Partners operates (or is contemplating operations) or will provide other services that are beneficial to Align Capital Partners. Align Capital Partners may have a conflict of interest in making such recommendations, in that Align Capital Partners 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.

Align Capital Partners, its affiliates, and equity holders, officers, principals and employees of Align Capital Partners and its affiliates may buy or sell securities or other instruments that Align Capital Partners has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to the policies and procedures set forth in Align Capital Partners' Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Align Capital Partners are expected to have capital

investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, 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 Align Capital Partners, are reimbursed by a Fund and/or its portfolio companies, Align Capital Partners will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to External Operations Group members and other consultants (including consultants introduced or arranged by Align Capital Partners and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee described herein. External Operations Group members make use of Align Capital Partners' resources or otherwise are associated with Align Capital Partners. Align Capital Partners and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. External Operations Group compensation is expected to include cash fees, securities of a portfolio company and/or a share of proceeds upon sale of a portfolio company. Additionally, portfolio companies may provide opportunities for External Operations Group members to invest in such portfolio company and reimburse costs and expenses incurred by External Operations Group members. External Operations Group members also may have a limited partner interest in the General Partner and/or one or more Funds, may receive remuneration from Align Capital Partners and/or its Funds or affiliates and/or be entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to an External Operations Group member will not offset the Management Fee of any Fund as described herein. Although the use of the External Operations Group and the allocation of compensation paid to them by Align Capital Partners, its affiliates and/or the portfolio companies subjects Align Capital Partners and/or its affiliates to potential conflicts of interest, Align Capital Partners believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the External Operations Group is lower than market rates for the services provided and/or if the services of the External Operations Group align with Align Capital Partners' model for the portfolio company and improve portfolio company performance. Although Align Capital Partners seeks to retain External Operations Group members with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Align Capital Partners also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Align Capital Partners believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only External Operations Group members and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because Align Capital Partners' carried interest is based on a percentage of net realized profits, it may create an incentive for Align Capital Partners to cause a Fund to make riskier or

more speculative investments (or hold investments for longer periods) than would otherwise be the case. Also, 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 Align Capital Partners may not otherwise have done so.

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

Any of these situations subjects Align Capital Partners and/or its affiliates to potential conflicts of interest. Align Capital Partners attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Align Capital Partners' 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, Align Capital Partners will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Align Capital Partners 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

Align Capital Partners 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

Align Capital Partners is affiliated with Align Capital Partners GP I, LP, which is an investment adviser registered with the SEC under the Advisers Act pursuant to Align Capital Partners' registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Align Capital Partners and serve as managers or general partners of Funds and other pooled vehicles 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

Align Capital Partners has adopted the Align Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of Align principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Align personnel to report their personal securities transactions, prohibits or requires pre-clearance for Align personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Align personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Align 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 Maseel Mir, the Align Chief Compliance Officer, at mmir@aligncp.com. 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.

Align Capital Partners 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, Align Capital Partners 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 Align Capital Partners.

Accordingly, should Align Capital Partners 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, Align Capital Partners generally would be prohibited from communicating such information to clients, and Align Capital Partners 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 Align personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of Align Capital Partners and its affiliates may directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities may also be presented to certain affiliates of 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. Additionally, a Fund may invest together with other Funds advised by an affiliated adviser of Align Capital Partners in the manner set forth in the relevant Partnership Agreement and the Adviser's Allocation Policy. Align Capital Partners will determine the allocation of investment opportunities in a manner that it believes is fair and equitable to its clients consistent with Align Capital Partners' obligations and may take into consideration factors such as the following: the client's investment restrictions and objectives (including those set forth in the relevant client's Partnership Agreements, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition and cash level and applicable regulatory restrictions. In the case of co-investments, the Advisers 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.

Align Capital Partners and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain vehicles sponsored by Align Capital Partners (the "**Reference Funds**") may restrict, limit

or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or may give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by investors (or their representatives) in such Reference Funds.

BROKERAGE PRACTICES

Align Capital Partners 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, Align Capital Partners may 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 Align Capital Partners does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Align Capital Partners sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Align Capital Partners. In such event, Align Capital Partners will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Align Capital Partners 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.

Align Capital Partners 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 Align Capital Partners 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 Align Capital Partners seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Align Capital Partners generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of Align Capital Partners’ Funds. However, each and every research service may not be used for the benefit of each and every Fund managed over time by Align Capital Partners, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between Align Capital Partners and its affiliates.

Align Capital Partners currently does not engage in soft dollar transactions, but may engage in soft dollar transactions in the future in accordance with the limitations of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Align Capital Partners does not anticipate engaging in significant public securities transactions; however, to the extent that Align Capital Partners 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, Align Capital Partners may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Align Capital Partners may, 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 Align Capital Partners 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.

In Align Capital Partners’ private company securities transactions on behalf of the Funds, Align Capital Partners may 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, Align Capital Partners 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 Align Capital Partners 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, Align Capital Partners closely monitors companies in which the Funds invest, and the Align 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 for the first three quarters of each fiscal year, (ii) annual tax information necessary for each limited partner’s tax return and (iii) annual reports providing a descriptive investment information for each portfolio company investment.

CLIENT REFERRALS AND OTHER COMPENSATION

Align Capital Partners and/or its affiliates may provide certain business or consulting services to companies in a Fund’s portfolio and may receive compensation from these companies in connection with such services. As described in the relevant 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, Align Capital Partners may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by Align Capital Partners indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). Align Capital Partners currently has retained Capstone Partners, LP to solicit Commitments from investors in exchange for certain fees and the reimbursement of certain expenses.

CUSTODY

Align Capital Partners maintains custody of assets held in the name of one or more Funds with the following qualified custodian: Silicon Valley Bank.

INVESTMENT DISCRETION

Align Capital Partners has discretionary authority to manage investments on behalf of each Fund. As a general policy, Align Capital Partners does not allow clients to place limitations on this authority. Pursuant to the terms of the relevant Partnership Agreement, however, Align Capital Partners and/or its affiliates may 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. Align Capital Partners assumes this discretionary authority pursuant to the terms of the relevant Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Align Capital Partners has adopted the Align Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Funds’ (and any Funds’) portfolio investments. The Proxy Policy seeks to ensure that Align Capital Partners votes proxies (or similar instruments) in the best interest of the Fund(s), including where there may be material conflicts of interest in voting proxies. Align Capital Partners 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 Align Capital Partners may 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 Align Capital Partners’ vote in a particular solicitation. Align Capital Partners does not consider service on portfolio company boards by Align Capital Partners

personnel or Align Capital Partners' 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 Align Capital Partners when voting proxies on behalf of a Fund. If you would like a copy of Align Capital Partners' complete Proxy Policy or information regarding how Align Capital Partners voted proxies for particular portfolio companies, please contact Maseel Mir, the Align Capital Partners Chief Compliance Officer, at mmir@aligncp.com, and it will be provided to you at no charge.

FINANCIAL INFORMATION

Align Capital Partners 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.

SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF ALIGN CAPITAL PARTNERS

Stephen P. Dyke

Mr. Dyke is a Managing Partner of Align Capital Partners. Prior to co-founding Align, Mr. Dyke spent 16 years at The Riverside Company ("**Riverside**"). Mr. Dyke joined Riverside in 2000 and was promoted to Partner in 2006. In 2013, he founded the Specialty Manufacturing and Distribution practice within Riverside and led it globally. Prior to joining Riverside, Mr. Dyke was a banker at a regional sell-side investment banking boutique firm in Denver, Colorado. Mr. Dyke's interest and expertise in small business investment work was developed over his years of experience in commercial lending, owning a computer peripheral manufacturer, and serving as CEO of a medical device manufacturer. He holds a BS in Accounting from Colorado State University and an MBA from Vanderbilt University's Owen Graduate School of Management.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Dyke.

Other Business Activities

Mr. Dyke is not engaged in any other investment-related business outside of his roles with Align and its affiliated investment advisers.

Additional Compensation

Mr. Dyke does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Dyke is a Managing Partner of Align Capital Partners. As a Managing Partner, Mr. Dyke, along with the other Align Capital Partners Managing Partners, is responsible for guiding the overall activities of Align Capital Partners, including the supervision of investment

professionals. As an Investment Committee member, Mr. Dyke is part of the team that is responsible for implementing and overseeing the investment strategy of Align Capital Partners.

Christopher K. Jones

Mr. Jones is a Managing Partner of Align Capital Partners. Prior to co-founding Align, Mr. Jones spent 13 years at Riverside, where he participated in 47 acquisitions and sale transactions. Mr. Jones joined Riverside in 2003 and was promoted to Partner at the age of 34 – one of the youngest to earn this promotion at Riverside. Prior to joining Riverside, Mr. Jones worked for Chicago-based private equity firm Keystone Capital, and, prior to that, obtained early mergers and acquisitions experience with National City Corporation’s Investment Banking Group and as a CPA at Ernst & Young. He holds a BS in Finance and Accounting, *summa cum laude*, from the University of Dayton and an MBA from Northwestern University’s Kellogg School of Management.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Jones.

Other Business Activities

Mr. Jones is not engaged in any other investment-related business outside of his roles with Align and its affiliated investment advisers.

Additional Compensation

Mr. Jones does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Jones is a Managing Partner of Align Capital Partners. As a Managing Partner, Mr. Jones, along with the other Align Capital Partners Managing Partners, is responsible for guiding the overall activities of Align Capital Partners, including the supervision of investment professionals. As an Investment Committee member, Mr. Jones is part of the team that is responsible for implementing and overseeing the investment strategy of Align Capital Partners.

Robert A. Langley

Mr. Langley is a Managing Partner of Align Capital Partners. Prior to co-founding Align, Mr. Langley spent six years at Riverside. Mr. Langley joined Riverside in 2010 and was promoted to Principal in January 2014 and appointed as head of the Specialty Manufacturing and Distribution practice for the firm globally in 2015. During his tenure at Riverside, Mr. Langley helped lead investments in five platform companies, including the largest acquisition ever at Riverside to date. Prior to joining Riverside, Mr. Langley worked in the buyouts group of private

equity firm American Capital Strategies, and, prior to that, obtained early mergers and acquisitions experience with the Breckenridge Group, an Atlanta-based boutique M&A advisory firm. He holds a BA in Business Administration, *cum laude*, from Furman University where he was captain of the golf team, a two-time All-Southern Conference selection, and a two-time National Golf Coaches Association Academic All-American. He has an MBA from Northwestern University's Kellogg School of Management where he was co-valedictorian of his class.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Langley.

Other Business Activities

Mr. Langley is not engaged in any other investment-related business outside of his roles with Align and its affiliated investment advisers.

Additional Compensation

Mr. Langley does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Langley is a Managing Partner of Align Capital Partners. As a Managing Partner, Mr. Langley, along with the other Align Capital Partners Managing Partners, is responsible for guiding the overall activities of Align Capital Partners, including the supervision of investment professionals. As an Investment Committee member, Mr. Langley is part of the team that is responsible for implementing and overseeing the investment strategy of Align Capital Partners.