

Item 1. Cover Page

CASTANEA PARTNERS, INC.

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Part 2A of Form ADV: Firm Brochure
March 20, 2020

This brochure provides information about the qualifications and business practices of Castanea Partners, Inc. If you have any questions about the contents of this brochure, please contact us at clove@castaneapartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Castanea Partners, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure contains certain routine annual updates regarding payment of fees and expenses, risk factors, and conflicts of interests from the last firm brochure dated as of March 14, 2019.

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means Castanea Partners, Inc., a Delaware corporation, together (where the context permits) with its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates are under common control with Castanea Partners, Inc. These affiliates were formed to serve as general partners and/or managing members of the Funds (in such capacities, the “General Partners”).

The Adviser provides investment supervisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Funds make primarily long-term private equity and equity-related investments, as well as investments in debt instruments. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business primarily in industry sectors primarily focused on publishing and information content, branded consumer products, education, human resource services, specialty retail and marketing information services. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser serves as the investment adviser or General Partner to the Funds in order to provide such services.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable General Partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Fund (such documents collectively, a Fund’s “Organizational Documents”).

The principal owners of Castanea Partners, Inc. are Brian J. Knez and Robert A. Smith. The Adviser has been in business since 2001. As of December 31, 2019, the Adviser manages a total of \$984,000,000 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies may also make other payments to the Adviser or its affiliates for services

provided to the portfolio companies which, in certain circumstances, may reduce the Advisory Fees payable to the Adviser. Additionally, consistent with the Organizational Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Advisory Fees

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”). Advisory Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities and investments, as described in more detail below. Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

Advisory Fees are payable quarterly in advance.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund’s Organizational Documents. The Advisory Fees generally are paid based on a budget of expenses established by the General Partner and are subject to a fee cap. The Advisory Fees described above are subject to waiver or reduction by the Adviser in its sole discretion. Fees differ from one Fund to another.

Certain investors in the Funds that are employees, former employees and operating partners of the Adviser or its personnel (“Adviser Investors”) will not typically pay Advisory Fees in connection with their investment in a Fund. Notwithstanding that Adviser Investors will generally not pay Advisory Fees, Adviser Investors will pay for their pro rata share of certain Fund expenses or the pro rata portion of such Adviser Investors’ expenses will be allocated to the Adviser or the general partner of the applicable Fund.

The Advisory Fees paid by a Fund will be reduced by a percentage of: (1) the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors and/or (2) certain Other Fees (as defined below) received by the Adviser or its affiliates. The amount and manner of such reduction, if any, is set forth in the Advisory Agreement and/or Organizational Documents of the applicable Fund. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

In addition, the Adviser may waive or reduce all or a portion of the Advisory Fee paid by a Fund in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in and alongside such Fund, which could result in acceleration of investor capital contributions. Waived or reduced Advisory Fees are not subject to various offsets or the reductions described above.

Other Fees

Fees Payable by the Portfolio Companies

The Adviser and its affiliates perform transaction-related, financial advisory and other services for, and may receive fees from, actual or prospective portfolio companies of the Funds, including fees in connection with structuring investments in such portfolio companies, as well as mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, divestments or other dispositions and similar transactions with respect to portfolio companies (“Transaction Fees”). To date, the Adviser has not charged Transaction Fees.

The Adviser and its affiliates may also receive “monitoring fees” pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by the Adviser to such portfolio companies. The terms of a monitoring agreement may include (among other things) annual automatic renewals, the timing and payment of Monitoring Fees (which may be fixed fees or calculated as a percentage of EBIDTA or similar performance metric). Notwithstanding the foregoing, in the event of an initial public offering or other disposition, monitoring fees will continue to be paid so long as the applicable Fund continues to hold an other than *de minimus* position in such portfolio company and the Adviser or its affiliates continue to provide the monitoring services.

In addition, the Adviser and its affiliates may receive fees in connection with serving on the board of directors of a portfolio company (“Director Fees”) and in connection with an unconsummated transaction (“Break-Up Fees” and, together with Transaction Fees, Monitoring Fees and Director Fees the “Other Fees”). The amount and timing of Break-Up Fees received by the Adviser or its affiliates are generally specified in the agreement or other documentation governing the transaction.

Generally under the terms of the applicable Organizational Documents, for purposes of calculating any Advisory Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated or unconsummated transactions or in connection with generating any such fees. If charged, these Other Fees may be substantial and are permitted to be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although Other Fees are in addition to the Advisory Fees, the Adviser will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such Other Fees in accordance with the Advisory Agreement and/or other Organizational Documents of the applicable Fund. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

The payment of Other Fees by portfolio companies creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these Other Fees and reimbursements (see “*Expense Reimbursement*” below) are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. The Adviser determines the amount of these fees for services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the Funds.

From time to time, the Adviser will, in its discretion, disclose to an investor the amount of Other Fees allocated to the Fund in which such investor has invested in account statements or other similar periodic reports delivered to investors.

Certain other fees and reimbursements that are generally not considered “Other Fees” and do not reduce the Advisory Fee payable by a Fund include (but are not limited to) the following: (i) the portion of any fees allocable to capital invested by a Fund, co-investment vehicle, third-party investor that does not pay Advisory Fees or to capital committed by a Fund investor that does not pay Advisory Fees, (ii) fees or expenses borne by a Fund directly, and (iii) any amounts paid by a former portfolio company, such as directors’ fees a former portfolio company pays an Adviser professional who remains on the company’s board of directors following the Fund’s disposition of its investment in the company.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Payments Made to Third Parties

The Adviser and its affiliates are permitted to engage and retain senior advisors, advisers, consultants, and other similar professionals who are not employees or affiliates of the Adviser and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, the amounts of such fees or other compensation received by such persons may be retained by such persons and will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the sharing arrangements described above and will not benefit the Fund or its investors.

Expense Reimbursement

Additionally, a portfolio company will typically reimburse the Adviser for expenses, including without limitation travel expenses (which may include expenses for commercial and non-commercial transportation costs (including chartered, first class or business class travel and private car travel) lodging and accommodations), and meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses, as well as consulting fees and other expenses, incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable Organizational Documents, and such reimbursements are not subject to the sharing arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

Expenses

Adviser Expenses

To the extent provided in the Organizational Documents of the Funds, the Adviser will pay out of Advisory Fees rent, utilities, insurance, office supplies, office equipment and compensation and expenses of the Adviser's officers, directors and employees and other normal operating expenses that relate to the services provided by the Adviser to the Funds.

Fund Expenses

Consistent with the Organizational Documents of the Funds, each Fund will (directly, or indirectly through the Advisory Fee) bear all other expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, audit, investment banking, consulting (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio company), fees paid to third-party valuation agents for valuations, appraisals or pricing services, administration (including maintaining the books and records of a Fund, including any related internal costs that the Adviser may incur to produce any such books and records), research and other information (including data and information service subscriptions, related systems and services from data providers and data management software), third party diligence software and service providers, subject and industry-matter experts, brokerage, finders', custody, transfer, registration, advisory board expenses (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses), information technology system expenses (including the costs of developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of a Fund, its investors, or a portfolio investment or potential investment), bridge financing expenses (which may be payable to another Fund co-investing in the bridge transaction or to the Adviser or an affiliate, in each case being the entity providing the bridge financing to the applicable Fund), financing, commitment, origination and similar fees and expenses, insurance premiums of any general partner liability, errors and omissions, or other insurance and extraordinary administrative or operating expenses, including, without limitation, all litigation and indemnification expenses, including insurance of which the Adviser and its affiliates are beneficiaries, interest, taxes, expenses related to attending trade association meetings, conferences or similar meetings in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated), risk management assessment expenses, expenses associated with a Fund's compliance with applicable laws and regulations, expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nation" provisions, such Fund's allocable share of expenses and fees generated in the course of evaluating potential investments, including investments which are not consummated, such Fund's allocable share of expenses and fees incurred in the course of making investments, expenses associated with a Fund, and other similar fees and expenses, as well as any other fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser.

From time to time, the general partner of a Fund may create certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors (“SPVs”). In the event the general partner creates an SPV, consistent with the Organizational Documents of the Fund, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV. Expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Fund (including, without limitation, expenses of accounting and tax services) may be borne by the Fund.

Co-Investment Vehicle Expenses

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction. Similarly, co-investment vehicles (and co-investors) are not typically allocated any share of Break-Up Fees paid or received in connection with such an unconsummated transaction. As a general matter, no co-investor will bear Dead Deal Costs or Break-Up Fees until they are contractually committed to invest in the prospective investment. Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses, any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investments, any break-up fees, reverse termination fees, termination or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or, expenses may be allocated among multiple Funds and entities. In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser will be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser

may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons derive, directly or indirectly, a higher fee, compensation or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

To the extent not allocated to a portfolio company, the Adviser will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Funds in accordance with each Fund's Organizational Documents or, to the extent not addressed in such Organizational Documents, pro rata based on the respective total capital commitments of such Funds.

The appropriate allocation between Funds, Adviser Investors and Third Parties of Dead Deal Costs, will be made in proportion to capital commitments of each such entity, consistent with the Organizational Documents of the Funds, as applicable. If multiple Funds evaluate a potential investment that is not consummated, the Adviser generally allocates fees and expenses generated in the course of evaluating such investment among such Funds based on the anticipated investment of each Fund. Such expenses typically are not allocated to co-investment vehicles.

With respect to allocating other expenses among Fund(s), co-investment vehicles, Adviser Investors and/or co-investors (including Third Parties), as appropriate, to the extent not addressed in the Organizational Documents of a Fund, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

Carried Interest Payments

Please see Item 6 below regarding "Carried Interest" that Funds may pay.

Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Item 6. Performance-Based Fees and Side-By-Side Management

With respect to each Fund, a portion of the profits of each such Fund is distributed to its General Partner, if any, as "carried interest" (the "Carried Interest"). Each General Partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds may incur lower or no Carried Interest.

The payment by the Funds of Carried Interest at varying rates may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried

Interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and include, among others, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments are established for investors in the Funds. The General Partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

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

Methods of Analysis and Investment Strategies

Small to Mid-market Investments

The Adviser primarily targets companies with enterprise values under \$500 million. Companies of this size are generally sufficiently developed that business model risk has been somewhat reduced relative to earlier stage ventures. However, because sellers are more likely to be owner/operators, purchase price is often only one of several important criteria for the seller. In addition, investment exit prospects are enhanced by the increased competition among strategic and financial buyers for slightly larger companies.

Established Businesses

The Adviser targets strong growth companies, traditional leveraged buyouts, and troubled situations where the Adviser can identify opportunities for positive cash flow; and strong competitive position that is defensible and sustainable.

Value-added Opportunity

The Adviser's collective operating experience and active portfolio management capabilities are valuable assets typically unavailable to the small companies in which the Funds invest. Central to the assessment of any investment opportunity is a determination of how well the Adviser's collective strengths match the development needs of the company.

Significant Involvement

Performance improvement requires significant involvement and influence, alongside management, in all key strategic decisions. In addition to being the sole private equity investor in a transaction, the Funds invest alongside established private equity funds if the Adviser's team can bring differential insight or expertise to the investment.

Industry Focus

The Adviser's team is able to apply its skills and capital to a variety of industries. However, the Adviser's collective experience leads to greater emphasis on areas where its industry knowledge base and access to a network of resources are strongest.

Sourcing

The Adviser continues to expand and strengthen contacts with deal sources active in the lower end of the private equity market. Sourcing efforts include mailings, telephone calls, face-to-face meetings, and conference attendance. The Adviser's differentiated story helps build awareness and has led to instances where the Adviser is approached as the preferred investor for a proprietary situation. Sourcing efforts also include proactive attempts to identify and contact attractive investment targets in specific industry sectors.

Diligence

The Adviser follows a highly structured process to ensure thorough assessment of every opportunity and firm-wide involvement in decisions. The initial screen focuses on the opportunity's fit with industry, size, and transaction parameters. Once an opportunity passes the initial screen it is presented at the weekly firm-wide business review meeting. If the opportunity warrants further exploration, the diligence process is championed by a deal leader and a team is assembled. As long as the opportunity continues to be considered, the team prepares frequent updates and diligence packages which are discussed by the entire firm. The process culminates in a final, firm-wide discussion and investment decision.

Throughout the process, the Adviser leverages its operating expertise and industry contacts to apply differential insight. Operating experience is particularly helpful in assessing management capabilities, company strengths and weaknesses, and management strategy and projections.

Financing & Closing

The Adviser has developed relationships with numerous senior and subordinated financing sources. If debt financing is warranted, the Adviser typically approaches multiple sources for a

particular opportunity before ultimately selecting one or more sources to move forward. During the financing process attention is given to optimizing equity contribution, maximizing liquidity, and maximizing covenant flexibility.

Industry Consultants and Experts

The Adviser uses industry consultants and experts as warranted.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

Recent Financial Market Fluctuations.

In recent years, U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally increases the risks inherent in the Funds' investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it could continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a

Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted and there can be no assurances that conditions to the financial markets will not worsen or adversely affect one or more of a Fund's portfolio companies. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Coronavirus Outbreak Risks

The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting restrictions on travel and quarantines imposed, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is likely to contribute to market volatility and is also likely to lead to an economic slowdown given the disruption to supply chains across sectors and industries worldwide, which may reduce private equity activity more generally and materially and adversely affect the Funds and their portfolio companies. The COVID-19 outbreak may adversely affect the Funds' ability to dispose their investments as buyers retrench from pursuing investment opportunities due to the prolonged economic uncertainty. The applicability, or lack thereof, of force majeure provisions could also come into question in connection with contracts that the Funds and their portfolio companies have entered into, which could ultimately work to their detriment. To the extent an epidemic, including COVID-19, is present in jurisdictions in which the Adviser has offices or other operations or investments, it could affect the ability of the Adviser to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the Funds' investment strategies and objectives. The Funds and their portfolio companies may also suffer losses and other adverse impacts if travel and other COVID-19-related disruptions continue for an extended period of time. In addition, the Adviser's personnel and personnel of critical service providers to the Adviser or the Funds may be directly impacted by the spread of COVID-19, both through direct exposure (the likelihood of which can increase due to the frequency of travel) and exposure to family members, which could impair the Adviser's ability to satisfy its obligations to the Funds, their investors, and pursuant to applicable law. The spread of COVID-19 among the Adviser's personnel has the potential to significantly affect the Adviser's ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), resulting in the possibility of temporary or permanent suspension of a Fund's investment activities or operation.

Valuation of Assets

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. 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 are ultimately

sold. Third-party pricing information is generally not available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, as valuations impact the Adviser's track record. The performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect performance calculations.

Cybersecurity Risk

The Adviser, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of the Adviser and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Funds' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Adviser may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation.

Similar types of operational and technology risks are also present for the companies in which the Funds invests, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Tax Reform Risks

President Trump signed into law a broad-based reform of the Internal Revenue Code of 1986, as amended (the "Code") on December 22, 2017 (the "Tax Act"). There are significant uncertainties regarding the interpretation and application of the Tax Act. While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes to the Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to the Funds and their limited partners. In addition, although not free from doubt, the Tax Act subjects allocations of income and gain in respect of entitlements to carried interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of carried interest. Enactment of this legislation could cause the Adviser's investment professionals to

incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it more difficult for the Adviser to incentivize, attract and retain these professionals, which may have an adverse effect on the Adviser's ability to achieve the investment objectives of the Funds. In addition, this can create a conflict of interest as the tax position of the Adviser may differ from the tax positions of the Funds and/or their investors and therefore, these rules may have an additional impact on the investment decisions made by the Funds, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions.

Possibility of Fraud and Other Misconduct of Employees and Service Providers.

Misconduct by employees of the Adviser, service providers to the Adviser or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Adviser has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

Leveraged Nature of Investments

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Certain of the Funds' investments involve significant leverage, as a result of which operating problems and other general business and economic risks may have a pronounced effect on the profitability or survival of the Funds' portfolio companies. Also, increased interest rates generally increase portfolio company interest expenses. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

Long-Term Nature of Portfolio Investments

It is anticipated there will be a significant period of time (generally up to five years) before a Fund has completed its investment program. Investments typically take from three to seven years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures generally do not provide liquidity for a Fund's investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of a Fund's investments will occur for a significant period of time after the first closing of such Fund.

Improvement in Portfolio Company Operations Critical to Investment Success

The success of a Fund's investment strategy depends on the effectiveness of efforts to improve the operating performance of portfolio companies following investment. Initiatives that need to be taken in an effort to achieve improvements in operating performance include, among other, introduction of new products, changes in sales, marketing and distribution methods, implementation of new sourcing arrangements, reductions in manufacturing, overhead and other costs, enhancements and changes in the management team and identification, consummation and integration of add-on acquisitions. The proper identification and implementation of initiatives important to the achievement of improved operating performance is difficult and often requires substantial resources. The capabilities and resources of a portfolio company, even with the assistance of the General Partner and the management company, may be insufficient to effect such proper identification and implementation, and there can be no assurance that portfolio companies will be successful in achieving improvements in operating performance. The failure to achieve improved operating results following investment is likely to lead to losses or poor returns on investments.

Illiquidity of Fund's Portfolio Investments

It is anticipated that all or a substantial portion of a Fund's investments will consist of securities that are subject to restrictions on sale by a Fund because they were acquired from the issuer in "private placement" transactions or because the Fund will be deemed to be an affiliate of the issuer. Generally, a Fund will not be able to sell these securities publicly in the U.S. without the expense and, time and other burdens required to register the securities under the Securities Act, or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. When restricted securities are sold to the public, the Fund may be deemed an "underwriter", or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act.

In addition, practical limitations inhibit a Fund's ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and the Fund will own a relatively large percentage of the issuer's equity securities. Sales are also limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Contingent Liabilities on Disposition of Portfolio Investments

In connection with the disposition of an investment in a portfolio company, a Fund is usually required to make representations about the business and financial affairs of such company, and to indemnify the purchasers of such investment if those representations are inaccurate. The General Partner will establish reserves as appropriate to provide for such contingent liabilities. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of a Fund, the limited partners of such Fund may be required to repay to such Fund or to pay to creditors of such Fund distributions previously received by them.

Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies

It is expected that a Fund will often own a controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by such Fund, contractual arrangements between the company and such Fund, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to such Fund. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund is often thought to control, participate in the management of or influence the conduct of portfolio companies. These factors could expose the assets of such Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

Special Risks Associated with Offshore Investments

A Fund is permitted to invest a portion of its capital commitments in portfolio companies that are headquartered and that have their principal operations outside the United States and Canada. These investments involve special risks not typically associated with investments in the securities of U.S. issuers, including (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability, (b) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, and the relatively greater price volatility and illiquidity of foreign securities markets, (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another and the possibility of fluctuations in exchange rates, (d) tax-related issues, including the possibility of withholding or other taxes (including on dividends, interest payments or capital gains), confiscatory foreign taxes, and the possibility of double taxation of income earned overseas and (e) increased exposure to liabilities arising from a portfolio company's breach of applicable anti-corruption or other foreign laws or regulations.

Lack of Control in Minority Investments

A Fund's investments sometimes represent a minority position in portfolio companies, without power individually to exert significant control over such portfolio companies' boards of directors and management. In such cases, the Fund will rely significantly on the existing management and boards of directors of such companies, which may include representatives of other investors with whom the Fund is not affiliated and whose interests or views may conflict with the interest of the Fund.

Third Party Involvement

A Fund may co-invest with third-parties through partnerships, joint ventures or other entities. Such investments involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objective of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various limited liabilities companies serve as General Partners of the Funds, and the Adviser and the General Partners have partial commonality of ownership. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its shareholders, officers and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics are subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to the Chief Compliance Officer, c/o Castanea Partners, Three Newton Executive Park, Suite 304, Newton, MA 02462.

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these

arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser has in the past and may, from time to time in the future establish certain investment vehicles through which certain employees of the Adviser or its affiliates, former employees, operating partners or other persons may invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as “co-investment vehicles,” may, in certain circumstances, be contractually required to purchase and sell certain investment opportunities at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. Such co-investment vehicles may not pay Advisory Fees or Carried Interest.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors are intended to mitigate, but will not eliminate, conflicts of interest:

- A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of such Fund;
- Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant Organizational Documents for the Funds;

- Certain of the Funds have established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committees meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- Where the Adviser deems appropriate, unaffiliated third parties will be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- The Adviser has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
- Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

In addition, certain provisions of a Fund's Organizational Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Conflicts

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that will be faced by a Fund. Other conflicts are disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Clients

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which include, but are not limited to, the following:

- The Funds; and
- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the co-investors or investors in such co-investment vehicles which may include Adviser Investors and/or individuals and entities that are not investors in any Funds ("Third Parties"));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s).

The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements are set forth in the Organizational Documents of the Fund. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will make allocations in good faith in its sole discretion.

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

Allocation of Co-Investment Opportunities and Secondary Transactions

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds’ Organizational Documents and as set forth in the following paragraphs.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested, (iv) certain persons other than investors in the Funds (e.g., consultants, joint venture partners, persons associated with a portfolio company and other Third Parties) rather than one or more investors in a Fund, may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons and (v) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among potential co-investors, the Adviser will consider some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser has that arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Funds and/or the Adviser and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or the Adviser.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Adviser's exercise of its discretion in allocating

investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above 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 other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in consummating such co-investment, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Fund which is not syndicated to co-investors as originally anticipated could significantly reduce the Fund's overall investment returns.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- Requirements in such Fund's Organizational Documents;
- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationship that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; and

- Such other facts as it deems appropriated under the circumstances in exercising such discretion.

A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Conflicts Related to Purchases and Sales

Conflicts arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company.

Certain clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest.

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser in a portfolio company raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser, or that a client may remain passive in a situation in which it is entitled to vote.

The applicable Fund's Organizational Documents and the Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

Employees and related persons of the Adviser and its affiliates have made and may make capital investments in or alongside certain Funds, and therefore have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in 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.

From time to time the Adviser may, in its discretion, to enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser will consider some or all of the factors listed above under "*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*". The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the organizational documents of the applicable Fund(s).

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the applicable Organizational Documents, the Adviser will charge (or decide not to charge) a co-investor (such as a Fund investor or Third Party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

The Funds, from time to time, co-invest with third-parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a third-party is not involved. Such risks include, among other things, the possibility that the third-party may have differing economic or business goals than those of the Fund, or that the third-party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third party 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.

Cross-Transactions

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund, or may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the

performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds.

To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Organizational Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Organizational Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer, in consultation with the Adviser's Chief Operating Officer, will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the Organizational Documents of the Funds generally contain additional restrictions on the ability of the Funds or the Adviser to engage in principal transactions.

Management of the Funds

Employees of the Adviser have responsibilities with respect to multiple Funds, including funds that may be raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

The Adviser may, consider, and reject an investment opportunity on behalf of one Fund and, the Adviser or an affiliate of the Adviser may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends, and otherwise develop investment strategies. The Adviser has in the past and is likely in the future enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. The Adviser has already and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, the Adviser may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. The Adviser has in the past and is likely in the future to utilize such information to benefit the Adviser, its Affiliates or certain Funds in a manner that may otherwise present a conflict of interest but does not intend to specifically disclose such conflicts to the relevant Funds.

The Adviser and its affiliates may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow the Adviser, the Funds and the Funds' portfolio companies to better discern economic or other trends and developments. The Adviser believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Adviser's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and the Adviser. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by the Adviser and its affiliates, without the source of the data being directly compensated. The Adviser and its affiliates may utilize such data outside of Fund activities in a manner that may provide a material benefit to the Adviser, without directly compensating or otherwise benefiting the Funds. As a result, the Adviser may have an incentive to pursue investments (on its own behalf or on behalf of the Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits the Adviser and/or investments held by other Funds.

Follow-on Investments

Certain investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. In such instances, conflicts of interest often arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, may have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and shareholders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds. Officers, principals and employees of the Adviser may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In addition, officers and employees may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such transactions. The investment policies, fee arrangements and other circumstances of these investments often vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments. While the interests of the officers and employees of the Adviser generally aligns the interest of such persons with the

Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity).

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

Fee Structure

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

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest may create an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by the Adviser or its affiliates in a Fund, the clawback obligation of the General Partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of the Adviser's personnel.

Pursuant to the Organizational Documents, the General Partner may be required to return excess amounts of Carried Interest as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

In addition, the General Partner is incentivized to hold on to investments that have poor prospective for improvement in order to receive ongoing Advisory Fees in the interim and, potentially, a more likely or larger Carried Interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the General Partner.

The Organizational Documents of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including managing directors and employees) in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund. The General Partners are particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the limited partners received cash distributions instead of in-kind distributions, the limited

partners will be denied the benefits of that increase had the Fund retained the securities and the General Partner will receive more value from the securities than it would have had its carried interest been paid in cash. Furthermore, the General Partner, or its affiliates, may receive distributions in kind from an investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

Pursuant to the Organizational Documents, the General Partner may elect to receive its Carried Interest in the form of an in-kind distribution of securities of a portfolio company, including for purposes of permitting one or more General Partner personnel to donate such securities to charity (which may include private foundations, fund or other charities so chosen by such personnel). Any tax efficiencies to such General Partner personnel associated with this form of charitable giving may have the effect of reinforcing or enhancing the General Partner's incentives otherwise resulting from the existence of its Carried Interest and therefore, the General Partner may have a conflict of interest in making decisions on behalf of the Funds (including, for instance, the timing of disposition of investments).

Fund Level Borrowing

The Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net IRR calculations higher than it otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. Thus, while the Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The General Partner therefore has a

conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

Borrowing by the Fund will generally be secured by capital commitments made by the Limited Partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may affect the amount of UBTI realized.

Diverse Membership

The investors in the Funds include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors sometimes have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations.

Business with and Among Portfolio Companies and Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

The Adviser may have an incentive to recommend the products or services of certain investors or prospective investors in the Funds, certain Third Parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Portfolio companies controlled by a Fund may provide services to certain Fund investors. The Adviser may have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Adviser may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company owned by another Fund. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company.

In addition, certain portfolio companies controlled by a Fund may engage in activities that could adversely affect another Fund and/or its portfolio company. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Advisers and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Adviser is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company owned by another Fund.

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds managed by the Adviser that, although the Adviser determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to affiliates of the Adviser that are not subject to the Advisory Fee offset provisions described herein. For example, the Adviser has in the past and may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in

fees, better pricing, rebates, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Certain members of a Fund's advisory committee are officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

Service Providers

Services required by a Fund (including some services historically provided by the Adviser or its affiliates to the Funds) may, but certain reasons including efficiency and economic considerations be outsourced in whole or in part to third parties in the discretion of the Adviser or its affiliates. The Adviser and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Adviser personnel. Such services may include, without limitation, deal sourcing, information technology, license software, depository, data processing, client relations, administration, custodial, accounting, legal and tax support and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by the Adviser to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future. The costs and expenses of any such third-party service providers will be borne by the Funds.

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers may, in certain circumstances affiliates of investors in a Fund and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, employees of the Adviser or its affiliates, and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that an Adviser may have with a service provider can influence the Adviser in determining whether to select, or recommend such service provider to perform services for a Fund or a portfolio company. The Adviser may have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. While the Adviser often does not have visibility or influence regarding advantageous service rates or arrangements, there will be situations in which the Adviser receives more favorable service rates or arrangements than the Funds or their portfolio companies.

The Adviser or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies. Notwithstanding the foregoing, the Adviser generally does not enter into any arrangement with a service provider that provides for a lower rate or discount than those available to a Fund or a portfolio company for comparable services.

Positions with Portfolio Companies

Employees of the Adviser serve as directors of, or observers on boards with respect to, portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciary duties among the two portfolio companies may create a conflict of interest. Such employees are required to remit any remuneration they receive as directors to the applicable Funds. In addition, employees of the Adviser may leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company.

Decisions made by a director may subject the Adviser, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify the Adviser and its partners, principals and employees from such claims.

In addition, the employees of the Adviser serving as directors may make decisions for a portfolio company that negatively impacts returns received by a Fund investing in the portfolio company.

Certain personnel of the Adviser or its affiliates may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies may reimburse the Adviser for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services.

Side Letter Agreements; Advisory Committee Rights

The Adviser may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, or transfer rights.

Other Potential Conflicts

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies may engage other common service providers. In such circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a

lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or the portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points” or credit in loyalty/status programs to the Adviser and/or its personnel, and such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for an Adviser personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

The Adviser may, in its discretion, have, or cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser will favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Funds may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“Holding Company”) would be created that would acquire and manage the companies in the platform. The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former employees of the Adviser, or current or former senior advisors or consultants to the Adviser and its affiliates. The Holding Company’s costs and expenses (including compensation for its personnel, which compensation may include, among other things, the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets) would be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses will not offset the Advisory Fee and are

in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser. In addition, as the Adviser earns Advisory Fees and Carried Interest from the Fund, the Adviser will benefit from the assets, income and gains of Holding Company.

The Organizational Documents of certain Funds permit each such Fund's General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons will seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds, the Adviser has, subject to the direction of such Fund's General Partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's Chief Compliance Officer (the "CCO") would take into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter

securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's CCO would periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

The Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

Aggregation of Trades

Although it is not anticipated that the Funds will trade in publicly traded securities, the Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. The Adviser may employ this practice because larger transactions enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation would be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature. Accordingly, the Adviser's monitoring activities are not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies with regard to financial and operating performance and long-term strategic planning and often, because of its equity interests, maintains an ongoing oversight position through its representation on the boards of directors of certain portfolio companies.

Each portfolio company is monitored by an investment team, led by an investment partner. Portfolio company reports are prepared by the investment team and provided to the Adviser on a bi-monthly basis, or more frequently if warranted.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports. The Adviser and the applicable General Partner, if any, will, in

their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee for capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such Fund may, subject to any limitations set forth in its Organizational Documents, reimburse such fees. Advisory Fees received by the Adviser are generally reduced by the amount of such fees paid by the Fund. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or other Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the offering or Organizational Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s Chief Operating Officer (the “COO”) or the relevant Adviser investment professional, the costs

associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser's Vote.

All Voting decisions initially are referred to the Adviser's COO for a voting decision. In most cases, the Adviser's COO will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties will be used to help resolve conflicts. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Chief Compliance Officer, c/o Castanea Partners, Three Newton Executive Park, Suite 304, Newton, MA 02462.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.