

Item 1 – Cover Page

Part 2A of Form ADV: Firm Brochure

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Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Riata Capital Group, LLC (“RCG”). If you have any questions about the contents of this Brochure, please contact us at (214) 740-3600 or rtaylor@riatacapital.com. 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.

RCG is an investment adviser that registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration of an investment adviser does not imply any level of skill or training.

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

Item 2 - Material Changes

This Brochure updates RCG's previous Brochure Dated March 31, 2021, as follows:

1. Item 5 – included information pertaining to Monitoring Fees and Onboarding Fees.

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. The information set forth herein is qualified in its entirety by reference to applicable offering and governing documents. In the event of a conflict between the information set forth in this Brochure and the information in the applicable governing and/or offering documents, the governing and/or offering documents shall control.

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Item 4 - Advisory Business

Riata Capital Group, LLC (the “Adviser” or “RCG”), a Delaware limited partnership formed in 2014 is a SEC registered adviser with its headquarters in Dallas, Texas. The Adviser is led and managed by Jeff S. Fronterhouse and F. Barron Fletcher III, (the “Managing Partners” or “Principals”).

The Adviser is a private equity firm that invests in established, high growth middle market companies with a focus on the Business Solutions, Consumer and Healthcare Services sectors. The Adviser provides investment advisory, management and other services on a discretionary basis to private investment funds (each a “Fund”, “Client”, or “Partnership,” and collectively, the “Funds”, “Clients”, or “Partnerships”), for sophisticated, qualified investors (“Investors” or “Limited Partners”).

The general partner or equivalent of each Fund is, or will be, an affiliate of the Adviser (each a “General Partner”). Each General Partner is, or will be, subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to the Adviser’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Adviser. The governing documents of each Client may also provide for the establishment of other alternative investment vehicles in certain circumstances. Investors may participate in such vehicles for the purposes of certain investments, and if formed, such vehicles would also become Clients of the Adviser. In this Brochure, because it is uncertain whether such additional alternative investment vehicles will be classified as Clients of the Adviser, when we refer to a Fund or Client, we are also referring to such additional alternative investment vehicles, if any.

The Funds are structured as private equity funds that invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” The Adviser’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing, and monitoring investments and achieving dispositions for such investments. The Adviser targets high-potential businesses with strong fundamentals and alternative business models and seeks to invest only behind proven operating partners with strong track records. The Managing Partners or other affiliated personnel of the Adviser or its affiliates intend to serve on such certain portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

The Adviser’s advisory services to the Funds are detailed in the applicable investment memoranda, private placement memoranda or other offering documents, investment management agreements, limited partnership or other operating agreements (each, a “Partnership Agreement”), subscription agreements or similar governing documents, and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” While it is anticipated that each of its Clients will follow the strategy described above, the Adviser may tailor the specific advisory services with respect to each Client to the individual investment strategy of that Client. In addition, the governing documents of Clients may, in certain limited circumstances, impose restrictions on investing in certain securities or types of securities, for example in connection with regulatory or compliance reasons.

Investors in certain Funds can choose to opt out of investment opportunities, while Investors in other Funds must participate in the overall investment program for the applicable Fund. However, Investors that must participate in such investment program may be excused from a particular investment due to legal, regulatory, or other agreed-upon circumstances pursuant to the relevant governing documents. Certain Funds and General Partners have, and may in the future, entered into side letters

or other similar agreements (“Side Letters”) with certain Investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant governing documents with respect to such Investors.

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

As of December 31, 2020, the Adviser manages approximately \$366,935,000 in regulatory assets under management on a discretionary basis through the Funds.

Item 5 - Fees and Compensation

In general, the Adviser receives a management fee from certain of the Funds that it manages as compensation for the investment advisory services rendered to the applicable Fund. The Adviser also typically receives performance-based compensation or carried interest pursuant to the applicable governing documents for such Fund.

The Adviser or its affiliates expect to receive Supplemental Fees as well as On-Boarding Fees and Monitoring Fees (each as defined below) in connection with management and other services performed for portfolio companies of the Funds it manages pursuant to agreements with the applicable portfolio companies. Investors in a Fund also bear certain expenses, as set forth in the governing documents of such Fund.

The precise amount, the manner of calculation and the manner and timing of payment of any such management fee, commitment fees, or other fees related to each such Fund are established by the Adviser, as modified by negotiations with Investors in the applicable Fund and negotiations with the applicable portfolio companies. Management fees, as well as offsets (if any) attributable to such other fees, are set forth in such Fund’s governing documents provided to each Investor prior to investment in such Fund. The structure of the management fee and carried interest which the Adviser currently employs and which the Adviser expects to employ with respect to future Funds going forward is summarized below.

Management Fees

Certain Funds will pay the applicable General Partner a management fee (the "Management Fee") equal to a fixed percentage of the applicable Fund's invested capital or committed capital, as specified in the Fund's governing documents. Invested capital is generally determined on a quarterly basis and generally represents each Limited Partner's aggregate capital contributions for Fund investments minus aggregate capital contributions allocable to realized portions of realized Fund investments. Committed capital represents a Limited Partner's capital commitment to a Fund. The Management Fee fixed percentage typically ranges from 0.8% to 2.0% of a Limited Partner's invested capital or committed capital, as applicable. Management Fees will generally be determined as of the end of the calendar month immediately preceding the respective period for which the Management Fees are being called. Management Fees based on invested capital accrue beginning when a Fund first uses capital contributions to make an investment and will be due quarterly in advance, with the first payment due and payable on the date such capital contributions are first used for investment. Investors participating in a closing after the initial investment of a Fund generally will bear the Management Fee from the date of the initial investment of such Fund. Management Fees based on committed capital typically accrue upon the initial closing of a Fund. Investors participating in a Fund closing after the initial closing generally will bear the Management Fee from the date of the initial Closing of such Fund. Payment of the Management Fee does not reduce a Limited Partner's remaining capital commitment to certain Funds. Notwithstanding the foregoing, the precise amount of, and the manner, calculation and timing of Management Fees for each Fund are established by the Adviser and are set forth in the Fund's governing documents.

The Management Fee applicable to some, but not all Funds are expected to be reduced by a specified percentage of a Fund's share of any directors' fees, financial consulting, transaction fees, breakup fees and other specified fees paid by portfolio companies to the General Partner, the Adviser or their affiliates, partners, members, officers or employees (such fees, "Supplemental Fees"). In addition, the Management Fee applicable to some, but not all Funds are, in certain instances, reduced by a specified percentage of Monitoring Fees and/or On-Boarding Fees (each as defined below). The amount and manner of a Management Fee reduction (if any) is set forth in the relevant governing documents of the applicable Fund. For the avoidance of doubt, any such offset credit will only be applied to the Management Fees if, and to the extent permitted in a Fund's governing documents. To the extent that such an offset credit would reduce the Management Fee for a given three-month period below zero, the credit generally will be carried forward for future application against payable Management Fees. To the extent any such excess remains unapplied upon a Fund's liquidation, each partner of such Fund generally will receive its share of such unapplied excess, unless such partner elects not to receive its share (*e.g.*, where an adverse tax consequence may result). To the extent that any other Fund or co-investor invests alongside the Fund in any portfolio company investment, any Management Fee reduction associated with Supplemental Fees, Monitoring Fees and/or On-Boarding Fees from the portfolio company will be allocated to the applicable Fund(s) on the basis set forth in the governing documents of the applicable Fund(s). As some Funds do not pay Management Fees, any such reduction will not benefit such Funds.

The Adviser, a General Partner or their affiliates receive, or expect to receive, compensation of the type referred to in the preceding paragraph, as set forth below with respect to On-Boarding Fees and Monitoring Fees and/or as is set forth below with respect to carried interest, from, or on behalf of or with respect to co-investors in an investment. The receipt of such compensation will not reduce any Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such compensation and not the portion of any compensation that relates to such co-investors which have the potential to be

significant. Similarly, in certain circumstances, the Adviser may negotiate with co-investors, operating partners or other parties the right to share a portion of such fees from a particular investment, and the above-described offset would be applied after excluding any amounts paid to such persons.

Certain governing documents may permit the Adviser to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the governing documents as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The Limited Partners of the Fund may be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the Adviser in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of Investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by the Adviser and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

Monitoring Fees and On-Boarding Fees

As noted above and below, in addition to Management Fees and carried interest, the Adviser and its affiliate receive a variety of other cash, equity and non-cash compensation related to the investment activities of a Fund, its portfolio companies and its prospective portfolio companies which include, but are not limited to, monitoring fees ("Monitoring Fees") and on-boarding fees ("On-Boarding Fees"). Monitoring Fees and On-Boarding Fees are typically received by the Adviser and its affiliates pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation, integration and other similar services provided by the Adviser or its affiliates to such portfolio companies. The amount and timing of the Monitoring Fees and On-Boarding Fees received by the Adviser or its affiliates are generally specified in the monitoring agreement or other agreement governing the applicable transaction.

Monitoring Fees and On-Boarding Fees are often substantial and are paid in cash. The payment of Monitoring Fees and On-Boarding Fees and reimbursements by portfolio companies and prospective portfolio companies will, in some, but not all, circumstances create a conflict of interest between the Adviser and its affiliates, and the Funds and their investors because the Funds and their investors generally do not have a direct interest in these fees and reimbursements and, with respect to certain Funds, the Adviser and its affiliates are entitled to retain all or a portion of any such Monitoring Fees or On-Boarding Fees and the investors in such Funds will not benefit as a result of any such fees. The Adviser determines the amount and timing of these Monitoring Fees and On-Boarding Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions. However, on a periodic basis the Adviser discloses to the investors the amounts of any Monitoring Fees and On-Boarding Fees attributable to a Fund in which such investor has invested in account statements or other similar periodic reports delivered to investors.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company and therefore the fees are not subject to a market check. A conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company by virtue of the Adviser acting on behalf of both parties.

Carried Interest

Subject to each Fund's governing documents, the Adviser and/or its affiliates will receive a carried interest with respect to certain Funds equal to a percentage (generally in the range of 10%-20%) of all realized profits. The carried interest distributed to the Adviser and/or its affiliates is dependent on the cumulative amount of proceeds distributed to a Limited Partner as a percentage of contributions made to the applicable Fund by such Limited Partner in respect of fund investments, or total contributions, and is generally subject to preferred return "Hurdles" typically in the range of 8%-17%, as more fully described in the applicable governing documents of each Fund. With respect to certain Funds, the carried interest allocation to the Adviser and/or its affiliates will remain provisional until final liquidation of the Fund as provided in the governing documents. It is expected that any future Funds will have a similar carried interest structure.

As noted above, certain General Partners will also receive a carried interest with respect to certain co-investors that are unaffiliated with the Adviser and that invest directly in investments in which certain Funds also invest. The carried interest distributed to the applicable General Partners are detailed in certain agreements between the applicable General Partners and the unaffiliated co-investors. Please see "Potential Conflicts of Interest" in Item 8 below for more information pertaining to conflicts related to non-advisory activities and co-investments offered to third parties.

Other Information

In certain circumstances, the Management Fees payable to the Adviser by individual Investors in a Fund may vary among such Investors (*e.g.*, based on size of commitment, aggregate commitments to a Fund, timing of admission or other strategic or relationship factors) and may be negotiable. Moreover, the Adviser is permitted to exempt certain "affiliated partner" Investors in a Fund from payment of all or a portion of Management Fees and/or carried interest, including the Adviser and any other person designated by the Adviser, such as "friends and family" and certain business associates of the Adviser or its personnel, or other Investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an Adviser professional (or an affiliated entity thereof) invests in a fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant governing documents, the Adviser has the right to permit Investors, affiliated with the Adviser or otherwise, to invest through vehicles that do not bear Management Fees, carried interest, or performance-based compensation. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying Investors and, in such cases, the Adviser is entitled to retain the portion of the applicable fees attributable to the capital commitments of such other Investors.

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

Principals or other current or former employees of the Adviser generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the Adviser or its affiliates. However, certain employees who provide operational services to portfolio companies may receive a salary and other

compensation from the applicable portfolio companies or from certain Funds with no offset to the Management Fee.

In addition to the Management Fee and carried interest allocable to the Adviser, the Funds will pay all other fees, costs, expenses, liabilities, and obligations relating to the Funds and their activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company) including, but not limited to, (i) all costs and expenses incurred in connection with the organization of a Fund and the offering of interests in a Fund, including legal and accounting fees, printing and production costs, travel and out-of-pocket expenses, but may exclude certain other organizational expenses agreed to in other related agreements, (ii) all out-of-pocket costs of the administration of a Fund, including accounting, audit, annual financial statement, federal income tax Form K-1s, tax return preparation, consulting and legal expenses, costs of holding any conferences or meetings of or with partners of a Fund, costs of liability insurance obtained on behalf of a Fund and/or the General Partner, costs associated with the maintenance of books and records of a Fund, and costs associated with the preparation and dispatch to the partners of checks, financial reports, notices and providing other information to existing and prospective Limited Partners, (iii) all expenses of a Fund incurred in connection with prospective and actual Fund portfolio company investments, (iv) all expenses incurred in connection with the registration, qualification or exemption of a Fund under any applicable laws, (v) all expenses incurred in connection with the preparation of alterations and amendments to the Partnership Agreement or other governing documents, (vi) subject to applicable provisions in the applicable Partnership Agreement, expenses incurred in connection with litigation involving a Fund (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith, (vii) subject to applicable provisions in the applicable Partnership Agreement, all expenses for indemnity or contribution payable by a Fund to any person or entity, whether payable under the Partnership Agreement or otherwise (including any insurance coverage therefore) and whether payable in connection with any litigation involving a Fund or otherwise, (viii) all expenses incurred in connection with administrative proceedings relating to the determination of Partnership items at the Partnership level undertaken by the tax matters partner, all expenses incurred by the tax matters partner, and any audit with respect to taxes; (ix) all expenses incurred in connection with the dissolution and liquidation of a Fund; (x) all expenses incurred on account of taxes, fees or other governmental charges of a Fund; (xi) all normal operating expenses that are not General Partner Expenses; (xii) all expenses incurred in connection with the acquisition, holding and disposition of investments, all third-party expenses in connection with transactions not consummated; and (xiii) all expenses incurred in connection with the determination of the appraised value as is set forth in the applicable Partnership Agreement.

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

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

As described above in Item 5 “Fees and Compensation,” the Adviser or its affiliates will receive a carried interest allocation on certain realized profits in a Fund. These payments are 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.

Additionally, to the extent that the Adviser’s personnel are assigned varying percentages of carried interest from a Fund, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

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

The Adviser seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and governing documents, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel.

Item 7 - Types of Clients

As described in Item 4 “Advisory Business,” the Adviser provides investment advisory services only to Funds, which are investment partnerships, or similar entities, which are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). The Investors participating in a Fund may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, Principals or other employees of the Adviser and its affiliates and members of their families, and Consultants or other service providers retained by the Adviser.

Each Fund will generally have a minimum investment amount as disclosed in the applicable Fund’s governing document for third-party Investors in a Fund, and Fund interests will be offered and sold solely to accredited investors or qualified knowledgeable personnel of the Adviser. Such minimum investment amounts may be waived by the Adviser.

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

Private equity investing involves the origination of a specific asset or pool of assets, and the subsequent underwriting, due diligence, negotiating and structuring of the investment to be held in a Client’s portfolio. A recommendation is then made to an investment committee to purchase the asset or pool of assets per the terms outlined. Post investment, direct investments are monitored on a timeline appropriate for the complexity, degree of control and liquidity of the asset.

The Adviser invests in established, middle market companies with a focus on the Business Services, Consumer, and Healthcare Services sectors. The Adviser targets high potential businesses

with strong fundamentals and alternative business models and seeks to invest behind proven operating partners with strong track records.

Investment Strategy

The Adviser uses a selective approach to invest in high potential businesses whose owners and management teams want an investment partner with the capital experience and record of successful collaboration to achieve their liquidity and value creation objectives. The Adviser seeks to invest in mature, market leading high growth market companies typically with approximately \$5-\$30 million of EBITDA at the time of investment. The Adviser will also seek to make control-oriented investments in small to medium-sized middle market companies with enterprise values ranging from \$50 million to \$300 million. The Adviser will seek to invest in buyouts, recapitalizations, non-core divisional buyouts, CEO led buy-and-builds, and growth capital investments. The Adviser targets various sized equity investments in each portfolio company in the Adviser's sectors of focus (as noted above), which are primarily located in North America.

The Principals believe the opportunity exists to acquire companies of this size at favorable valuations and to build these companies through its ownership period to make them attractive acquisition candidates for corporate buyers and larger private equity firms. Overall, transactions in this sector are less reliant on capital markets conditions to drive investment returns.

The Funds seek to take advantage of inefficiencies in the market to develop proprietary transactions, invest at disciplined valuations, and negotiate more buyer friendly structures. These inefficiencies include a highly fragmented deal intermediary network, regionally focused companies, and relationship-driven transaction opportunities with family-owned companies.

Risks Involved with an Investment in a Fund and Portfolio Investments

The purchase of a limited partnership interest in a Fund involves a number of significant risks and other important factors relating to investments in limited partnerships generally and relating to the structure and investment objectives of the Fund in particular. Prospective investors should carefully review the risks associated with investing in the Fund with their financial, tax and legal advisers.

Risk of Loss. There can be no assurances that a Fund will be able to achieve its investment objectives. Any given investment made by a Fund may prove to be worthless. Investors in a Fund should be prepared and able to absorb a loss of some or all of the capital invested in the Fund.

Lack of Operating History; Developing Investment Team. Certain Funds and General Partners are newly formed entities and have no operating history potential investors can rely on to evaluate the Fund's likely performance. Limited Partners must rely on the ability of the General Partner and the Adviser to identify, structure and implement investments consistent with the Fund's investment objectives and policies. The Partnership Agreements and offering documents include certain information regarding the backgrounds of the Adviser's team members, including information regarding activities of other firms and organizations with which they have been involved. Personnel of such firms and organizations who will not be associated with the Adviser or the General Partner made substantial contributions to the activities and performance of such other firms and organizations. There can be no assurance that future performance will be comparable to the performance of such other firms and organizations or that a Fund's targeted investment results will be achieved.

Reliance on Management of a Fund. Decisions with respect to the management of a Fund will be made by the General Partner with the advice of the Adviser, and Limited Partners have no right or power to take part in the management or control of a Fund. Accordingly, no prospective investor should purchase any interests in a Fund unless it is willing to entrust all aspects of management of the Partnership to the General Partner and the Adviser. Unless specified in a Side Letter or the governing documents, Limited Partners generally will not receive the detailed financial information issued by portfolio companies that is available to the General Partner and the Adviser, and therefore will not have all the information on which the General Partner and the Adviser rely when making decisions on behalf of a Fund. The success of a Fund will depend on the ability of the General Partner and the Adviser to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of investments of a Fund at a profit. These objectives may not be achieved. There can be no assurance that all of the professionals of the General Partner and the Adviser will continue to be associated with the General Partner and the Adviser throughout a Fund's term. The loss of the services of one or more members of the professional staff of the Adviser or the Managing Partners of the General Partner could have an adverse impact on a Fund's ability to realize its investment objective. The Adviser's Managing Partners will devote such time as is necessary to conduct the affairs of a Fund in an appropriate manner. However, certain Managing Partners are and other Managing Partners may be engaged in some activities unrelated to a Fund, including, without limitation, participating on boards of directors for companies that are not portfolio companies of a Fund, boards of non-profit or civic organizations or holding advisory positions with other investment firms or with companies that are not portfolio companies of a Fund. A Fund will have no interest in these other activities. The performance of a Fund could be adversely affected by the other professional commitments of the Adviser's Managing Partners. Additionally, the activities of a Fund may be restricted as a result of the Adviser's Managing Partners' individual activities, because the Adviser's Managing Partners' may from time to time acquire confidential or material non-public information by their involvement in these activities that they are legally prevented from using for the benefit of a Fund. For instance, due to such restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Reliance on Portfolio Company Management. Although the General Partner will monitor the performance of each portfolio investment, it will be the responsibility of each portfolio company's management team to operate the portfolio company's business on a day-to-day basis. The General Partner generally intends to invest in companies with strong management or recruit strong management to such companies, however, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in a manner that maximizes the value of the company's business and operations. A portfolio company may depend on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would significantly adversely affect the portfolio company's performance.

Insufficient Capital Subscriptions. The timing and amount of capital commitments required for an initial closing of a Fund will be determined by the General Partner in its sole discretion. There can be no assurance as to the amount of capital commitments that will be raised by a Fund. The investment activities of a Fund may be adversely affected if an unexpectedly low level of capital commitments to a Fund are raised. As a result, a Fund may participate in an even more limited number of investments than it would otherwise, and a Fund may be substantially adversely affected by the unfavorable performance of even a single investment.

Removal of the General Partner; Early Termination of the Fund. In the event that the Limited Partners remove a Fund's General Partner and a successor general partner is appointed in accordance with the terms of the Partnership Agreement, the Adviser will no longer be involved in the management

or control of the affected Fund. The decision to remove the General Partner requires the affirmative vote of a certain percentage of the Limited Partners, and may only be permitted following certain events, both in accordance with the Partnership Agreement. Investors may have conflicting interests in connection with any such vote, generally do not owe any duties, including fiduciary duties, to any other investor and, therefore, are free to vote (or abstain) at their discretion on any matter presented to them. Following the replacement of the General Partner, the successor general partner may not have the same economic incentives as the General Partner, and as a result, there can be no assurance regarding a Fund's ability thereafter to consummate investment opportunities and manage portfolio investments in a manner that is comparable to such activities prior to the replacement of the General Partner.

Highly Competitive Market for Investments. The business of identifying, structuring and completing transactions of the nature contemplated by a Fund is highly competitive and involves a high degree of uncertainty, especially with respect to timing. A Fund will be competing for investments with other private equity investment vehicles as well as strategic buyers and other institutional investors. The availability of attractive investment opportunities generally will be subject to market conditions as well as the prevailing regulatory and political climates. The size and number of private equity investment vehicles has grown dramatically, and it is likely that these trends will continue in the future. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than a Fund, the General Partner, the Adviser or their affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a Fund and adversely affecting the terms upon which investments can be made. There cannot be any assurance that a Fund will be able to locate suitable investment opportunities in the future, acquire them for an appropriate level of consideration, or fully invest its available committed capital. Likewise, there can be no assurance that a Fund will be able to realize upon the value of its investments or that it will be able to invest its committed capital. To the extent that a Fund encounters competition for investments, returns to Limited Partners may decrease, including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, a Fund may incur bid, due diligence, negotiating, consulting or other costs on investments that may not be successful. As a result, a Fund may not recover all of such costs, which would adversely affect returns. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by the General Partner and the Adviser will be dependent upon the ability of their respective members and agents to obtain relevant information from non-public sources, and the General Partner and the Adviser often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the General Partner's and Adviser's control.

Possible Lack of Diversification. A Fund may not be subject to any comprehensive diversification or asset allocation requirements and may not intend to have a diversified portfolio. While a Fund may have limitations on the percentage of capital it may invest in particular geographic regions or the amount of capital it may invest in a single portfolio company or group of affiliated portfolio companies, it may have no such limitations with respect to any particular type of security (other than publicly traded equity securities and Bridge Investments (as defined below)) or industry sector. Because a Fund has the ability to concentrate investments by investing a substantial portion of capital commitments in a single portfolio company, the overall adverse impact on a Fund of adverse movements in the value of the securities of a single issuer will be considerably greater than if a Fund were not permitted to concentrate their investments to such an extent. It is likely that the asset mix of a Fund will differ from that which would result if diversification were a Fund's primary investment focus. To the extent a Fund concentrates investments in a particular geographic region, security, investment sector or stage of

investment, investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, sector or stage of investment. In addition, a Fund will only participate in a limited number of investments and, as a result, the aggregate return of a Fund may be substantially adversely affected by the unfavorable performance of even a single investment. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies than anticipated and thus be less diversified. A Fund have no obligation to hold investments in order to reach or maintain its target size, and the disposition of investments may result in less diversification, and thus increased risk of loss, in the remaining pool of portfolio investments. In addition, a Fund will not be required to sell down interests in a portfolio company in which a Fund has made an outstanding bridge investment in order to comply with a Fund's concentration limit. As a result, the retention of such portfolio company receiving the bridge investment may result in a Fund having a less diversified portfolio than would otherwise be permitted, increasing the potential risk of loss to Limited Partners. As an example, a Fund expects to make a limited number of portfolio investments primarily within North America and primarily in the domestic middle market sector. As a result, a Fund's investment portfolio will be highly concentrated within relatively few investments, regions and industries, and the performance of a few holdings may substantially affect a Fund's aggregate return. Moreover, it cannot reasonably be expected that all of the Partnership's investments will perform well or even return capital. Where there is concentration among investments such that they are subject to similar risks, and one or more such risks negatively impact the group of investments, other investments will have to perform well in order for a Fund to achieve above-average returns. Concentration within a limited number of industries or geographies will typically involve risks greater than those of investment funds that invest across a broader range of industries or geographies.

Risk Relating to Due Diligence of and Conduct at Portfolio Companies. Before making investments in any particular company, a Fund will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. When conducting due diligence and making an assessment regarding a potential investment, a Fund will rely on the resources available to them, including information provided by the target of the investment and, in some circumstances, third-party investigations and/or consumer surveys. The due diligence investigation that a Fund carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. In addition, at times, a Fund's transaction opportunities will require rapid execution and investment analyses and decisions by the General Partner may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the General Partner at the time of making an investment decision may be limited, and the General Partner may not have access to detailed information regarding the investment. Therefore, no assurance can be given that the General Partner will have knowledge of all circumstances that may adversely affect an investment. Moreover, such an investigation will not necessarily result in the investment being successful. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to a Fund's reduced control of the functions that are outsourced. In addition, if a Fund is unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. There can be no assurance that a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during their efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by a Fund will be adequate. In the event of fraud or other misconduct or deceptive practices by any portfolio company, the management of such portfolio company, or any of their

affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. For example, the possibility of material misrepresentation or omission on the part of the portfolio company or the seller may adversely affect the value of a Fund's investment in such portfolio company. A Fund will rely upon the accuracy and completeness of representations made by portfolio companies and in certain instances their former owners in the due diligence process when they make their investments but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. In addition, conduct occurring at portfolio companies, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on a Fund.

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

Valuation of Investment. There is no actively traded market for the securities owned by the Funds. When estimating fair value of portfolio companies for which no public market valuations exist, in accordance with the applicable partnership agreement, the Adviser will apply a method based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Ensuring that portfolio investments are fairly valued is an important focus of the Adviser; however, the valuation of such investments will be difficult, may be based on imperfect information and is subject to inherent uncertainties. The resulting values may differ from values that would have been determined had a ready market existed for such investments, from values placed on such investments by other investors and from prices at which such investments may ultimately be sold. In addition, third-party pricing information may at times not be available regarding certain of a Fund's assets or, if available, may not be considered reliable. Valuations of a Fund's investments may impact the timing of distribution of carried interest, and therefore, the General Partner has incentives that may not align with a Fund or the Limited Partners.

Fund Leverage. A Fund may incur debt for any purpose that the General Partner considers appropriate, including without limitation borrowings to fund investments pending take-downs of capital and in connection with credit support. A Fund may enter into borrowing arrangements that require the parallel funds, feeder funds and any alternative investment vehicles comprising a Fund to be jointly and severally liable for the obligations, increasing the exposure of the Limited Partners of such parallel fund, feeder fund and any alternative investment vehicles to defaults by such other entities. A Fund may also guaranty the obligations of their portfolio companies. If a portfolio company defaults on its obligations, a Fund may be required to satisfy such obligations.

A Fund may, and intends to, fund investments in portfolio companies or pay Fund Expenses with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can

be, for example, the capital commitments of investors) prior to calling capital from the Partners. The interest expense and other costs of such borrowings will be Fund Expenses and, accordingly, will decrease net returns of a Fund. In light of the foregoing, there is an incentive to fund the acquisition and ongoing capital needs of portfolio companies and a Fund with the proceeds of such borrowings in lieu of drawing down capital commitments on a just-in-time basis, as the use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure Limited Partner cash flows) by making net internal rate of return calculations higher than they otherwise would be without Fund-level borrowing, and may accelerate or increase incentive distributions the General Partner receives. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings. Borrowing by a Fund, parallel funds, feeder funds and any alternative investment vehicles comprising a Fund will generally be secured by capital commitments made by the Limited Partners to each respective fund and/or by a Fund's assets. In the case of a borrowing secured by the Limited Partners' capital commitments, the documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the relevant lender or an agent thereof may call capital directly from the Limited Partners to the extent necessary to repay such borrowing, and all other amounts owing under the loan documentation, in full. In the case of a borrowing secured by a Fund's assets, the related documentation will likely provide that during the continuance of a default under such borrowing, the interests of the investors will be subordinated to the interests of the lenders with respect to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of leverage by a Fund may generate "unrelated business taxable income" as defined under Sections 512 and 514 of the Code ("UBTI") and should refer to the applicable discussion in the offering documents.

Leveraged Nature of Investments. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. A Fund's investments will from time to time involve significant leverage, including without limitation as a result of borrowing at one or more levels of the investment structure, as a result of which recessions, operating problems, and other general business and economic risks may have a pronounced effect on the profitability or survival of a Fund's portfolio companies. In using leverage, these portfolio companies may be subject to terms and conditions that include restrictive financial and operating covenants, which may impair their ability to finance or otherwise pursue their future operations or otherwise satisfy additional capital needs. Also, a company with substantial leverage may be at risk of increases in interest rates and therefore increases in interest expenses. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company. As a general matter, the presence of leverage can accelerate losses. A Fund's ability to achieve attractive rates of return on investments may depend on the ability of its portfolio company(s) to access sufficient sources of debt at attractive rates, including at the time of disposition. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. As noted above, use of leverage by a Fund (or any of its portfolio companies) may generate UBTI and tax-exempt investors should refer to the discussion in the applicable section in the offering documents.

Bridge Financings and Investments. From time to time, a Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within a Fund's control, such long-term securities may not be issued, and such bridge loan may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund. A Fund may make an investment on a bridge or temporary basis to facilitate consummation of any transaction (a "Bridge Investment"). To the extent a Bridge Investment is not

repaid or otherwise disposed of within the period specified in the applicable offering documents, the Bridge Investment may be treated as a permanent investment of a Fund from the date the loan was made. In the event of any such failure to dispose of a Bridge Investment, a Fund's exposure to such portfolio company may exceed the exposure the General Partner would otherwise deem appropriate for a Fund's portfolio construction or diversification. If a Bridge Investment is not repaid or otherwise disposed of within the applicable period and as a result, a Fund's interest in a portfolio company would exceed the investment limitations set forth in the applicable partnership agreement had the Bridge Investment been treated as a permanent investment on the date of the original investment, the General Partner of a Fund may not be deemed to have breached the investment limitations set forth in the partnership agreement and will not have any requirement to sell down a Fund's interest in such portfolio company. Furthermore, any proceeds or interest a Fund earns on a Bridge Investment may be reinvested. In addition, profits and losses incurred by a Fund on such Bridge Investments (so long as such Bridge Investment is not treated as a permanent investment, as above) will not be subject to a Fund's distribution schedule as set forth in the partnership agreements, and will be borne by the Limited Partners in direct proportion to their capital commitments in a Fund.

Reinvestment. Subject to the terms of the applicable partnership agreement, a Fund may be entitled to reinvest and/or distribute, and recall distributions received from its investment(s). This can result in a Fund making investments with an aggregate cost basis greater than the capital committed by the Partners and could result in losses on reinvested amounts in addition to capital commitments. To the extent such recalled or retained amounts are reinvested in investments, Limited Partners of the Fund will remain subject to investment and other risks associated with such investments as described in the applicable partnership agreement.

Long-Term Nature of Portfolio Investments. The Funds intend to construct portfolios of investments that the Adviser believes have the ability to appreciate and/or generate attractive cash flow over extended periods of time. The investments of the Funds are unlikely to provide current income, which is not an objective of the Funds. Certain of the Funds' investments may not be disposed of in an advantageous manner prior to the date that the applicable Fund will be dissolved, either by expiration of the Fund's term or otherwise. Therefore, it is expected that no significant liquidity from the disposition of the Funds' investments will occur for a significant period of time after initial closings.

Investments in Middle-Market Companies. A Fund will generally invest in middle-market companies. Such companies may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new revenue streams could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for specific revenue streams and may be adversely affected by purely local market conditions. To the extent there is any public market for the securities held by a Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Middle-market companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial stress. Such companies also may have shorter operating histories on which a Fund can judge future performance when making the decision to invest. Lastly, such companies may face intense competition from larger companies and could entail a greater risk to a Fund than investment in larger companies. There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments.

Investments in Smaller or Less Established Companies. The General Partner may invest a portion of a Fund's assets in the securities of smaller or less established companies. Investments in such smaller or less established companies may involve greater risks than generally are associated with investments in larger or more established companies. Such companies may be more vulnerable to general economic

trends and to specific changes in markets and technology. To the extent there is any public market for the securities held by a Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Smaller or less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance. Many such companies will operate with substantial variations in operating results from period to period. Many of these companies will need substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. The nature of such companies described herein may require the General Partner and the Adviser to allocate a disproportionate amount of time, effort and capital towards such companies that could otherwise be allocated to other portfolio companies. This allocation of resources may have an adverse effect on the performance of portfolio companies that did not receive the resources allocated to such less established companies with short operating histories.

Investments in Equity Securities. A Fund will seek to invest primarily in equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the portfolio company issuing such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. A Fund may experience a substantial or complete loss on individual equity securities.

Investments in Debt Securities. While a Fund will invest primarily in equity securities, they may invest in debt securities of existing or new portfolio companies or other issuers in instances where the General Partner believes it would be beneficial for a Fund to do so. Debt securities are subject to creditor risks, including the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws and so-called lender liability claims by the portfolio company issuing the obligations. Adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of a Fund’s investment in any such company. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that a Fund’s rate of return objectives will be realized. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of underlying assets selected as collateral may allow a Fund to withstand certain assumed deficiencies in payments occasioned by a portfolio company’s default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to a Fund in respect to its investment. Any subordinated investments of a Fund will be subordinated to the senior obligations of a portfolio company. In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments will be characterized by greater credit risks than those associated with the senior obligations of the same portfolio company. Adverse changes in the financial condition of a portfolio company or in general economic conditions (or both) may impair the ability of such portfolio company to make payments on the subordinated securities and result in defaults on and declines in the value of such securities more quickly than in the case of the senior obligations of such portfolio company.

No Market for Limited Partnership Interests; No General Right of Withdrawal. Limited Partner interests in a Partnership are not registered under the Securities Act and state securities laws, and therefore cannot be sold unless they are subsequently registered under the Securities Act, or the securities laws of any non-U.S. jurisdiction, and other applicable securities laws or an exemption from such registration is available. A Fund does not contemplate registering Limited Partner interests under the Securities Act or other applicable securities laws. There is no public market for the Limited Partner interests, and one is not expected to develop. Moreover, pursuant to the applicable partnership agreement, a Limited Partner interest is not generally transferable and voluntary withdrawal of a Limited Partner interest is not generally allowed. Accordingly, an investment in a Fund should be considered illiquid.

Mandatory Withdrawal. Where applicable, the General Partner has the authority to permit or require a Limited Partner to withdraw from a Fund if the General Partner determines that the continued participation in a Fund of such limited partner could materially adversely affect a Fund (for example, by causing a Fund to hold “plan assets” subject to ERISA or to be registered as an investment company under the Investment Company Act. A Limited Partner who is permitted or required to withdraw from a Fund may be subject to a delay in receiving the applicable withdrawal payment, which in some cases could be up to several years, including following the liquidation of investments in order to facilitate the withdrawal, or the liquidation of the entirety of a Fund. A reduction in capital commitments to a Fund could result in greater concentration in a fewer number of investments.

Recourse to the Fund’s Assets. A Fund’s assets, including any investments made by a Fund and any funds held by a Fund, are available to satisfy all liabilities and other obligations of a Fund, including indemnification obligations. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to a Fund’s assets generally and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability. Accordingly, investors could find their interests in a Fund’s assets adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excused or excluded by the General Partner.

Repayment of Certain Distributions. In the event that a Fund is otherwise unable to meet its obligations, the Limited Partners may be required to repay to a Fund or to pay to creditors of a Fund distributions previously received by them. In addition, Limited Partners may be required to pay to a Fund amounts that are required to be withheld or otherwise borne by a Fund for tax purposes and to indemnify a Fund, General Partner and other Partners for any taxes or other amounts owed by or otherwise allocable to such Limited Partner. Further, in connection with the disposition of an investment in a portfolio company, a Fund may be required to indemnify the purchasers of such investment if representations about the business and financial affairs of such portfolio company are inaccurate. While the General Partner will establish reserves as appropriate to provide for such contingent liabilities by holding back a portion of amounts otherwise distributable to Limited Partners, in the event that the amount of such contingent liabilities exceeds the reserves and other assets of a Fund, the Limited Partners may be required to repay to a Fund or to pay to creditors of a Fund distributions previously received by them. As such, Limited Partners may be unable to liquidate their entire investment in a Fund until such time as the General Partner has determined that the need for such reserves has ceased. For example, such reserve might be established if a Fund were subject to an audit by the IRS or involved in litigation. In addition, a partnership agreement may require Limited Partners, including former Limited Partners, to make repayments with respect to liabilities and obligations that a Fund incurred while they were Limited Partners of a Fund, including after the liquidation of a Fund.

Risk of Receiving Liquidating Distributions of Illiquid Securities. A Fund may make distributions in kind. In the event that the distributions are of property other than cash, the amount of any such distribution will be accounted for as provided in the applicable Partnership Agreements. Upon the liquidation of a Fund, securities or other assets of a Fund may be distributed that are not marketable or are otherwise illiquid where there is no readily available public market and with respect to which there are substantial transfer restrictions. The risk of loss and delay in liquidating securities or other assets distributed in kind will be borne by the Limited Partners in a Fund, with the result that such Limited Partners may receive less cash than was reflected in the fair value of such securities as determined by the General Partner pursuant to the Partnership Agreement, and the General Partner may receive more carried interest than it would have been entitled to had such securities been valued at the price at which they are ultimately disposed. In addition, when investments are distributed to Limited Partners in kind, such Limited Partners may become minority shareholders in the underlying portfolio companies and may be unable to protect their interests effectively. It may be difficult for Limited Partners to liquidate such securities received at an attractive price or within a desired time period, and significant administrative burden and cost may be involved, in any such liquidation. Limited Partners in receipt of such distributed securities will receive no guidance from a Fund or the General Partner with respect to the disposition of such securities, including the timing of such disposition.

Amendments to Partnership Agreement. A Partnership Agreement generally does not permit any amendment to be adopted without the consent of the General Partner, which the General Partner can grant or withhold in its sole discretion. Conversely, the General Partner may amend any provision of a Partnership Agreement to make administrative or clerical amendments without the consent of any Limited Partner, if the amendment does not have a material adverse effect on any Limited Partner. The determination as to whether an amendment has a material adverse effect on a Limited Partner may be subjective and the adverse effect may not be apparent at the time the amendment is adopted. The General Partner is not required to consider all the possible consequences of an amendment to any Limited Partner in light of its particular circumstances. An amendment nonetheless may be valid and enforceable against the Limited Partners in the absence of a showing of an actual adverse effect. In addition, with limited exceptions, the General Partner may also amend any provision of a Partnership Agreement with the approval of a certain percentage of Limited Partners, as set forth in the applicable Partnership Agreement, irrespective of whether such amendment has an adverse effect on a particular Limited Partner. Furthermore, with limited exceptions, passage of any votes requiring consent or action by a specified threshold of Limited Partners or by a specified threshold of Limited Partners and investors in the parallel funds, voting as a single class or group, generally will require the affirmative consent of the requisite percentage of Limited Partners or the requisite percentage of Limited Partners and investors in the parallel funds, voting as a single class or group, as the case may be. Limited Partners may have conflicting interests on matters presented to them for approval. Such conflicts may prevent a Partnership or parallel fund with proceeding with a transaction or the taking of other action if the requisite consent of the Limited Partners as a whole is not obtained.

Third-Party Litigation. A Fund's investment activities will subject them to the normal risks of becoming involved in litigation by third parties. These risks are elevated where a Fund exercises control or significant influence over an issuer's direction or becomes involved in official or unofficial creditor committees. The expense of defending against any claims by third parties and paying any amounts pursuant to settlements or judgments will generally be borne by a Fund.

Need for Follow-On Investments. Following its initial investment in a portfolio company, a Fund may determine to provide additional funds or otherwise increase its investment in such 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 can be no assurances that a Fund will make any

follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any determination by a Fund to not make a follow-on investment or their inability to make a follow-on investment may have a substantial negative effect on a portfolio company in need of such follow-on investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such determination or inability may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company to the extent that a third-party invests in such portfolio company.

Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies. It is expected that a Fund will often own a controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by a Fund, contractual arrangements between the portfolio company and a Fund, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to a Fund. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, pension and other fringe benefits, violations of government regulations (including securities laws) and other types of liability in which the limited liability generally characteristic of business operations may be ignored. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund will often be thought to control, participate in the management of or influence the conduct of portfolio companies. These factors could expose the assets of a Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies. While the General Partner intends to manage a Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

No Fiduciary Duties of a Fund's Advisory Committee ("LPAC"). The General Partner of certain Funds will appoint representatives of certain Limited Partners to serve on an LPAC. The Partnership Agreement provides that to the fullest extent permitted by applicable law, none of the LPAC members shall owe any fiduciary duties to a Fund or any other Partner. In addition, members of the LPAC may have various business and other relationships with the Adviser and its partners, employees and affiliates, as well as business relationships with various third parties (including other private equity sponsors, business partners of a Fund's portfolio companies, such as vendors and suppliers, and lenders to a Fund and their portfolio companies). These relationships may influence their decisions as members of the Advisory Board. Members of the LPAC do not have any duty to present any business or other opportunity to a Fund or to forego any business or other opportunity, including investment opportunities being considered by a Fund. A Fund may be required to indemnify current or former members of the LPAC (in such member's capacity as a member or former member of the LPAC) for liabilities incurred in connection with the affairs of a Fund and otherwise as provided in the Partnership Agreement. Such liabilities may be material and may have an adverse effect on the returns to the Limited Partners.

Investments in Pass-Through Entities. It is likely that a Fund's investment portfolio may include one or more such entities, which may be treated as "pass-through entities" for U.S. federal income tax purposes. A Fund's investment in an entity which is treated as a pass-through entity could result in: (a) the generation of taxable income for a Fund and its Partners, even though they will not necessarily receive the cash flow related to such taxable income, (b) the generation of UBTI for tax-exempt investors, and income that is, or is treated as, effectively connected with a U.S. trade or business as defined under Sections, 864, 871, 882 and 897 of the Code ("ECI") for non-U.S. Partners, and (c) the treatment of a Fund (and therefore its Partners, including non-U.S. Partners) as being engaged in the conduct of a U.S. trade or business.

Conflicting Interest of Limited Partners. A Fund is likely to have a diverse range of Limited Partners that may have conflicting interests stemming from differences in investment preferences, tax status and regulatory status. The General Partner will consider the objectives of a Fund and their respective partners as a whole when making decisions with respect to the selection, structuring, and sale of portfolio investments. However, it is inevitable that such decisions may be more beneficial for one Limited Partner than for another Limited Partner. In voting on matters related to a Fund, each Limited Partner will be permitted to consider only its own interests and preferences, which may conflict with the interests and preferences of other Limited Partners, and no Limited Partner will owe a fiduciary duty to consider the interests of any other Limited Partners. Without limiting the foregoing, the investors in a Fund may include U.S. taxable and tax-exempt entities, and investors from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors typically relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of portfolio investments and the timing of the disposition of portfolio investments. As a consequence, conflicts of interest often arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of portfolio investments, that are often more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring portfolio investments that are appropriate for a Fund, the Adviser and its affiliates will consider the investment objectives and relevant tax considerations of a Fund, not the investment, tax or other objectives of any investor individually.

Dilution from Subsequent Closings. Limited Partners subscribing for interests or increasing their commitment amounts at subsequent closings will participate in existing investments of a Fund, diluting the interest of existing Limited Partners. Although such Limited Partners will generally contribute their pro rata share of all previously made capital commitments, this payment is not intended to reflect the fair value of a Fund's existing investments at the time such additional Limited Partners subscribe for interests. Although such Limited Partners generally will be required to pay interest on such additional capital commitments in accordance with the Partnership Agreement, such interest may not fully compensate existing Limited Partners for the time value of such additional commitment amount. As a result, existing Limited Partners who acquired interests prior to the admission of later admitted Limited Partners may be diluted in respect of any appreciation in the investments during the period prior to the later admitted Limited Partners' admission to the extent that the appreciation during such period is greater than such additional interest paid. Additionally, upon a subsequent closing or other event treated as a transfer for U.S. federal income tax purposes, non-U.S. investors and a Fund may be subject to certain tax and withholding obligations.

Projections. The Funds will from time to time rely upon projections, forecasts or estimates developed by the Funds or a company in which the Funds are invested or are considering making an investment concerning the company's future performance and cash flow. Projections, forecasts and estimates are forward looking statements and are based upon certain assumptions. Actual events are difficult to predict and beyond the Funds' control. Actual events may differ from those assumed. Some important factors which could cause actual results to differ materially from those in any forward looking statements include changes in interest rates and domestic and foreign business, market, financial or legal conditions, among others. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results for the Funds or their portfolio companies will not be materially lower than those estimated or targeted therein.

Illiquidity of Portfolio Investments. Practical limitations may inhibit a Fund's ability to liquidate certain of its investments in portfolio companies since the issuing portfolio companies will likely be privately held and the applicable Fund will likely own a relatively large percentage of its equity

securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations described herein on liquidity of the applicable Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized. It is anticipated that all or a substantial portion of the Fund's investments will consist of securities that are subject to restrictions on sale by the Fund because they were acquired from the issuer in "private placement" transactions or because the Fund will be deemed to be an affiliate of the issuer. Generally, the Fund will not be able to sell these securities publicly in the United States without the expense, time and other burdens required to register the securities under the Securities Act of 1933, as amended (the "Securities Act"), or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. When restricted securities are sold to the public, the Fund may be deemed an "underwriter", or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across several of the world's largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The continued extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the

longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to a Fund. The extent of the impact on a Fund's and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio companies, the General Partner and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Potential Conflicts of Interest

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

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

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

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

In allocating investment opportunities, the Adviser must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement, where applicable, as well as factors including, but not limited to: investment restrictions and objectives (including those set forth in the relevant Fund's Partnership Agreement, strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limits, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. The Adviser will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and may take into consideration factors such as those set forth above.

Following such determination, the Adviser will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and any such excess may be offered to one or more potential co-investors, including third parties, as determined by a Fund's Partnership Agreement, Side Letters and the Adviser's procedures regarding allocation. The Adviser's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or similar co-investors; the Adviser's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; and whether the Adviser believes that allocating investment opportunities to an Investor or other person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, a Fund and/or the Adviser. Although a prospective co-investor's willingness to invest in future Funds may be considered by the Adviser, it generally will not be the sole determining factor considered by the Adviser in identifying co-investors. The Adviser may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

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

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

In certain cases, the Adviser may have opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Adviser 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 Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Investors.

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

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

As a result of a Fund's controlling interests in portfolio companies, the Adviser and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company

board members approve compensation and/or other amounts payable to the Adviser and/or its affiliates. Except to the extent such amounts are subject to the Partnership Agreements' offset provisions, they will be in addition to any Management Fees or carried interest or other performance-based fees paid by a Fund to the Adviser.

Additionally, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including, without limitation, travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio company. This discretion subjects the Adviser and its affiliates to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to Investors in any Fund, any fee paid or expense reimbursed to the Adviser or such service providers generally is subject to agreements with or review by management teams and the review and supervision of the board of directors of portfolio companies. These factors may help to mitigate, but will not necessarily eliminate, related potential conflicts of interest.

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

From time to time the Adviser may cause a Fund to enter into a transaction whereby such Fund purchases securities from, or sells securities to, other Funds managed by the Adviser, or co-investors or co-invest vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represents what would ultimately be the underlying investment's fair value. To the extent required by the relevant Fund's Partnership Agreement or otherwise in the sole discretion of the Adviser, the Adviser may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third-party (including the use of a consultant or investment banker to opine as to the fairness

of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where applicable, the consent of each relevant Fund's LPAC) to such transactions. In certain circumstances, the Adviser may determine that the willingness of a third-party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. The Adviser intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Adviser under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

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

In certain circumstances, current or former Adviser personnel may serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, while maintaining certain benefits, support services or indicia of employment at the Adviser. Under such arrangements, the Adviser and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in respect of this relationship will not result in additional offsets to the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Employees may or may not return to the Adviser at the end of such secondee arrangement.

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

Because there is a fixed investment period after which capital from Investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during

the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so.

Since the Adviser is permitted to retain certain additional compensation (as described under Item 5 “Fees and Compensation”) in connection with management and other services performed for portfolio companies of a Fund, and certain General Partners are permitted to receive a carried interest with respect to certain co-investors that are unaffiliated with the Adviser and that invest directly in investments in which certain Funds also invest (each as described under “Fees and Compensation”), each could have a conflict of interest in connection with approving transactions and setting such compensation. Additionally, the Adviser its personnel, affiliates or others designated by the Adviser may from time to time receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the relevant governing documents are applied, the Adviser and/or such other recipients will be permitted to retain such securities as additional compensation, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the Adviser) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund.

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

The Adviser may arrange a program for Funds and portfolio companies to participate in purchasing, vendor or similar arrangements with the Adviser, its affiliates, a Fund, and other portfolio companies. This may enable participants to receive discounts negotiated with various vendors and service providers on a groupwide basis. The Adviser generally would expect to allocate fees and third-party administration costs for the program among the relevant Funds and portfolio companies. The Adviser and its affiliates may also participate in such a program and receive similar benefits and discounts as the portfolio companies and Funds participating therein. No such amounts will result in additional offsets to the Management Fee. The Adviser believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to a Fund and portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

The Adviser has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as the Adviser has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to its Funds and their Investors and attempts to allocate investment opportunities among a Fund and other Funds in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

Pursuant to a Fund’s governing documents, a Fund’s General Partner may appoint an LPAC consisting of Limited Partners of the relevant Fund(s). Where appropriate, and to the extent provided

in a Fund's governing documents, the Adviser consults and receives consent to conflicts, Advisers Act matters, and other Fund matters from the relevant LPAC.

Item 9 - Disciplinary Information

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

Item 10 - Other Financial Industry Activities and Affiliations

RCG is affiliated with the General Partners, which are investment advisers in accordance with the Letter dated December 8, 2005 from the SEC to the American Bar Association Subcommittee on Private Investment Entities and Form ADV's General Instructions. These entities operate, for registration purposes, as a single advisory business together with RCG and serve as general partners to the Funds and generally share with RCG common owners, officers, partners, employees, consultants or persons occupying similar positions.

- Parallel Investment Partners, LLC ("Parallel") is an Exempt Reporting Adviser with the SEC and based in Dallas. RCG is under common control with Parallel, and RCG and Parallel share common areas within office space. Parallel is solely owned by Mr. Fletcher who is one of the Managing Partners. RCG and Parallel also share certain back office and administrative personnel, but such personnel, and Mr. Fletcher, dedicate substantially all of their time to RCG's business given that Parallel is the investment adviser to one private equity fund that is no longer seeking to invest capital and is currently in wind-down status pursuant to its partnership agreement.
- Brazos Investment Partners I, L.P. ("Brazos") is an Exempt Reporting Adviser with the SEC and is based in Dallas. RCG is under common control with Brazos. Brazos is the investment adviser to two private equity funds that are no longer seeking to invest capital and are currently in wind-down status pursuant to their partnership agreements. Mr. Fronterhouse is one of several owners of Brazos and has certain oversight responsibilities with respect to the Brazos private equity funds. However, as a Managing Partner of Riata and given that the Brazos fund in question is no longer investing capital, Mr. Fronterhouse dedicates substantially all of his time to RCG's business.

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

The Adviser has adopted a written Code of Ethics (the "Code") designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that are reasonably designed to ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid any actual, potential or perceived conflicts of interest or abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading on restricted securities; requires pre-clearance of personal trades of an IPO, a new private placement, and other limited offerings; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations. Personal securities transactions by employees who manage Client accounts are required to be conducted in a manner that prioritizes the Client's interests in Client eligible investments. A copy of the Code will be provided to any investor or prospective investor upon request to Robert Taylor, RCG's Chief Compliance Officer, at (214) 740-3600.

As part of its Code, the Adviser has established procedures reasonably designed to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the Adviser has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, access persons of the Adviser are deemed to be in receipt of material, non-public information, in all instances where any access person of the Adviser has received material, non-public information and, therefore, such access person(s) may not trade on the basis of that information.

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

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

The Adviser and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others, who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds.

From time to time, the Adviser may advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the governing documents.

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

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

The Adviser will affect such borrowings in a manner it believes to be fair and equitable to the relevant Fund, and consistent with the Adviser's obligations to the Fund under the governing documents.

Item 12 – Brokerage Practices

RCG focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions in which the services of a broker-dealer may be retained. However, the Adviser may also distribute securities to Investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. To the extent that the Adviser were to engage in public securities transactions, it will follow the brokerage practices described below.

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

Item 13 - Review of Accounts

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

Each Fund generally will provide to each of its Limited Partners (i) annual GAAP audited and quarterly unaudited financial statements, and/or partner capital statements (ii) annual tax information necessary for each Limited Partner's tax return and (iii) at the time of delivery of the financial statements, reports providing a description of all investments held by a Fund and a narrative summary of the status of each such investment.

Item 14 – Client Referrals and Other Compensation

The Adviser and/or its affiliates may provide certain business or consulting services to a Fund's portfolio companies and may receive compensation from these companies in connection with such services. As described in the applicable Partnership Agreements, this compensation may offset a portion of the Management Fees paid by a Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees, as described in Item 5 "Fees and Compensation."

From time to time, the Adviser may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. Any fees payable to any such placement agents will be borne by the Adviser indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

Item 15 - Custody

The Adviser maintains custody of assets held in the name of one or more Funds with the following "qualified custodians", unless the security is exempt from this requirement: Iberia Bank, Stifel Nicolaus and Company Incorporated, MapleMark Bank and Citibank, N.A. The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each investor in each Fund generally within 120 days following the end of each fiscal year of the applicable Fund. The audited financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Adviser urges investors to carefully review the audited financial statements of the Funds in which they are invested.

Item 16 - Investment Discretion

The Adviser has discretionary authority to manage investments on behalf of each Fund. Pursuant to the terms of a Partnership Agreement, the Adviser and/or its affiliates may enter into Side Letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Adviser assumes this discretionary authority pursuant to the terms of the governing documents and powers of attorney executed by the Investors in each Fund.

Item 17 - Voting Client Securities

The Adviser's investment strategy involves private equity investments. As a result, the Adviser does not generally hold Fund investments in public equity securities and therefore does not generally receive proxies on behalf of its Clients. If the Adviser were to receive a proxy on behalf of a Fund and is requested or required to vote a proxy, the Adviser will consider, among other things, the financial interests of the applicable Fund and the recommendation of management on the particular issue and ensure that it votes proxies in the best interest of the Fund.

Item 18 - Financial Information

The Adviser does not solicit or require the prepayment of Management Fees six months or more in advance.

The Adviser has never been the subject of a bankruptcy proceeding during the past ten years, nor does it have any other events requiring disclosure under this item of the Brochure.