

Form ADV Part 2A: FIRM BROCHURE



Essex Woodlands Management, Inc.
Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Essex Woodlands Management, Inc. If you have any questions about the contents of this brochure, please contact us at (281) 364-1555. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Essex Woodlands Management, Inc. is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Essex Woodlands is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since Essex Woodland Management, Inc.'s last Brochure amendment on March 31, 2021, the Firm has updated regulatory assets under management in Item 4.

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Item 4 – Advisory Business

Firm Description

Headquartered in Houston, Texas with additional offices in Palo Alto, New York and London, Essex Woodlands Management, Inc., together with its relying adviser, Essex Woodlands Services Co., Inc., and general partners (unless the context otherwise requires) (“EW”, “we” or the “Firm”), is a private equity and venture capital firm which serves as the management company for its private funds. Founded in 1985 under its original name Essex Woodlands, EW manages private investment funds that focus on making growth equity investments in healthcare companies. We invest broadly across the healthcare spectrum in areas such as pharmaceuticals, medical devices, technology-enabled healthcare services and healthcare information technology, among others. EW partners with management teams to accelerate growth and add value through our network of relationships and expertise in the healthcare sector.

Essex Woodlands Management, Inc. and its relying adviser, Essex Woodlands Services Co., Inc., collectively operate as a single advisory business: the advisers manage and provide investment advisory services solely to private funds that are qualified clients; Essex Woodlands Management, Inc.’s principal office and place of business is in the United States; Essex Woodlands Services Co., Inc. and the persons acting on its behalf are subject to Essex Woodlands Management, Inc.’s supervision and control; the advisory activities of both Essex Woodlands Management, Inc. and Essex Woodlands Services Co., Inc. are subject to the Investment Advisers Act of 1940, as amended (“Advisers Act”); and Essex Woodlands Management, Inc. and Essex Woodlands Services Co., Inc. operate under a single code of ethics administered by a single chief compliance officer.

A Delaware corporation, EW serves as the investment manager for and provides discretionary investment advisory services to private funds exempt from registration under the Investment Company Act of 1940 (“Investment Company Act”), as well as to co-investment vehicles and one special purpose vehicle established to invest alongside a Fund in a single portfolio company (each a “Fund” and collectively, the “Funds” unless the context otherwise requires). In certain circumstances, as more fully described in Item 7 below, the Firm also permits certain limited partners and third parties to co-invest directly into a portfolio company. Unlike the co-investment and special purpose vehicle Funds mentioned above, such direct co-investments are not considered Funds or clients of EW.

Affiliates of EW serve as the general partners (the “General Partners”) of the Funds, which have the authority to make investment decisions on behalf of the Funds. The General Partners and the relying adviser are deemed to be registered pursuant to EW’s registration in accordance with SEC guidance. While the General Partners maintain ultimate authority over the respective Funds, EW or the relying adviser has been delegated the role of investment adviser. For more information about the Funds, General Partners and relying adviser, please see our Form ADV Part 1, Schedule D, Sections 7.A., 7.B.(1) and Schedule R.

EW's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions of such investments. The Funds invest through privately negotiated transactions in operating companies, generally referred to as "portfolio companies", in the healthcare industry. Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although our senior principals or other personnel and/or third parties appointed by us (such as operating partners and senior advisors) will generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds. In addition, in some cases, EW will more directly influence the day-to-day management of portfolio companies by recruiting and installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles.

Investment advice is provided directly to the Funds and not individually to the underlying limited partners in the Funds. EW manages the assets of the Funds in accordance with the terms of each Fund's private placement memorandum, limited partnership agreement, side letter agreements, investment advisory agreements and/or other governing documents applicable to each Fund (the "Governing Documents"). The Governing Documents of each Fund identify the type of securities or other investment instruments in which the vehicle will invest and any investment restrictions or limitations with respect to these securities. We do not seek or require limited partner approval regarding each investment decision.

Limited partners generally cannot impose restrictions on investing in certain securities or types of securities, other than through side letter agreements. Limited partners in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. EW has entered into side letters or similar agreements with certain limited partners that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Examples of side letter rights include co-investment preference, certain fee arrangements, notification provisions, reporting requirements and most favored nations provisions, among others. These rights, benefits or privileges are not always made available to all limited partners nor in some cases are they required to be disclosed to all limited partners. Side letters are negotiated at the time of a Fund's formation, and once invested in a Fund, limited partners generally cannot impose additional investment guidelines on such Fund.

Principal Ownership

As of December 31, 2020, we had approximately \$3.216 billion of regulatory assets under management, all of it managed on a discretionary basis.

The filing adviser, Essex Woodlands Management, Inc. is owned by President Martin Sutter, Managing Directors Immanuel Thangaraj and Jeff Himawan and Treasurer and Director Petri Vainio. The relying adviser, Essex Woodlands Services Co., Inc. is owned by Messrs. Sutter and Vainio and

Managing Directors Scott Barry and Ron Eastman. For more information about our owners and executive officers, see EW's Form ADV Part 1, Schedule A and Schedule R.

Item 5 – Fees and Compensation

Compensation we receive is comprised of fees based on a percentage of assets under management and performance-based carried interest, as well as other fees and expenses paid by the Funds and the portfolio companies in which our Funds invest. The portfolio companies also reimburse us and the Funds for certain expenses advanced on their behalf. Limited partners should refer to the Governing Documents of the applicable Fund for a complete understanding of how EW is compensated, including a full description of the calculation of management fees. The information contained herein is a summary only and is qualified in its entirety by such documents.

Management Fees

Each Fund pays EW a quarterly management fee (the "Management Fee"), in advance, equal to 2.0% per annum of aggregate Fund limited partner capital commitments ("Commitments"), which are held by limited partners not designated as "affiliated partners" by the relevant General Partner. Limited partners participating in a closing after the relevant Fund's initial closing date generally bear the Management Fee from such initial closing date plus interest. Each Fund's Management Fee generally steps down following certain events specified in the relevant Governing Documents of such Fund and differs by Fund. The Management Fee is payable until all portfolio investments are distributed or until EW's relationship with the applicable Fund is terminated for other reasons (as described in the relevant Governing Documents).

Management Fees will generally be reduced by, as applicable: (i) the amount of fees paid by such Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by EW in connection with the organization of such Fund that exceed a limit as specified in such Fund's Governing Documents; (iii) any contributions made with respect to capital call notices delivered prior to a Fund's Management Fee due date; and (iv) certain supplemental fees and compensation with respect to portfolio investments, including all closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors' fees and other similar fees (whether in the form of cash, securities or otherwise), the amount of which are paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by EW on a transaction by transaction basis, subject to the terms set forth in each Fund's Governing Documents.

All such supplemental fees received are offset in whole or in part against the Management Fee by a pre-established sharing percentage that was negotiated between EW and each Fund's limited partners net of any expenses incurred in connection with such portfolio investment; however, any such fees received by Operations Group members are not subject to an offset against Management Fees. Portfolio company directors' or board fees paid by a former portfolio company to an EW employee who remains on the company's board of directors following the Fund's disposition of its investment

in the company does not offset Management Fees payable by a Fund, if applicable. The amount and manner of such reduction is set forth in the relevant Governing Documents of the applicable Fund. Any such reduction of a Fund's Management Fee is typically limited to the extent of such Fund's proportionate interest in any such portfolio company and only to the extent a Management Fee is payable by a Fund currently or in the future. Thus, in the event a Fund does not pay a Management Fee or does not have an offset provision requiring the reduction of Management Fees, EW will retain the portion of Transaction Fees allocable to these Funds without reduction.

To the extent that such an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons.

Management Fees are negotiated with limited partners during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. The relevant General Partner is permitted, in its sole discretion, to waive all or a portion of the Management Fee payable by a limited partner (however these limited partners generally pay their pro rata share of certain Fund expenses). Management Fees differ from one Fund to another, as well as among limited partners in the same Fund. Such differences can arise from the size of a limited partner's commitment, different limited partner classes, provisions of side letter agreements or other negotiated terms. In addition, limited partners who co-invest in an EW investment are not charged a Management Fee on the co-investment portion of their investment (but again, such co-investors generally pay their pro rata share of certain expenses as described more fully below). Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a pro rata basis according to the actual number of days in such period.

General Partner's Carried Interest

As described (i) briefly in Item 6 below and (ii) in further detail in each Fund's Governing Documents, the General Partner of each Fund is entitled to be allocated performance-based carried interest ("Carried Interest") with respect to all of the Funds, which is typically 20% of cumulative net profits in excess of a certain level (for example, for the most recent Fund, profits in excess of an annually compounded preferred return (or hurdle) rate) and are subject to a "clawback" provision.

Fund Expenses

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund. All limited partners indirectly bear certain operating and organizational expenses of the Funds, their subsidiaries and affiliate entities. Permitted fees and expenses typically refer to all fees, costs, expenses, liabilities and obligations relating to the Funds and/or its subsidiaries' activities, business, portfolio companies or actual or potential investments, including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs,

expenses, liabilities and obligations relating or attributable to: (i) activities with respect to origination and sourcing of investment opportunities for the Funds, including travel, meeting with broker-dealers, investment banks and other sources of investments and developing an investment pipeline; (ii) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving, or otherwise disposing of, as applicable, portfolio companies and a Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith, together with any fees and expenses related to transactions offered to co-investors, including such fees and expenses relating to co-investment vehicles), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (iii) indebtedness of, or guarantees made by a Fund, EW, a General Partner or any affiliated limited partner (including any credit facility, letter of credit or similar credit support), including repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar fees and expenses; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (vi) brokerage, sale, custodial, depository (including any depository appointed pursuant to the AIFMD), Swiss representative and Swiss paying agent (appointed pursuant to the Swiss Collective Investment Schemes Act (as amended) and its implementing ordinance) trustee, record keeping, account and similar services; (vii) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the Operations Group (defined below) or any of its members, consultants performing investment initiatives and other similar consultants), tax and other professional services; (viii) expenses associated with the reporting, filings or other ongoing compliance requirements contemplated by the AIFMD; (ix) reverse breakup, termination and other similar fees; (x) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles; (xi) filing, title, transfer, registration and other similar fees and expenses; (xii) printing, communications, marketing and publicity; (xiii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with limited partners, or any other administrative, compliance or Fund-related or investment-related regulatory filings or reports (including Form PF), or other information, including fees and costs of any third-party service providers, distribution agents and professionals related to the foregoing; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including

subscription-based services) for the benefit of the Funds or the limited partners; (xv) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information; (xvi) activities or proceedings of each Fund's advisory board (including any costs and expenses incurred by representatives of EW, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of an advisory board); (xvii) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any entity or other person pursuant to the relevant Fund limited partnership agreement or otherwise and advancing fees, costs and expenses incurred by any such entity or person in defense or settlement of any claim that is subject to a right of indemnification), except as otherwise set forth in the relevant limited partnership agreement(s); (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xix) any annual limited partner meeting or other periodic, if any, meetings of the limited partners, any other conference or meeting with any limited partner(s), and any periodic executive forum of portfolio company management and/or other entities or persons, in each case to the extent incurred by Funds, the General Partners or any other affiliate of EW; (xx) expenses related to attending industry meetings, conferences or similar events 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); (xxi) the Management Fee; (xxii) except as otherwise determined by EW in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the limited partner investing in such entities, and any other costs and expenses related to any structuring or restructuring of a Fund and/or its affiliated entities; (xxiii) the termination, liquidation, winding up or dissolution of a Fund; (xxiv) defaults by limited partners in the payment of any capital contributions; (xxv) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Funds, the parallel Funds, the General Partners, the parallel Fund General Partners, the ultimate general partner, EW and any alternative investment vehicle of a Fund or parallel Fund, including the preparation, distribution and implementation thereof; provided that, with respect to amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a General Partner, a parallel fund General Partner, an ultimate general partner and EW, such amendments, waivers, consents or approvals relate to the affairs of a Fund, parallel Fund or any alternative investment vehicle thereof; (xxvi) (A) complying with any law, regulation or policy related to the activities of a Fund (including any legal fees and expenses related thereto and any regulatory expenses of a General Partner incurred in connection with the operation of a Fund) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be

excluded from the indemnification provided for in the relevant limited partnership agreement; (xxvii) any third-party experts, including independent appraisers, engaged by EW (to the extent EW deems such an engagement advisable under the circumstances) in connection with a Fund considering, making or holding an investment; (xxviii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer; (xxix) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the limited partners); (xxx) distributions to the limited partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxxi) unreimbursed expenses and unpaid fees of the Operations Group or its members, employees or other persons engaged by the Operations Group; (xxxii) compliance or regulatory matters related to a Fund, except as otherwise set forth in the relevant Governing Documents; (xxxiii) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxiv) any organizational expenses; (xxxv) any placement fees; and (xxxvi) any other fees, costs, expenses, liabilities or obligations approved by the relevant Fund advisory board; provided, however, that such Fund expenses do not include (A) ordinary overhead and administrative expenses incurred by the Firm and its affiliates in connection with maintaining and operating their respective offices including salaries, rent and equipment expenses that are payable by EW pursuant to the terms of the relevant Governing Documents, (B) any expenses included as part of the definition of investment contributions and (C) excluded regulatory expenses.

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by portfolio companies or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions (*i.e.*, broken deal expenses) are paid by the relevant Fund(s) selected as proposed investors in such transaction.

For information on EW's brokerage practices and fees, please see Item 12, below.

Portfolio Company Remuneration

EW receives transaction fees from its portfolio companies in respect of the Funds' investments or prospective investments in such portfolio companies in each case less any amounts necessary to reimburse EW for unreimbursed costs and expenses (other than ordinary overhead and administrative expenses) incurred in connection with any consummated or unconsummated transactions or in connection with generating such fees, subject to the terms set forth in each Fund's Governing Documents. Transaction fees or other remuneration (including any options, warrants or other equity securities) are paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by EW on a transaction-by-transaction basis, subject to the terms set forth in each Fund's Governing Documents. Transaction fees vary by Fund and include, for example, all closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors' fees and other similar fees (whether in

the form of cash, securities or otherwise) and legal fees and consulting fees incurred related to a deal that exceed the previously agreed upon cap at the time the transaction was negotiated. Any remaining portfolio company remuneration shall be used to reduce the Management Fee. However, the specific transaction fees and Management Fee offset provisions vary by Fund (*e.g.*, certain Funds benefit from full, limited or no offset provisions) and the precise terms are described more fully in each Fund's Governing Documents. In some cases, fees received from portfolio companies do not always offset transaction fees and EW's Management Fee. For example, the offsets do not occur for Funds that are past their investment period and no longer pay Management Fees and Funds with an Operations Group do not offset Management Fees for fees and expenses paid to members of the Operations Group. Further, the amount of offsets is limited to each Fund's proportionate interest in such portfolio company.

In addition, on occasion, in certain circumstances (such as a portfolio company's liquidity needs or otherwise) EW determines in its discretion to waive, defer or renegotiate, in whole or in part, the amount of supplemental fees received from a portfolio company. EW endeavors to require the payment of such fees only to the extent permitted by the earnings of the applicable portfolio company, and EW will defer or forego the payment of such fees are too burdensome for the portfolio company or at such time a senior credit agreement prohibits the payment of such fees. EW makes such determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly-situated portfolio companies.

Expense Reimbursement

Each portfolio company typically pays for or reimburses the Firm or a Fund for certain expenses incurred in connection with EW's performance of services for such portfolio company. Such expenses generally include, without limitation: (i) travel expenses, which often will include expenses for chartered or first-class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) the usage of premium black car and other car services, which from time to time include waiting time and premium meals (including outside normal business hours), and (b) social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings, conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (iv) indemnification expenses; (v) insurance; (vi) consulting; (vii) certain legal expenses; (viii) similar out-of-pocket expenses; (ix) consulting fees; and (x) other cash and non-cash compensation and expenses. In addition, to the extent a Fund or EW initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, EW will generally, subject to its ultimate discretion, cause such other Fund or portfolio company to reimburse the initial Fund or EW for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by EW, a General Partner

or their respective affiliates will not be offset against the Management Fee payable by the Funds.

Operations Group

EW utilizes an Operations Group (“Operations Group”) comprised of operating partners and senior advisors primarily to assist the Firm in sourcing transactions and providing manufacturing, sales, marketing, technology, human resources, acquisition integration/rationalization and/or other operations services, acquisition or other due diligence, or similar services to the Funds or any portfolio company or prospective portfolio company of the Funds. Pursuant to the relevant Governing Documents, fees and expenses associated with the services paid to Operations Group members are paid and/or reimbursed by the applicable portfolio companies (generally in the case of consummated transactions) and/or the Funds (generally in the case of unconsummated transactions), and do not offset the Management Fee. Such fees and expenses include cash fees, profits or equity interests in a portfolio company or Fund (including, on occasion, a portfolio company or Fund in which they are not involved), a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Operations Group Member, which is typically determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Group member, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies on occasion provide opportunities for the Operations Group member(s) working on such portfolio company to invest in the portfolio company on which he or she is working. Further, portfolio companies typically reimburse Operations Group members for costs and expenses incurred by such Operations Group members for performing work on such portfolio company. Operations Group members are also entitled to receive remuneration from the General Partner and/or the Funds and/or are entitled to other forms of compensation. EW often appoints an Operations Group member to serve on the board of an EW portfolio company, which fees are generally paid directly by such portfolio company to the Operations Group member. Certain fees payable to an Operations Group member are associated with a particular transaction and will typically be included in the closing costs payable by the applicable portfolio company. In the event an Operations Group member provides work for a portfolio company in addition to board service, any such fees are paid by the portfolio company directly to the Operations Group member. Over time, certain existing and former employees of EW (including senior personnel) will on occasion transition to an Operations Group role, which would shift the burden of compensating such persons from EW to the Funds and/or their portfolio companies. The determination of the appropriate form and amount of compensation for such services takes into account a variety of factors but will ultimately be at the discretion of EW. Some Operations Group members are also limited partners in the EW Funds.

None of these fees, bonuses, profits interests, investment opportunities, reimbursements and other compensation paid to an Operations Group member will offset the Management Fee.

Co-Investment Expenses

Each co-investment agreement is negotiated with a co-investor on an investor-by-investor basis and is not subject to review by limited partners.

Co-investors will not bear a Management Fees nor pay Carried Interest, but do share in their pro rata portion of Fund expenses, as applicable. Where a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds.

In the event a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any fees and expenses generated in the course of evaluating such investments, including out of pocket fees associated with due diligence, attorney fees, fees of the other professionals and various other fees relating to such proposed but not consummated transaction (“broken deal expenses”) therefore would generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors, that were to have participated in such transaction. However, contractually committed co-investors are responsible for their pro rata share of any broken deal expenses should the co-investment not be consummated. Broken deal expenses incurred in connection with a follow-on investment for an existing portfolio company for which the co-investment was originally created are generally capitalized at such portfolio company.

Fee Receipt Allocation

From time to time, EW, a Fund or a portfolio company pays a transaction fee, portion of Carried Interest, equity grant or other fee to a third-party, such as an operating partner, senior partner, consultant, advisor, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional compensation, including bonus payments based on the applicable portfolio company meeting certain success hurdles. Such compensation indirectly reduces the revenue available for distribution to the relevant Fund at the time of such portfolio company’s sale. None of these fees or compensation offset Management Fees payable by a Fund.

Allocation of Fees and Expenses

EW will allocate fees and expenses to be borne by the Funds and other limited partners or investors (including expenses incurred in connection with transactions that are not consummated) in accordance with the Fund’s Governing Documents or, to the extent the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, as determined by EW in good faith and in its fair and reasonable discretion in accordance with its internal policies and procedures. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by EW.

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

All Funds we advise are subject to the General Partner's Carried Interest as well as Management Fees. Carried Interest is considered a performance-based fee as it is based on a share of capital gains on the assets of a Fund. Carried Interest is normally allocated as 20% of the net profits in excess of certain levels (for example, for the most recent Fund, profits in excess of an annually compounded preferred return (or hurdle) rate of 8%); *provided, however*, that some Funds charge a different percentage of net profits and/or have different rates of preferred return. Calculated based on cumulative realized gains and income only, Carried Interest is allocated to a General Partner as portfolio holdings are liquidated or otherwise monetized and each General Partner's Carried Interest is subject to a "clawback" provision if the amount distributed exceeds the amount to which the General Partner was entitled.

EW's Carried Interest allocations have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund is permitted, in its sole discretion, to waive or reduce the amount of Carried Interest for a limited partner in a Fund. Specifically, if principals, employees and their respective family and/or Operations Group members are limited partners, they will generally pay reduced Carried Interest or none at all. Similarly, as mentioned above, co-investors do not pay Carried Interest on the co-investment portion of their investment. The Governing Documents for each Fund set forth the precise calculation of Carried Interest and detail the foregoing provisions as they apply to such Fund, which varies between Funds.

The fact that a General Partner's Carried Interest is based on a percentage of net profits has the potential to create an incentive for the General Partner to cause a Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Funds have a fixed investment period after which capital from limited partners generally can only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of a Fund, calculated based upon the invested capital of such Fund, the Management Fee structure has the potential to create an incentive for the General Partner to deploy capital when it might not otherwise have done so. However, we believe we have a limited incentive to favor certain Funds since, as described above, all Funds we manage are subject to both Carried Interest and Management Fees and limited overlap in investment periods and investment opportunities among accounts is expected to occur in practice. Additionally, we believe this incentive is sufficiently mitigated due to the fact that: (i) the applicable Governing Documents create limitations on the ability of EW to establish new investment funds; (ii) any losses the Funds sustain will reduce each General Partner's Carried Interest distribution; (iii) Carried Interest is generally calculated only after limited partners have received as distributions 100% of their capital contributions plus a preferred return; (iv) the applicable General Partner often makes a substantial commitment to each Fund to invest its own capital alongside the limited partners; and (v) EW's ability to attract future limited partners is tied to the performance of its investments.

EW manages multiple Funds or other investment vehicles (including co-investment vehicles) at one time, many, if not all of which, have similar investment strategies and are managed on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to EW's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. These conflicts of interest can create an incentive for the Firm or its personnel to favor a Fund or other investment vehicle in which EW or an affiliate has a greater financial interest. To help minimize such conflicts of interest, EW allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with EW's policies and procedures, the applicable Governing Documents and taking into consideration certain factors as determined in the Firm's sole discretion, which can include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by EW. EW's procedures are designed to ensure that all investment decisions are made in accordance with EW's fiduciary duties to its Funds and without consideration of EW's (or its affiliates' or employees') pecuniary interest. EW 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 co-investment vehicle or (ii) the profitability of any Fund. EW's policies and procedures for the allocation of investments are determined by the Investment Committee.

Item 7 – Types of Clients

EW provides investment advisory services to its Funds. Limited partners that invest in the Funds must generally meet certain financial sophistication and net worth requirements in addition to other investment criteria. The Funds limit their limited partners to persons or institutions who are: (i) "accredited investors" as defined in the Securities Act of 1933, as amended ("Securities Act"); (ii) "qualified purchasers" or "knowledgeable employees", each as defined in the Investment Company Act; or (iii) if applicable, "qualified clients", as defined in the Advisers Act. The Funds are not registered or required to be registered under the Investment Company Act; are not made available to the general public; their securities are not registered or required to be registered under the Securities Act; and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are allowed to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to EW and/or the Funds. Limited partners considering an investment in the Funds should consult with their own investment, tax and/or legal consultants prior to investing.

Limited partners in the Funds include a variety of institutional limited partners, but primarily consist of large, institutional governmental pension funds. Additionally, the Funds include, directly or indirectly, principals or other employees of EW and its affiliates and members of their families,

operating partners and Operations Group members, senior advisors and other service providers retained by EW.

The minimum commitment for a limited partner is outlined in the Governing Documents of each Fund. The Funds generally require a \$100,000 to \$1 million minimum commitment, depending on the Fund; however, the General Partner of each respective Fund maintains the discretion to accept less than the minimum investment threshold.

As mentioned in Item 4 above, in certain circumstances, EW offers co-investment opportunities to certain investors. Co-investments have been structured either as (i) a separate Fund or (ii) a direct investment by certain investors into a portfolio company or its holding or operating company. When structured as a Fund, EW considers the investment to be a Fund client, identifies the Fund in its Form ADV Part 1, Schedule D, Section 7.B.(1), obtains an audit for the Fund, reserves the option to assess a Management Fee and/or Carried Interest on such Fund and includes the amount of assets of such Fund in the Firm's regulatory assets under management. In the case of direct co-investments, EW does not consider a direct co-investment to be a Fund or a client, does not act as the investment manager to the co-investment portion of the investment, does not charge Management Fees or Carried Interest to the investment, does not have custody of the investment or include the amount of assets of the co-investment in the Firm's regulatory assets under management. In such direct co-investment opportunities, we will perform management, advisory and other services for the portfolio companies in which these co-investment vehicles invest alongside the Funds, generally at no additional cost to such vehicles except expenses.

We have the ability to create a co-investment opportunity if an investment requires additional capital, is too large for a Fund to make on its own either under the Fund's limited partnership agreement or based on the sole discretion of the General Partner, or if we believe it would be in the Fund's best interest to bring a co-investor to the deal. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no limited partner has a right to participate in any co-investment opportunity.

Opportunities to co-invest in a portfolio company are made available to select persons or entities, who will not necessarily be Fund limited partners, including, without limitation, co-sponsors, strategic investors, lenders, deal sources (including finders and consultants), other sponsors (including other private equity or venture capital firms), Fund limited partners, service providers, Operations Group members or other persons or entities affiliated, associated or otherwise known to EW or its personnel. EW will, in its sole discretion, evaluate each co-investment opportunity on a case by case basis. In evaluating a co-investment opportunity, we consider the following factors, among others that arise from time to time: (i) the ability and expected interest of the interested co-investor to participate in the co-investment and to meet the desired due diligence, approval and funding timetable; (ii) the dedicated amount of co-investment resources of the interested co-investor; (iii) the specific industry expertise of the interested co-investor as it relates to each potential co-investment opportunity; (iv) EW's prior experience with the investor, including as a limited partner in a Fund and in prior co-

investment deals, as well as the interested co-investor's general reputation and experience as a co-investor; and (v) the value added or strategic benefit of the interested co-investor to the deal. Additionally, certain individuals who source transactions or provide financing have in the past and expect in the future to negotiate co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Fund(s). EW's exercise of discretion in allocating co-investment opportunities often will not result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When a co-investment is offered, the size of the investment opportunity otherwise available to EW's Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment vehicle purchases a portion of an investment from one or more Funds after such Fund(s) have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment.

In the event EW is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. Thus, an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

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

Investment Strategy and Analysis

Strategy. We focus on making growth equity investments in middle market healthcare companies. We invest broadly across the healthcare spectrum in areas such as pharmaceuticals, medical devices, technology-enabled healthcare services and healthcare information technology, among others. EW partners with management teams to accelerate growth and add value through our network of relationships and expertise in the healthcare sector. Our investment strategy is to seek to invest in rapidly growing middle market healthcare companies, which typically have \$20 million to \$200 million of revenue at the time of our investment. The drivers of revenue growth are different in each investment, and include, but are not limited to, growth strategies such as expanding a sales force, expanding the geographic territory or countries where the products are sold, the acquisition of additional complementary products or companies and developing or launching new products.

Our Funds' portfolio company investments generally take the form of direct, primary investments in preferred equity securities. The Funds also occasionally purchase secondary shares in recapitalizations and buyouts. Further, the Funds are permitted to invest up to 15% of committed capital in public securities purchased through privately negotiated PIPE transactions with public companies that meet the same investment criteria as the Funds' private companies. We intend to typically act as the lead investor and often will have "de facto" control over our Fund portfolio companies, even though a Fund will typically own a large minority position and will only occasionally own a majority of the company. Investment in a single portfolio company will typically range from \$20 million to \$80 million. The size of each Fund's investments in a portfolio company is typically determined by the capital needs of the portfolio company.

Sourcing. We typically source deals primarily through our network of extensive industry contacts of the EW team. Portfolio companies have approached or been referred to EW because of the deep domain expertise and reputation of the EW investment team. We also seek to identify particularly attractive investment themes and sub-sectors of healthcare and pro-actively approach what we believe to be the most attractive companies in these sub-sectors as prospective new investments. We typically source over 100 potential new investments every year and typically make only four to five new investments each year, resulting in a high level of selectivity in identifying the most attractive investment opportunities. EW's domain expertise and the industry relationships of the EW team have generated proprietary investment opportunities for the Firm.

Analysis. Once viable investment opportunities are sourced, and EW has met with a company on one or more occasions, the sponsoring Managing Director and usually one or two other investment professionals will propose to the appropriate sector team if they believe an investment opportunity deserves further evaluation. Their assessment or investment thesis is usually based on a preliminary analysis of information gathered under confidentiality that addresses multiple factors. If the sector team decides that it would like to move forward on the opportunity, the sponsoring team will generate a brief overview of the opportunity and distribute it to the Firm's Executive Committee. If the Executive Committee decides the opportunity meets EW's strategic requirements and resources are available to appropriately pursue the opportunity, the Executive Committee will assign a formal deal team to the opportunity and the sponsoring team will prepare a preliminary investment memorandum and review it with the entire investment team on a conference.

EW focuses its due diligence efforts on validating its investment thesis in general and optimizing the increase in value, the reduction of risk and the preservation of capital in particular. As such, we on occasion use consultants to analyze particular issues, but we prefer to rely on our considerable domain expertise and conduct the most critical due diligence ourselves. Our due diligence review typically includes identifying and developing a plan to assess each of the following critical success factors and risks associated with an investment opportunity: business; industry and competitive analysis; growth thesis; management assessment; and legal and financial review.

Approval. If due diligence both validates the investment thesis and appropriately addresses the mandate for achieving an optimal balance between increasing value while seeking to reduce risk and preserve capital, the deal team will prepare a final Investment Memorandum recommending an investment. The Investment Memorandum is reviewed by the entire investment team at a regularly scheduled partner meeting during which the management team of the target company profiles the business, its performance and strategic growth plans.

The Investment Committee will then weigh the merits of the opportunity by itself and against competing opportunities as well as the strategic fit within the Fund's investment horizon. If approved, the negotiation of terms, which are subject to final due diligence, is pursued.

Risk Factors

Acquiring an interest in any Fund involves a number of risks. An investment in a Fund should be deemed a speculative investment and is not intended as a complete investment program; it is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in a Fund. No guarantee or representation is made that the Funds will achieve their investment objective or that limited partners will receive a return of their capital.

All investing involves a risk of loss and the investment strategies we offer could lose money over short or even long periods. The possibility of loss of capital exists. *A more complete description of applicable risks is available in the Governing Documents of each Fund.* The description contained below is a brief overview of some of the different market risks related to our investment strategies. Different or new risks not addressed below can, and are likely to, arise in the future and, therefore, the following list is not intended to be exhaustive. While the following discusses risks as they relate to the Funds, co-investment vehicles will also be subject to some or all of the following risks, depending on the risks associated with the applicable transaction or investment strategy. To the extent certain co-investment vehicles pursue investments or strategies that are not pursued by the Funds, such co-investment vehicles will likely be subject to additional risks as described in their respective offering documents. Risks and potential conflicts of interest include, but are not limited to, the following:

Business Risk. The Funds' investment portfolios consist primarily of securities issued by privately and publicly held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

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

Concentration of Investments. The Funds will participate in a limited number of investments and intend to make the most of their investments in one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolios are expected to be highly concentrated, and the performance of a few holdings or of a particular industry has the potential to substantially affect its

aggregate return. The Funds focus on investments in the healthcare industry. Instability, fluctuation or an overall decline within the healthcare industry will likely not be balanced by investments in other industries not so affected. In the event that the healthcare industry as a whole declines, returns to limited partners would most likely decrease. In circumstances where EW intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing will not be completed, which has the potential to lead to increased risk as a result of a Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

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

Dynamic Investment Strategy. While EW generally intends to seek attractive returns for the Funds primarily through making growth equity investments as described herein, the Firm is permitted to pursue additional investment strategies and is permitted to modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. It is possible that EW will pursue investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience.

Growth Equity Transactions. The Funds' strategy includes targeting growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments have the potential to involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies have the potential to operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies often face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

General Risks of Investments in Healthcare Companies. While investments in healthcare companies offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total loss. Healthcare companies often face intense competition, including competition from companies with greater financial resources, more extensive research and development, sales and marketing, customer services and support and other capabilities and a larger number of qualified managerial and technical personnel. Companies in which a Fund invests can, in some cases, deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. A Fund's portfolio companies have the potential to operate at a loss or with substantial variations in operating results from period

to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources.

Healthcare Reform. Healthcare reform continues to be a significant factor in the profitability of companies in which the Funds invest. The efforts to reform the healthcare delivery system in the United States and Europe has resulted in increased pressure on healthcare providers and other participants in the healthcare industry to reduce costs. These competitive forces place constraints on the levels of overall pricing, and thus would be expected to have a material adverse effect on profit margins for the companies in which the Funds invest.

Healthcare Regulation and Reimbursement. Various segments of the healthcare industry are (or have the possibility to become) (i) highly regulated at both the federal and state levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While the Funds intend to make investments in companies that comply with relevant laws and regulations, certain aspects of their operations are not subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements or reimbursement programs, is likely to have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests. Legislative changes, including but not limited to the passage of the U.S. Patient Protection and Affordable Care Act, have had, and will likely continue to have, a significant impact on the healthcare industry. In addition, various legislative proposals related to the healthcare industry are introduced from time to time at the U.S. federal and state level, and any such proposals, if adopted, are likely to have a significant impact on the healthcare industry and/or on companies in which a Fund invests.

Healthcare Research and Innovation. The healthcare industry spends heavily on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) often make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on the companies in which the Funds invests.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments will often be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment can be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there will likely be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner or its affiliate) has the potential to

exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded commitments.

Leveraged Investments. A Fund will, on occasion, make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets are frequently impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, especially in light of the uncertainty in connection with the ongoing COVID-19 pandemic. As a result, at times it will be difficult to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) can restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and has the potential to impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a portfolio's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. In the event a portfolio company cannot generate adequate cash flow to meet its debt service, a Fund has the potential to suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund will likely not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency.

It is also possible that a Fund will borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund also will result in interest expense and other costs to the Fund that would not be covered by distributions made to the Fund or appreciation of its investments. A Fund has the potential to incur leverage on a joint and several basis with one or more other investment Funds and entities managed by EW or any of its affiliates and could possibly have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts have the potential to be secured by capital commitments made by a Fund's limited partners and such limited partners' contributions would likely be required to be made directly to the lenders instead of the Fund.

Use of Credit Facility. The Funds are permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate commitments available to be called. A Fund's use of such facilities will be determined by EW, and the performance of the Fund will most likely be impacted by how EW causes the Fund to utilize such facilities. Although, the use of such a facility has the potential to increase a Fund's ability to swiftly invest capital, it also will cause the Fund to incur interest expense. Conflicts of interest have the potential to arise in that the use of such facilities would likely delay the need for limited partners to make certain contributions to the Fund, which would likely enhance the Fund's performance figures and thereby benefit EW and its affiliates.

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

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. Certain investments can, in some cases, be distributed in kind to the limited partners, thus making it difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such limited partners. After a distribution of securities is made to the limited partners, many limited partners could decide to liquidate such securities within a short period of time, which would possibly have an adverse impact on the price of such securities. It is possible that the price at which such securities would be sold by such limited partners will be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of Carried Interest available to the relevant General Partner with respect to such investment.

Reliance on the General Partners and Portfolio Company Management. Control over the operation of the Funds is vested with the relevant Fund General Partner, and a Fund's future profitability depends largely upon the business and investment acumen of the principals. Further, the composition of the professionals making up particular investment teams can change over time, and there can be no guarantee that the professionals included in such teams and who have contributed to the past performance of any prior EW Funds will continue to be members of the particular team or serve in the same or similar roles thereon (and in some cases, are no longer with EW, or will leave such team or EW during the life of the Fund). The loss or reduction of service of one or more of the principals has the potential to have an adverse effect on the Funds' ability to realize their investment objectives. In addition, the principals currently, and expect to in the future, manage other Funds and need to devote substantial amounts of their time to the investment activities of such other Funds, which at times will pose conflicts of interest in the allocation of the time of the principals. Limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of EW. In addition, certain changes in EW would potentially have an adverse effect on the Funds or one or more portfolio companies, including potential acceleration of debt facilities.

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

Projections. The Funds use financial projections to help analyze a potential investment or future capital raises, financing for portfolio companies or other transactions. Projected operating results of a company in which a Fund invests normally are based primarily on financial projections prepared by such company's management, with adjustments to such projections made by EW in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the portfolio company and third parties and assumptions made at the time the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results can sometimes be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Tax Liability Considerations. The Funds are expected to take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by a taxing authority, it is possible that a limited partner would be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority's review of a Fund has the possibility to result in a review of the returns of some or all of the limited partners, which examination will potentially result in adjustments to the tax consequences initially reported by a Fund and affect items not related to a limited partner's investment in a Fund. If such adjustments result in an increase in tax liability for any year, a Fund or one or more of the limited partners would be liable for interest and penalties with respect to the amount due. The legal and accounting costs incurred in connection with any taxing authority's review of a Fund's tax returns will be borne by the relevant Fund. The cost of any review of a limited partner's tax return will be borne solely by the limited partner. The taxation of Funds and limited partners is complex. Prospective limited partners are strongly urged to review the disclosure included in the relevant EW Fund Governing Documents and to consult their own tax advisers.

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

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

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

Use of Expert Networks and Data Analytics. In connection with the evaluation of potential investment opportunities, EW on occasion engages expert networks and/or make use of data analytics, including data provided by third-party vendors. EW seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented policies and procedures to mitigate the risk that the use of expert networks or data analytics could result in the receipt of confidential information by investment professionals.

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

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

U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the limited partners with respect to a Fund's income and possible non-U.S. tax return filing requirements for a Fund and/or the limited partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies are typically not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Hedging Arrangements; Related Regulations. EW is permitted (but is not obligated) to endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund has the possibility to incur costs related to such hedging arrangements, which likely will be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements have the potential to result in losses greater than if hedging had not been used.

In certain cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts have the potential to expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements have the potential to create for EW and/or any of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. It is possible that losses would result to the extent that the CFTC or any other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances in which the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Significant Adverse Consequences for Default. The Governing Documents of each Fund provide for significant adverse consequences in the event a limited partner defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting limited partner has the potential to be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that can sometimes be paid over a period of up to ten years, without interest.

Transfer by General Partner. To the extent that EW, its limited partners, the principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side a Fund, a material

participation in or a portion of such investment can thereafter be transferred to others, subject to any express limitations thereon in the relevant Governing Documents.

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

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

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

Limitation of Recourse and Indemnification. The Governing Documents of each Fund limit the circumstances under which EW and its affiliates will be held liable to the Funds. As a result, limited partners would likely have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the relevant Governing Documents provide that a Fund will indemnify EW and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations would, most likely, materially impact the returns to limited partners.

Litigation. In the ordinary course of its business, a Fund has the potential to be subject to litigation from time to time. The outcome of such proceedings have the potential to materially adversely affect

the value of a Fund and would likely continue without resolution for long periods of time. Any litigation would likely consume substantial amounts of EW's and its employees' and principals' time and attention, and that time and the devotion of these resources to litigation would, at times, be disproportionate to the amounts at stake in the litigation.

Advisory Board. Each EW Fund's General Partner will appoint one or more limited partner representatives to serve on that Fund's advisory board, which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or can be requested in certain circumstances, including certain approvals or consents required by the Advisers Act. All limited partners are bound by the determinations of the relevant advisory board, regardless of whether a limited partner is directly represented by a member of such advisory board. The relevant Governing Documents of each Fund generally provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to such Fund or any other limited partner. In addition, representatives of an advisory board can sometimes have various business and other relationships with EW and its partners, employees and affiliates. These relationships have the potential to influence their decisions as members of an advisory board. To the extent that a limited partner is not directly represented by a member of the advisory board, such limited partner will have no influence over matters submitted to the advisory board for review or approval. On any issue involving actual conflicts of interest, EW will be guided by its good faith discretion.

In addition, members of one Fund's advisory board will potentially also be a member of another Fund's advisory board. In such instances, a conflict of interest exists because advisory boards are typically requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such advisory board members serve, and such members are unlikely to recuse themselves from any such vote.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence are likely to be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence has the possibility to lead to or extend a localized or global economic downturn. A climate of uncertainty would reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn would have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This would slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn has the potential to have an adverse effect upon a Fund's portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) can have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally can reduce the availability of attractive investment opportunities for the Funds and has the potential to affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) can also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates can adversely affect the value of investments in portfolio companies and the Funds' performance. Volatility and illiquidity in the financial sector can have an adverse effect on the ability of the Funds to sell and/or partially dispose of its portfolio company investments. Such adverse effects can include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that EW believes reflect the fair value of such investments. The impact of market and other economic events can also affect the Funds' ability to raise funding to support its investment objective.

Economic Disruptions Due to Public Health Emergencies. Pandemics and other widespread public health emergencies, such as, and including but not limited to the recent global spread of COVID-19 (the "coronavirus") have shown an ability to result in a broad-based economic decline and significant market volatility. In particular, the ongoing coronavirus outbreak has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. Pandemics represent economic threats that are subject to frequent and rapid change and therefore present material uncertainty and risk with respect to the Funds' performance and financial results. In an attempt to decrease the global impact of such pandemics, countries, states and municipalities have instituted quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Different countries, states and municipalities have instituted different levels of such security measures and have had varying levels of success in implementing such restrictions. This has resulted in sometimes stark geographic differences in economic activity as well as safety standards. Businesses have also implemented similar precautionary measures, notably including a significant shift to work-from-home and restrictions on business travel. The extent of the impact of any public health emergency on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its

disruption to important global, regional and local supply chains and economic markets, how quickly vaccines can be rolled out and whether such vaccines will provide lasting benefits or if it will require annual inoculations, and governmental, regulatory and private sector safety precautions, all of which are highly uncertain and cannot be predicted.

Aside from the broad effects on the economy, the coronavirus has had specific implications for the Firm's operations and activities of its personnel, including employees needing to work from home to more significant impacts such as illness, restrictions on non-essential travel, difficulty hosting fundraising meetings and absence from in-person board meetings. The Firm instituted procedures in the spring of 2020, as it deemed appropriate, to deal with operational impacts from the coronavirus. Many of these procedures mirrored procedures contained in the Firm's Business Continuity Plan for dealing with other significant business disruption events. As the length of the current coronavirus pandemic has been extended, the Firm has considered additional or modified safeguards to reflect the fact that employees have often been required to work from home for an extended period of time.

Additionally, although the Funds generally invest on a long-term basis in privately held companies that are less correlated to broader market forces, the impact of a global economic slowdown, including from a pandemic, has the potential to impact the Funds' performance and/or financial results by negatively effecting the Firm's ability to, among other things, source new investments, diligence such potential investments, exit current investments (or exit them at the valuations previously expected) or obtain financing. Depending on the specific industries in which the Funds' portfolio companies operate and where their supply and distribution chains are located, the coronavirus or other pandemics are likely to have an outsized impact on individual portfolio companies.

In addition to the potential impact on the Firm's operations and the overall profitability of a Fund, the Firm's portfolio companies have faced their own operational challenges in dealing with the current pandemic. These include, but are not limited to, the possibility of employees having to work remotely for extended periods of time or a disruption to such portfolio company's supply chain. The Firm expects, under certain circumstances, to assist portfolio companies with implementing procedures to mitigate the impact of the coronavirus; however, there can be no assurance that such measures will ultimately be effective or that even if effective, that such portfolio company will not sustain significant financial losses. Depending on the length and severity of the current pandemic, it is possible that Firm personnel will continue to spend a significant amount of time and attention addressing implications from the coronavirus, including minimizing the impact at the Firm, the Funds or a specific portfolio company.

Certain Consultants. As mentioned in Item 5 above, EW has retained, on behalf of the Funds and/or the portfolio companies, as applicable, operating partners, senior advisors and other consultants, some of whom are affiliates of or employees of the Firm and others of whom perform services for the Funds' portfolio companies. The operating partners and senior advisors are part of the Operations Group, also described in Item 5 above, and regularly provide services to, or in connection with, the Funds in relation to their activities, or to one or more portfolio companies in relation to the

identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies.

Although EW intends to retain Operations Group members with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors have the potential to result in limited or no cost savings from such retention. In addition, EW intends to retain only such Operations Group members which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or able to provide such services at lesser cost.

Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment Fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such Fund (and any other 80%-owned portfolio companies of such Fund) has the potential to be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Funds intend to manage their investments to minimize any such exposure, it is possible that a Fund will, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where a Fund would own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of a Fund) were deemed to be liable for such pension liabilities, it would likely have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of January 2019, which could change in the future as the case law and guidance develops.

Valuation of Assets. There is not expected to be an actively traded market for most of a Fund's investments. When estimating fair market value, EW will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing investments for which reliable market quotations are not available is based on inherent uncertainties and the resulting values can sometimes differ from values that would have been determined had an active market existed for such investments and also differ from the prices at which such investments ultimately would be sold. EW's discretion in respect of such valuations has the possibility to give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest and the calculation of the Management Fees.

In addition, the Firm regularly reports to Fund limited partners, prospective limited partners and the investor community more generally, metrics of each Fund's performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments. These reports are an indication of the overall health of a Fund and are important to the Firm's efforts to attract limited partners to the Firm and any current or future Fund.

An objective of EW's valuation methodologies and procedures is to eliminate any influence these incentives have on fair value determinations.

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

Cybersecurity Risks and Identity Theft. Cybersecurity incidents and cyber-attacks, both generally and within the financial services industry, have been occurring globally at a more frequent and secure level and will likely continue to increase in frequency in the future. The Funds, their portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These information and technology systems are subject to a number of different threats or risks that could adversely affect the Funds and their limited partners, despite the efforts of EW and its 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 Funds and its limited partners. For example, these systems are subject to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Third parties can also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information in order to gain access to EW's data or that of Fund limited partners.

Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company will potentially be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks will be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at a General

Partner, EW, its affiliates or one of their service providers holding financial or limited partner data, the General Partners, EW, their affiliates and/or the Funds will also be at risk of loss.

Although EW has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, EW, the Funds and/or a service provider thereof would have to make a significant investment to fix or replace system components. The successful penetration or circumvention of the security of these systems, or a failure of these service provider's systems and/or of disaster recovery plans for any reason could cause significant interruptions in EW's, the Funds' and/or a service provider's operations. This could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to limited partners (and the beneficial owners of limited partners) and proprietary and/or confidential information relating to portfolio companies, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system and costs associated with system repairs. Data taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the limited partners directly as well as affect the value of assets in which a Fund invests. Such a breach or failure would potentially harm EW's, the Funds' and/or a service provider's reputation, subject any such entity and their respective affiliates to legal claims, compliance costs and otherwise affect their business and financial performance. In addition, EW will potentially 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 limited partner reaction or litigation which costs, under certain circumstances, would be borne by a Fund.

Potential Conflicts of Interest

The material conflicts of interest that a Fund encounters include those discussed below and elsewhere in this Brochure. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise during a Fund's life. Limited partners should be aware that EW, its personnel and its affiliates will potentially in the future engage in further activities that can result in additional conflicts of interest not addressed below. There can be no assurance that EW will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. To the extent that EW identifies conflicts of interest in the future, the Firm intends to, but is under no obligation to, disclose these conflicts and their implications to limited partners through a variety of channels, including in subsequent Brochures or in other written or oral communications to the advisory boards or to limited partners.

Investment Allocation. Generally only one EW Fund is open to making new investments at a time. Until such time as EW is permitted under the relevant Fund Governing Documents to raise a successor investment fund, the principals generally will pursue substantially all appropriate investment

opportunities that meet the investment criteria of such Fund principally for the benefit of that Fund, subject to certain exceptions set forth in the relevant Governing Documents. However, the principals intend in the future to manage several other investment funds and investments similar to those in which the current Funds are investing and to direct certain relevant investment opportunities to those future investment funds and investments. It is possible that over time, certain investment opportunities suitable for one Fund will also be suitable for other investment funds sponsored by EW. In determining which investment Funds should participate in an investment opportunity, subject to the relevant Governing Documents, EW is subject to potential conflicts of interest among the limited partners in the Funds. To determine which Fund will participate in a relevant investment opportunity, EW generally assesses whether an investment opportunity is appropriate for each relevant Fund based on the terms of such Fund's limited partnership agreement, as well as factors including but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant Fund's limited partnership agreements, where applicable), strategy, capital structure, risk profile, time horizon, investment size, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. EW will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with its obligations and will take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which a Fund will invest exceeds an amount appropriate for such Fund, such excess will, on occasion, be offered to one or more potential co-investors.

EW's allocation of investment opportunities among the Funds will often not be proportional. Therefore, there is the potential that such allocations will be more advantageous to one Fund relative to other Funds. While EW will allocate investment opportunities in a way that it believes in good faith is fair and equitable, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which EW is subject did not exist.

Limited Partner Transfer of Interest. In certain cases, EW will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, EW will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund limited partners.

Allocation of Fees and Expenses. EW is faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. The Firm, in its sole discretion, will allocate fees and expenses in accordance with the relevant Governing Documents and in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant. The allocations of such expenses will not necessarily be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to

allocate pro rata based on number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size.

EW and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. To the extent a co-investment vehicle was contemplated but not formed and such co-investors were contractually committed to participate in such co-investment, such co-investors will bear broken deal expenses incurred in connection with such co-investment vehicle; to the extent there is no contractual commitment by co-investors, broken deal expenses will be borne by the relevant Fund. The Funds will typically bear a portion of any such fees, costs and expenses in proportion to the size of its actual or proposed investment, or in such other manner as EW considers, in good faith, to be fair and equitable.

There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision.

Some expenses are incurred on behalf of one Fund which have the potential to benefit other Funds. For example, information EW obtains in connection with a Fund’s research, due diligence and investment activities will be valuable to other Funds. Additionally, tools and resources developed at EW’s expense will be the intellectual property of EW and not the Fund.

Portfolio Company Board Service. The Funds intend to make significant growth equity investments in portfolio companies. As a result of these significant investments, EW typically has the right to appoint portfolio company board members (including current or former EW personnel, operating partners, senior advisors or other persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to EW in connection with services provided by EW to such portfolio company, and, except to the extent such amounts are subject to the relevant limited partnership agreement’s offset provision, are in addition to the Management Fee or Carried Interest. EW’s authority to appoint or influence the appointment of portfolio company board members who have the potential to be involved in approving compensation payable to EW subjects EW and any such portfolio company board appointees to potential conflicts of interest.

Reimbursement of Portfolio Company Expenses. A portfolio company typically will reimburse EW or service providers retained at EW’s discretion for expenses (including, without limitation, travel expenses)

incurred by EW or such service providers in connection with the performance of services for such portfolio company. This subjects EW to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the relevant Governing Documents and its internal reimbursement policies and practices, EW determines the amount of these reimbursements for such services in its own discretion.

Employee and Service Providers. It is possible that EW will, from time to time, employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds; conversely, it is possible that former personnel or executives of EW will serve in significant management roles at portfolio companies or service providers recommended by EW. Similarly, EW maintains relationships with financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with a limited partner) in, engage in transactions with and/or provide services (including services at reduced rates) to EW and/or the Funds. There is the potential for EW to have a conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to the Funds or a portfolio company owned by the Funds if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more of the EW Funds, will provide EW information about markets and industries in which EW operates (or is contemplating operations) or will provide other services that are beneficial to EW. It is also possible that EW will have a conflict of interest in making such recommendations in that the Firm has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds, even if the products or services recommended are not necessarily the best available to the portfolio companies held by the Funds.

Over the life of a Fund, EW generally expects to exercise its discretion to recommend to the Funds or to a portfolio company thereof that it contracts for services with various service providers, potentially including, among others: (i) EW (or an affiliate, which often includes other portfolio companies of the Funds) and at rates determined or substantively influenced by EW; (ii) an entity with which EW has a relationship or from which such person derives a financial or other benefit; or (iii) a limited partner or its affiliates. This subjects EW to potential conflicts of interest because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the Firm is likely to have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that EW, because of such incentive or for other reasons (including whether the use of such persons has the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to EW or the Funds), favors such retention or continuation even if a better price and/or quality of service provider can be obtained from another person. Whether or not EW has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or can provide such services at lesser cost.

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 limited partners). If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing generally 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, as they would be for any other borrowing by the Fund for any other purpose.

Although borrowings by a Fund have the potential to enhance overall returns that exceed the Fund's cost of capital, such borrowings increase the potential exposure of a Fund to a particular investment above the level the Fund would have typically made had an investment been limited to equity. Any such borrowings would further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of funds. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through the Fund facility, the Fund's limited partners generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. Calling a large amount of capital at once to repay the then-current amount outstanding under the credit facility could cause liquidity concerns for limited partners that would not arise had the Firm called smaller amounts of capital incrementally over time as needed. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. In addition, a Fund's use of borrowed funds has the potential to impact the calculation of net performance metrics (to the extent that they measure limited partner cash flows) and make net IRR calculations higher than they otherwise would be without fund-level borrowing (especially where financing remains outstanding for longer durations), as these calculations generally depend on the amount and timing of capital contributions which timing is shortened by virtue of the use of the line of credit either (i) by purchasing an investment prior to a capital call or (ii) by facilitating a distribution in advance of the settlement of a transaction or in advance of when funds would otherwise have been available. The Funds typically pay interest on amounts borrowed under the credit facility and also pay a fee on the undrawn portion of the credit facility. Funds customarily pay a one-time fee for establishing the credit facility as well as certain other one-time and recurring fees and expenses. 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 effectively reducing or eliminating the preferred return received by the limited partners and accelerating or increasing distributions of Carried Interest to the relevant General Partner. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner has the potential to receive disproportionate benefits from such borrowings.

Borrowing by a 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 can provide

that during the continuance of a default under such borrowing, the interests of the limited partners can be subordinated to such Fund-level borrowing, and the lenders have the ability to call capital directly from the limited partners. Moreover, tax-exempt limited partners should note that the use of borrowings by the Fund has the potential to cause the realization of UBTI.

Although EW generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances (i) a cross-guarantee would be more efficient and convenient for administrative purposes and/or (ii) lenders and other market parties negotiate for the right to face only select Fund entities, which would result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, EW intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or other similar reimbursement arrangement; provided, however, that the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Additionally, the Governing Documents of certain Funds permit each such Fund's General Partner, or its affiliates, to lend money to the applicable Fund. Such lending arrangements create conflicts of interest between the applicable General Partner or affiliate and the Fund acting as borrower.

Bridge Financing. On occasion, a Fund has drawn on its line of credit to bridge financing to a portfolio company. In such circumstances, the portfolio company is not a guarantor on the line of credit although it did receive the benefit of the loan. The lending Fund does not incur any expenses associated with use of the Fund's line of credit. Additionally, in the event EW or a General Partner to a Fund lends the Fund capital through a short-term loan facility to bridge an investment pending the receipt of capital contributions from the Fund limited partners, subject to such Fund's Governing Documents, the General Partner is authorized to charge (or decide not to charge) such Fund (including the Fund limited partners) interest costs incurred in connection with such loan for the time period between the receipt of capital from such loan to the date on which the loan is paid off by such Fund.

Intangible Benefits. EW and its employees receive certain intangible and/or other benefits 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 often result in "miles" or "points" or credit in loyalty/status programs to EW and/or its employees, and such rewards or amounts will exclusively benefit EW and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its limited partners, or the portfolio companies.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements. The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among EW, the limited partners, the Fund, the General Partner and other entities and individuals. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements'

drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While EW will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations EW adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their limited partners.

Conflicts Related to the Withholding of Certain Information. The Governing Documents of the Funds generally permit the applicable Fund's General Partner to withhold information from designated limited partners in such Fund under specified circumstances. For instance, information will at times be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The relevant General Partner may also from time to time elect to withhold certain information from 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.

Cross Fund Transactions. On occasion, EW effects a cross transaction between Funds. Such cross fund transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that (i) a Fund will not receive the best price possible or (ii) EW will have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees.

Item 9 – Disciplinary Information

There are no legal or disciplinary events with respect to us or our management that are material to a current or prospective limited partner's evaluation of us or the integrity of our management.

On occasion, in the ordinary course of its business, it is possible that EW, the Funds or the Funds' portfolio companies (or their respective directors and executive officers) are named as defendants in a legal action. Although there can be no assurance of the outcome of such legal actions, EW does not believe that any current legal proceedings or claims to which EW, the Funds or the Funds' portfolio companies (or their respective directors and executive officers) are a party, if any, would individually or in the aggregate materially affect a limited partner's or prospective limited partner's evaluation of the Firm or the integrity of the Firm's management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither we, nor our employees, have any relationships or arrangements with third parties that are material to our provision of advisory services to our Funds. We do, however, have and will continue to develop relationships with professionals who provide services we do not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage and other services. Some of these professionals provide services to the principals, the Funds or their portfolio companies.

Additionally, some of these professionals are limited partners in our Funds, either personally or through their company.

As mentioned above in Item 4, several affiliates of EW serve as General Partner and/or relying adviser to the Funds and are deemed to be registered with the SEC pursuant to EW's registration. These affiliated investment entities operate as a single advisory business together with EW and serve as the General Partner, relying adviser (described more fully below), affiliate or managing members of private investment funds and other pooled vehicles and share common owners, officers, partners, employees, consultants or persons occupying similar positions. These affiliated entities do not have employees of their own.

Essex Woodlands Health Ventures UK, Ltd. is the UK equivalent of a limited liability company that is wholly owned by EW and provides administrative and investment advisory services to EW in Europe as it relates to the Funds. Essex Woodlands Health Ventures UK, Ltd. is authorized and regulated by the UK Financial Services Authority. Essex Woodlands Health Ventures UK, Ltd. is not required to be registered under Advisers Act.

Essex Woodlands Services Co., Inc. is a relying adviser which acts as the investment adviser to the following EW Funds: EW Healthcare Partners L.P.; EW Healthcare Partners-A L.P.; EW Healthcare Partners Fund 2, L.P.; and EW Healthcare Partners Fund 2-A, L.P. More information regarding the relying adviser is available in EW's Form ADV Part 1, Schedule R.

From time to time, we receive training, information, promotional material, meals, gifts, entertainment or other perquisites from vendors and others with whom we do business or to whom we make referrals. At no time will we accept any benefits, gifts or other arrangements that are conditioned on directing individual Fund transactions to a specific investment, product or provider. Similarly, our employees and/or its affiliates have in the past, and expect to in the future, speak at or attend conferences and other industry events for potential limited partners interested in investing in private funds and other industry events that are sponsored by various investment bankers, broker-dealers, banks or others. Through such capital introduction and other events, prospective limited partners have the opportunity to meet with us. Neither we nor any Fund compensates the broker-dealers, investment bankers, banks or others for organizing such events or for investments ultimately made by prospective limited partners attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

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

Code of Ethics/Insider Trading

We have adopted a written Code of Ethics (the "Code") designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the "Rule").

This Rule requires us to adopt a Code that sets forth a standard of business conduct and compliance with federal securities laws by all of our supervised persons. Our Code contains policies and procedures designed to ensure that supervised persons conduct personal securities trading in such a manner as to avoid conflicts of interest or abuse of the supervised person's position of trust and responsibility. Our personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by a supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Fund. EW supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding such securities or communicating material nonpublic information about such securities to others.

Our Code requires, among other things, that supervised persons:

- Act with competence, dignity, integrity, and in an ethical manner, when dealing with limited partners, the public, prospects, third party service providers and fellow supervised persons;
- Place the interests of limited partners along with the Funds, and the interests of EW, above one's own personal interests;
- Adhere to the fundamental standard that supervised persons should not take inappropriate advantage of their position;
- To the extent practicable, report to the CCO, and disclose or otherwise mitigate, any conflicts of interest that are material to limited partners and the Funds;
- Conduct personal securities transactions in a manner consistent with the Code;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions and engaging in other professional activities; and
- Abide by the requirements contained in the Advisers Act, and rules thereunder, as well as other applicable provisions of the federal securities laws.

Our Code requires supervised persons to:

- Pre-clear personal securities transactions;
- Report personal securities transactions on at least a quarterly basis;
- Provide us with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such supervised persons have a direct or indirect beneficial interest; and
- Certify their compliance with the Code (both initially upon commencement of employment and annually thereafter).

Supervised persons who violate the Code will be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of which they become aware. A copy of our Code will

be provided to any current or prospective limited partner upon request by contacting us at (281) 364-1555.

For certain legacy Funds, EW's supervised persons are permitted to trade in their personal accounts the same securities and other investment instruments traded and held in such Fund accounts provided that such trading is (i) limited to a certain dollar threshold, (ii) is in adherence with other legal and/or Firm-specific requirements and (iii) as long as the supervised persons do not improperly use confidential or proprietary information (*e.g.*, knowledge of Fund holdings and transactions, material nonpublic information inadvertently received by EW or its supervised persons, etc.) when making their personal trading decisions. Transactions by supervised persons in such securities could theoretically occur at or about the same time as transactions by EW or the Funds, but such supervised person transactions are subject to compliance reporting and monitoring requirements designed to detect and prevent potential conflicts of interest and other potential compliance-related concerns. In addition, it is possible that supervised persons will be permitted to buy securities in transactions offered to but rejected by the Funds.

Allowing supervised persons to trade in the same securities as the Funds presents various potential conflicts of interest. For example, supervised persons could theoretically attempt to time their personal transactions to benefit from any potential impact Fund transactions might have on the price of a security or otherwise attempt to obtain a more favorable purchase, sale, short or cover price than the Funds obtain. In addition, supervised persons and the Funds could potentially take opposing positions (*i.e.*, a supervised person account takes a long position when a Fund takes a short position, or vice versa) and thus the supervised person could potentially experience a conflict between acting in his/her own best interest versus the Fund's best interest. Finally, supervised persons could devote excessive time/use limited resources towards managing their personal trading accounts and thus neglect the Funds. As mentioned above, the CCO or his designee monitors supervised person transactions relative to Fund transactions to detect and prevent improper personal securities transactions and potential conflicts of interest.

Participation or Interest in Client Transactions

Many employees of EW have a material investment in our Funds and/or co-investment vehicles through the General Partner and/or as Fund limited partners. As mentioned in Item 5 above, EW generally reduces all or a portion of the Management Fee and Carried Interest related to investments held by such persons. We do not believe this arrangement presents any material conflicts of interest since our interests and our employees' interests are aligned with the interests of limited partners in such Funds.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account knowingly buys from or sells a security to any advisory client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). Cross trades between Funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners or controlling persons) own, in the aggregate, 25% or more of either Fund. In the

context of EW's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future fund or EW or a Fund General Partner purchasing the interest of an existing limited partner. Agency cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as a broker) between two or more different Funds or accounts that are managed by that same adviser or an affiliate. Agency cross transactions can also arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting an agency cross transaction under Section 206(3). In the context of EW's business, an agency cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another.

In the event we were to recommend a principal transaction or agency cross transaction, it would only be after: (i) we have determined the transaction to be in the best interest of both participating Funds; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory board or limited partners, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) we ensure that best execution is achieved for the transaction.

In 2020, we sold interests in our EW Fund VII complex to a newly established fund and offered limited partners the right to sell their fund interest or roll their interest into the newly created fund. We determined the transaction was in the best interest of all participating funds; the transaction was permitted by the Governing Documents; we made proper disclosure to the relevant advisory boards; obtained consent for the transaction; and ensured that best execution was achieved for the transaction.

Conflicts of Interest

If any matter arises that EW determines in its good faith constitutes an actual conflict of interest, EW will take such actions as it deems necessary or appropriate, and as permitted by any applicable Fund's Governing Documents, to address the conflict.

Item 12 – Brokerage Practices

We focus on making investments, through the Funds, in both private and public securities. To the extent a Fund acquires private securities, we do not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the Fund. Whether for private or public securities transactions, we seek to achieve best execution and in doing so attempt to select broker-dealers or investment bankers based upon our analysis of such intermediary's ability to provide best execution for the applicable Funds. We are authorized to determine:

- Which securities or other investment instruments to buy or sell;

- The total amount of securities or other investment instruments to buy or sell;
- The executing broker or dealer for any transaction; and
- The commission rates or commission equivalents charged for transactions.

Although best execution is typically referred to in the context of public securities, EW's obligation to seek best execution extends to the implementation of private investments, including the acquisition and disposition of portfolio companies. EW attempts to ensure that the Funds pay no more than the perceived fair value for portfolio companies or other investments as well as reasonable fees for services consumed to complete the transactions. From time to time, the Funds may receive distributions of such private company securities. In some cases, securities of such private companies may ultimately be registered for sale to the public. As mentioned above, EW has discretion to sell on behalf of the Funds any private company or public company securities held by the Funds.

More specifically, in making decisions regarding the allocation of brokerage transactions for the Funds and determining best execution, we consider a variety of factors in addition to cost including, but not limited to, the following:

- EW's prior experience with the broker-dealer or investment banker;
- The broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry;
- The broker-dealer or investment banker's responsiveness to the Firm;
- The broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature;
- The type and size of the transaction involved;
- The value of any research services provided; and
- The reasonableness of any applicable fees or costs to complete the transaction.

As referenced above, certain transactions may involve specialized services on the part of a broker-dealer, which have the possibility to justify higher commissions (or other equivalent costs) than would be the case for more routine services. We generally seek competitive commission rates (or other equivalent costs), but we will not necessarily pay the lowest commission (or other equivalent costs).

While we reserve the right to consider the factors described above, provided that we have a reasonable belief that we will achieve best execution, in practice we typically use the execution services of the broker-dealer that currently custodies the public securities held by the Funds when a decision has been made by the Investment Committee to sell such securities.

We do not participate in any formal soft dollar arrangements with broker-dealers or other counterparties whereby a portion of the commissions charged are designated as soft dollar "credits" that can be used by EW to acquire products and services. However, we do receive permitted Section 28(e) research from broker-dealers or other counterparties. To the best of our knowledge, these services are generally made available to all institutional investors doing comparable business with such

broker-dealers or other counterparties. Research services furnished typically include written information and analyses concerning specific securities; companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; and discussions with research personnel. The research includes primarily proprietary research, but could also include research created or developed by a third party. Research services received from broker-dealers or other counterparties supplement our own research efforts. The Funds benefit from the research products or services because EW does not have to produce or pay for the research. The research benefits are generally used to service all of the Funds and are not necessarily used to benefit the Funds in proportion to the amount of business conducted with the broker-dealers or other counterparties that provide the research.

It is possible that EW has an incentive to select a broker-dealer or other counterparty based on EW's interest in receiving the research or other products or services, rather than on the Funds' interest in receiving the most favorable execution on investment transactions. However, it should be noted that EW does not believe that the Funds incur transactions fees or costs (including any applicable commissions or markups or markdowns) higher than those charged by other broker-dealers or counterparties in return for research benefits.

As a general practice, we typically do not aggregate the purchase or sale of securities for multiple Funds except in the case of parallel Funds, in which case such aggregation and allocation is made pro rata.

Investment staff and the CCO review transaction details to monitor EW's efforts to achieve best execution and to detect and prevent potential compliance concerns.

Item 13 – Review of Accounts

Investments held by the Funds are closely reviewed on an ongoing basis by our investment team. The investment team meets regularly to discuss the Funds' portfolios, investment ideas, economic developments, current events and other issues related to current portfolio holdings and potential investment opportunities. All Fund investment decisions, as well as decisions regarding dispositions, are reviewed and approved by our Investment Committee. EW holds board seats for the majority of the investments it makes. Moreover, partners of EW monitor portfolio company performance through regular management meetings, as well as detailed reviews of specific portfolio companies that occur as needed.

We provide each limited partner with written reports on the affairs of the Funds. The reports include (i) quarterly unaudited financial statements delivered within 45 days after the end of each of the first three (3) fiscal quarters of each fiscal year; (ii) audited financial statements delivered within 90 days after the end of the fiscal year and prepared by independent certified public accountants in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB") and such accounting firm must be registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB"),

(iii) within 90 days after the end of the fiscal year, valuations of the relevant Fund(s) investments as of the end of the prior fiscal year and (iv) within 120 days after the end of each fiscal year, annual tax information necessary for the completion of the limited partner's Schedule K-1 for such fiscal year. All reports are sent to limited partners in writing either electronically through EW's limited partner portal, or via hard copy, as per each limited partner's stated preference. Investors in co-investment vehicles receive different reports, as agreed upon with investors in each co-investment vehicle on a case-by-case basis. EW also has contact with limited partners (quarterly calls, personal visits, telephone, email) throughout the year as conditions warrant.

In the course of conducting due diligence or otherwise, prospective limited partners periodically request information pertaining to EW's investments. EW responds to these requests, and in answering these requests provides information that is not generally made available to other limited partners who have not requested such information. Additionally, as it pertains to existing limited partners, upon request, certain limited partners can receive additional information and reporting that other limited partners do not receive. The fact that EW provides such information upon request to one or more limited partners does not obligate EW to affirmatively provide such information to all limited partners. As a result, certain limited partners will have more information about a Fund than other limited partners, and EW has no duty to, and does not intend to, ensure all limited partners seek, obtain or possess the same information regarding a Fund and its investments and/or portfolio companies.

Item 14 – Client Referrals and Other Compensation

As mentioned in Item 5 above, EW, a General Partner or their employees receive transaction fees or other remuneration (including any options, warrants or other equity securities) from the portfolio companies held by the Funds. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that EW believes will ultimately enhance the value of the companies and benefit the Funds and their limited partners.

These types of fee arrangements present potential conflicts of interest and provide EW with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, the allocable portion of such benefits received by EW or its employees in connection with services rendered to portfolio companies or transactions of the Funds are offset in part or in whole against Management Fees payable by the Funds, to the extent described above in Item 5 and as detailed in each Fund's Governing Documents. For the avoidance of doubt, however, as discussed in Item 5, fees and compensation received by members of the Operations Group are not subject to such Management Fee offsets.

EW typically engages the services of a registered broker-dealer to serve as placement agent for Fund units when raising a new Fund. Placement agent fees are payable by the Funds and any such fees paid offset the Management Fee on a dollar-for-dollar basis, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund.

Item 15 – Custody

The Advisers Act Rule 206(4)-2 (the “Custody Rule”) requires that pooled investment vehicles which we advise either undergo an annual audit pursuant to generally accepted accounting principles (“GAAP”) by a PCAOB registered and inspected independent public accountant or be subject to a surprise custody examination by a PCAOB-registered independent public accountant. Even though all assets of the Funds are held in custody by qualified custodians who are unaffiliated broker-dealers or banks (other than certain privately offered securities to the extent permitted under the Advisers Act), we are considered to have custody over the Funds’ assets because of our affiliation with each Fund’s General Partner and our ability to deduct fees from Fund accounts. To comply with the Custody Rule and to provide meaningful protection to limited partners, each Fund is subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the PCAOB. The audited financial statements are prepared in accordance with GAAP, and are distributed to the Funds and each limited partner in a Fund within 120 days of such Fund’s fiscal year end (or as may be earlier required) in accordance with the Custody Rule. In addition, upon the final liquidation of a Fund, EW will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying limited partners promptly upon completion of the audit. Limited partners in the Funds should carefully review such financial statements.

EW does not accept physical custody of any Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly sent or wired into the relevant Fund’s qualified custodial account. EW receives monthly statements from each our qualified custodians on behalf of the Funds. For more information about our qualified custodians, please see our Form ADV Part 1, Schedule D, 7.B.(1).

Item 16 – Investment Discretion

The Governing Documents of each Fund provide that we or an affiliate, as the ultimate General Partner of such Fund, have exclusive and complete authority and discretion in managing the business and affairs of such Fund, subject only to specific and express limitations provided therein. Investment advice is provided directly to the Funds, subject to the discretion and control of the relevant General Partner, and not to limited partners in the Funds individually. To become a limited partner in a Fund, a prospective limited partner must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement) with such Fund. Such documents generally contain a power of attorney that grants us or the applicable Fund’s General Partner certain powers related to the orderly administration of the affairs of the Funds. Thus, without obtaining specific consent from a Fund or its limited partners for each transaction, we have discretionary authority to transact in securities for the Funds.

The terms upon which we serve as an investment manager of a Fund are established at the time each Fund is established and are generally set out in the Governing Documents entered into by EW with respect to the relevant Fund. A limited partner may seek to impose limitations on EW’s authority

through a side letter agreement and the Firm can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon EW's investment authority with respect to a limited partner's investment must be presented to us in writing and agreed to by EW and such limited partner. Other limited partners meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights regarding such side letter agreements.

Item 17 – Voting Client Securities

By virtue of the applicable Fund's Governing Documents, EW has the authority to vote client proxy statements on behalf of its Funds. The majority of "proxies" received by EW are written shareholder consents or similar instruments for private companies owned by the Funds. As such, EW has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. Our proxy policy seeks to ensure that we vote proxies in the best interest of the Funds, including where there are material conflicts of interest in voting proxies. We are responsible for identifying the proxies upon which to vote, voting the proxies in the overall best interests of the applicable Funds and their limited partners (as described below), and submitting the proxies promptly and properly.

In determining the overall interests of the Funds and their limited partners, consideration will be given to both short-term and long-term implications of the proposal to be voted on when considering the optimal vote. In voting proxies, we will seek to avoid material conflicts of interest between our interests, on the one hand, and the interests of the Funds and their limited partners, on the other. We generally believe our interests are aligned with those of the limited partners through our principals' beneficial ownership interests in the Funds. We are not required to seek limited partner approval or direction when voting proxies. If we detect a material conflict of interest in connection with a proxy solicitation, our Investment Committee will consider the vote under consideration, discuss the perceived conflict of interest and decide on how to vote the proxy. We will record the decision and then vote the proxy accordingly. It should be noted that limited partners cannot direct EW's vote in a particular solicitation.

In some instances, Firm principals and affiliated or unaffiliated third parties appointed by EW sit on the boards of portfolio companies to which EW provides certain services and, as such, exercise authority with respect to various issues faced by the portfolio companies. EW does not consider service on portfolio company boards by EW personnel or third parties appointed by EW or EW's receipt of nominal board fees to create a material conflict of interest in voting proxies with respect to such companies.

Upon request, we will provide limited partners in any of the Funds with information about how the proxies relevant to such Fund and limited partners were voted. Our complete proxy voting policy and procedures are available to limited partners upon request by contacting us at (281) 364-1555.

Item 18 – Financial Information

EW does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance; has no financial condition reasonably likely to impair its ability to meet contractual commitments to the Funds or their underlying limited partners; and has not been the subject of a bankruptcy proceeding.