

**INVESTMENT ADVISER BROCHURE**

**LIONTREE INVESTMENT MANAGEMENT, LLC**

**660 Madison Avenue  
New York, New York 10065**

**December 22, 2021**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of LionTree Investment Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 644-4200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

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

Additional information regarding LionTree Investment Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ***ITEM 2***      **MATERIAL CHANGES**

Since its last update of its Brochure, filed on July 27, 2021, LionTree Investment Management, LLC (“**LionTree Manager**”) updated this Brochure to reflect its status as a large advisory firm.

LionTree Manager routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its and its affiliates’ business practices and compliance policies and procedures or in response to evolving industry and firm practices.

We encourage all recipients to read this Brochure carefully in its entirety.

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#### **ITEM 4           ADVISORY BUSINESS**

LionTree Investment Management, LLC (“**LionTree Manager**”) is a Delaware limited liability company and a registered investment adviser that began operations in July 2021. LionTree Manager, and its affiliated investment advisers, provide investment advisory services to private investment funds.

LionTree Manager’s clients include LionTree Investment Fund, L.P. (the “**Fund**,” and together with any future private investment fund to which LionTree Manager or its affiliates provide investment advisory services, the “**Private Investment Funds**”).

LionTree Manager is affiliated with LionTree Investment Fund GP, L.P. (the “**General Partner**” and together with LionTree Manager, “**LionTree**”).

The General Partner is registered under the Advisers Act pursuant to LionTree Manager’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which together with LionTree Manager operate as a single advisory business.

The Fund and any other Private Investment Funds invest in equity, debt and other securities in any assets or businesses operating within technology, media, telecoms, consumer, and the global digital economy. LionTree’s investment advisory services to its Private Investment Funds consist of identifying and evaluating investment opportunities, negotiating, managing, financing and monitoring investments and achieving dispositions for such investments.

LionTree’s investment advisory services to the Private Investment Funds are tailored in accordance with such Private Investment Fund’s investment strategy as set forth in the applicable private placement memorandum (or other applicable disclosure documents), partnership agreement (or similar governing document) and/or investment management agreement (each a “**Governing Document**”, and collectively, the “**Governing Documents**”). LionTree’s advisory services are further described below under Item 8 “*Methods of Analysis, Investment Strategies and Risk of Loss.*” LionTree is expected to advise private funds and may advise separately managed accounts or single investor vehicles.

LionTree investors participate in the overall investment program for the applicable Private Investment Fund, but may be excused or excluded from a particular investment due to legal, regulatory or other applicable constraints. Additionally, from time to time, LionTree may, in its sole discretion, provide (or agree to provide) certain investors or other persons the opportunity to participate in co-investment opportunities or in co-invest vehicles (each a “**Co-Invest Fund**”) that will invest in certain investments alongside a Private Investment Fund. Such co-investments will be made at substantially the same time and on substantially the same terms as those on which the Private Investment Fund invests, subject to applicable legal, tax, regulatory or other similar considerations. The General Partner and any of its affiliates may, in its sole discretion, charge a carried interest in respect of any other co-investors, and the General Partner and any of its affiliates

may, in its sole discretion, make an investment in any vehicle formed in connection with any co-investment opportunity to the extent it is necessary or advisable for legal, tax or regulatory considerations. Such co-investment will generally be sold or otherwise disposed of concurrently with the sale or disposition by the Private Investment Fund of a like proportion of the Private Investment Fund's investment in the applicable portfolio company, and only on substantially the same terms and conditions as those of the Private Investment Fund's sale or disposition of such investment, subject to applicable legal, tax, regulatory or other similar considerations.

LionTree has entered and will in the future enter into side letters or other similar agreements with certain investors that have the effect of establishing rights under, supplementing or altering the Fund's partnership agreement or an investor's subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, distributions, withdrawal rights, information rights, co-investment rights (including the provision of priority allocation rights to certain Limited Partners (as defined below) based on the timing and/or amount of such Limited Partners' commitments to one or more Private Investment Funds or as otherwise determined by the general partner of such Private Investment Fund), excuse rights applicable to particular investments, tax and structuring matters, notice requirements, reporting obligations of the General Partner, confidentiality obligations, reimbursement for expenses, transfer rights, rights relating to the particular legal, regulatory or public policy characteristics of the Limited Partner, or other representations, warranties or diligence confirmations. For the most part, any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of the Fund as whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with "most favored nations" rights pursuant to the Fund's limited partnership agreement.

***The information provided above about the investment advisory services provided by LionTree is qualified in its entirety by reference to the Fund's Governing Documents, including offering materials and limited partnership and subscription agreements.***

As of December 1, 2021, LionTree has regulatory assets under management of approximately \$1,330,000,000. All of LionTree's regulatory assets under management are managed on a non-discretionary basis. LionTree is principally owned by Aryeh B. Bourkoff (the "Principal").

## **ITEM 5 FEES AND COMPENSATION**

In general, LionTree receives a management fee and a performance allocation in connection with advisory services. Except to the extent LionTree Advisors LLC ("**LionTree Advisors**") or its affiliates acts as broker or dealer for a particular transaction, LionTree Manager and other LionTree entities or affiliates do not intend to receive any brokerage commissions in connection with acquisitions, dispositions or financings. LionTree and other LionTree entities or affiliates may receive other transaction, break-up, advisory or other fees in connection with acquisitions, dispositions or financings, or receive from any third parties any additional compensation in connection with an investment or potential investment for the account of a Private

Investment Fund, as further discussed below. To the extent LionTree earns any such compensation with respect to an investment, such additional compensation will generally offset in whole the management fees otherwise payable to LionTree in accordance with the applicable Governing Documents; provided that such reductions shall not include other fees allocable to the General Partner or designees in respect of the General Partner's commitment or to any Co-Invest Fund, co-investor or other transaction participant. Compensation earned by LionTree Advisors will not offset any management fees payable to LionTree Manager. Investors in the Fund also bear certain Fund expenses which are described in further detail below under "*Expenses Charged to the Fund*".

The following provides a general description of management fees, performance-based fees or allocations, fund expenses and fee waivers for the Fund. With respect to any particular Private Investment Fund, while the description below may be generally applicable, fees and expenses may vary, and the Private Investment Fund investors should review the Fund's private placement memorandum and limited partnership agreement for further information.

### ***Management Fees***

The Fund will pay LionTree Manager a management fee equal to an amount set forth in the Governing Documents. During the Fund's commitment period, the Fund generally pays a management fee of up to 1.00% on an annual basis of aggregate investor capital commitments ("**Commitments**") with respect to each Limited Partner that invested in the Fund on the Fund's initial closing with a Commitment of at least \$100 million (each such Limited Partner, and each other Limited Partner as is otherwise designated as such by the General Partner in its sole discretion, a "**Founder Limited Partner**") and up to 1.50% on an annual basis of aggregate Commitments with respect to all other Limited Partners (each such Limited Partner, a "**Non-Founder Limited Partner**"). After the commitment period expires (or upon the occurrence of certain other events set forth in the Fund's Governing Documents), the Fund's management fee is typically reduced to an amount of up to 1.00% of total capital contributions by Founder Limited Partners and up to 1.50% of total capital contributions by Non-Founder Limited Partners relating to the investments (or, in the case of an investment that has been the subject of one or more write-downs, the investment's fair value as of the date of the most recent write-down, but no more than cost), reduced by the cost of realized investments.

The management fee is generally calculated and payable quarterly in advance, and capital contributed after the commencement of a fiscal quarter will be subject to a prorated management fee reflecting the time remaining in the fiscal quarter.

As permitted under the applicable partnership agreement, LionTree Manager may annually, in advance, waive or agree to reduce all or any portion of the management fee. Waived or reduced management fees are not subject to any management fee offsets described above.

### ***Performance-Based Fees***

Each Private Investment Fund will generally be assessed a carried interest or performance fee that is allocable to the General Partner or LionTree Manager, as applicable. The carried interest is allocated periodically according to the Private Investment Fund's Governing Documents, typically after the receipt by the Private Investment Fund of proceeds from the disposition of a portfolio investment, and is paid out of cash proceeds otherwise distributable to investors. Generally, this carried interest represents a share of distributions made after return of invested capital, allocable fees and expenses and a preferred annualized "hurdle" rate of return. Carried interest allocations do not exceed 20% of profits (and are 15% for certain investors of higher investment amounts in the Fund's first closing) and are generally subject to general partner catch-ups.

LionTree may waive, reduce or otherwise modify the performance allocation for any Limited Partner in the Fund with the result being that investors in the Fund may pay different performance-based compensation. Because carried interest distributions may be made prior to the end of the Fund's life, such distributions are subject to certain giveback obligations, as set forth in the applicable Governing Documents.

### ***Other Fees and Potential Conflicts of Interest***

The General Partner, LionTree Manager and their respective affiliates (except, for the avoidance of doubt, LionTree Advisors) and their respective officers or employees may be entitled to receive topping, break-up, monitoring, consultancy, directors', advisory, and other similar fees in connection with the purchase, monitoring, or disposition of investments or from unconsummated transactions, including warrants, options, and other rights; provided that such other fees shall not include other fees allocable to the General Partner or its affiliates or designees in respect of the General Partner's capital commitment (or allocable to vehicles for deployment of its capital commitment) or to any Co-Invest Fund, any co-investor or any other transaction participant. All such fees and expenses will be paid regardless of whether the Private Investment Fund produces positive investment returns. If the Private Investment Fund does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by a limited partner ("**Limited Partner**") in the Private Investment Fund to an amount less than the amount invested in the Private Investment Fund by such Limited Partner. In certain circumstances, non-affiliated co-investors or joint owners of such prospective portfolio companies may have the ability to influence the terms of the arrangements giving rise to any such fees, including, without limitation, the timing and amount of payments and the inclusion of acceleration provisions in circumstances in which the Private Investment Fund may not have otherwise included such provisions. For the avoidance of doubt, any fees or other compensation paid to an appointed third party consultant or investment professional engaged to assist LionTree Manager in sourcing transactions or providing consulting or related services to the Private Investment Fund's portfolio companies as senior advisors (a "**Senior Advisor**") (whether directly or indirectly through one or more vehicles managed by LionTree Manager or an affiliate thereof) shall not offset the management fee and shall be retained by such Senior Advisor. Further, any

offsets to the management fee that would otherwise be allocable to the General Partner (or its affiliates) or to any Co-Invest Fund, any co-investor or any other transaction participant (including Project Entity management) will not be applied to reduce the aggregate management fee payable in respect of the Limited Partners and will be retained by the recipient thereof or its designees. For the avoidance of doubt, any fees payable by any co-investor or any other transaction participant shall not offset the management fee and shall be retained by the recipient thereof or its designees and will not be applied to reduce the aggregate management fee payable in respect of the Limited Partners.

LionTree has exempted and will in the future exempt past or present principals, employees, members, partners or managers or their respective family members from payment of all or a portion of management fees and/or performance allocation. Additionally, LionTree in the future may form Co-Invest Funds that are not subject to management fees or performance allocation. LionTree also in the future may reduce management fees and/or performance allocation through side letter arrangements in certain instances, for example where certain investors have made an early investment, a large investment or any other material concession to one or more of the Private Investment Funds.

Principals or other employees of LionTree will directly or indirectly receive a portion of the management fee, performance allocation or other compensation received by LionTree Manager and its affiliates. Certain investors will receive, as financial consideration for their investment in the Private Investment Fund, a portion of the performance allocations through a direct or indirect participation in the General Partner or such other means as determined by the General Partner in its discretion as well as a portion of the management fees through a direct or indirect participation in LionTree Manager or such other means as determined by LionTree Manager in its discretion.

LionTree Manager and its respective affiliates and their respective personnel can be expected to receive certain benefits, rebates, discounts or perquisites arising or resulting from their activities on behalf of the Fund that will not offset or reduce the management fee or otherwise be shared with the Limited Partners or portfolio companies. For example, airline travel or hotel stays incurred as fund expenses may result in “miles” or “points” or credit in loyalty/status programs, and such benefits or amounts will, whether or not de minimis or difficult to value, inure exclusively to LionTree Manager or its respective affiliates or their respective personnel (and not the Fund or portfolio companies) even though the cost of the underlying service is borne by the Fund or its portfolio companies. LionTree, its personnel and other related persons also receive discounts on products and services provided by portfolio companies or customers or suppliers of such portfolio companies. Such other benefits or fees may give rise to conflicts of interest in connection with the Fund’s investment activities, and while the General Partner and LionTree Manager will seek to resolve any such conflicts in a fair and equitable manner, there is no assurance that any such conflicts will be resolved in favor of the Fund.



### ***Expenses Charged to the Fund***

In addition to the management fee and performance allocation payable to LionTree, the Fund bears all out-of-pocket costs, fees, expenses and other liabilities incurred in the formation and organization of the Fund (and any parallel and feeder funds that are affiliates of the General Partner), the General Partner, and its general partner, and the marketing and offering of interests in the Fund (including, without limitation, placement fees, legal and accounting costs, fees and expenses, travel and related costs and expenses (which may include travel at business class rates), meal, communication and certain entertainment expenses, filing costs and fees incurred in the formation and organization of the Fund, the General Partner and its general partner, and the marketing and offering of interests in the Fund (and any parallel and feeder funds that are affiliates of the General Partner), costs, fees and expenses incurred in connection with investor subscriptions to the Fund and other fees and expenses). The Fund also bears any costs associated with restructurings of the Fund.

Generally, the Fund bears all of the fees, costs, expenses and other liability or obligations relating to or arising from its operations, activities and investments. The Governing Documents of the Fund, including the private placement memorandum, set forth the particulars of such operating expenses that may be borne by the Fund, but such operating expenses may include (without limitation) the following fees, costs and expenses relating to or arising from:

- the out-of-pocket expenses incurred in connection with maintaining the existence of the Fund, the General Partner and LionTree Manager (in so far as such expenses relate to the Fund);
- the services of administrators, custodians, consultants, advisers, appraisers, depositaries, record-keepers, brokers, dealers, underwriters, outside legal counsel, investment bankers, transfer agents, administrative agents, professional service providers, accountants and/or other outside professionals, including, without limitation, all audit fees, appraisal fees, brokerage commissions, banking and investment banking fees and all fees and costs associated with the preparation and filing (as applicable) of the financial statements, tax returns and Schedule K-1s or tax-related documentation and any reports or notices to the Limited Partners, and any costs and expenses incurred or paid with respect to the partnership representative or the designated individual or person acting in a similar capacity under state, local, or other law;
- sourcing, researching, diligencing, investigating, identifying, analyzing, pursuing, negotiating, consummating, acquiring, purchasing, syndicating, holding, monitoring, managing, seeking disposition (and sale) opportunities and selling (or otherwise disposing) of investments and prospective investments, whether or not consummated, as applicable, including reasonable travel and related expenses (which may include private air travel, charged to the Fund at business class rates), and reasonable meal, communication and certain reasonable and business-related

entertainment expenses incurred in connection therewith and the costs of any research services;

- attendance at industry conferences and subscription to industry publications and research services attributable to a specific portfolio investment (or proposed portfolio investment);
- prospective investments and other transactions that are not consummated, including, without limitation, all due diligence fees, costs and expenses, legal and accounting fees, costs and expenses, fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for such prospective investment or other transaction, deposits or draw-down payments that are forfeited in connection therewith, and reverse break-up fees or termination fees, expense reimbursement amounts or other amounts payable to the sellers, targets, advisors, service providers or other counterparties or third-parties, related to such transaction, or other liabilities or obligations in respect of such unconsummated transactions or investment opportunities, and travel costs and ancillary expenses in connection therewith (including, without limitation, airfare (including business class or first class airfare), ground transportation, lodging and accommodations, meals and travel agency fees and reasonable and business-related entertainment expenses) and costs and expenses of any representation and warranty insurance and/or other similar insurance (“**Broken Deal Expenses**”), but only to the extent that such fees and expenses exceed topping and break-up fees applied against such expenses;
- the fees and expenses and any other payments (including pursuant to an indemnification obligation), charged by or paid to any third-party placement agent or agency designated by the Fund, the General Partner or LionTree Manager for the marketing and sale of an interest in the Fund and any parallel fund, as attributable to the Fund;
- reasonable and business-related out-of-pocket expenses of any senior advisors incurred in performing any services for the Fund (other than any entertainment expenses), including any expenses incurred in connection with performing services for one or more of its potential or existing investments;
- litigation, D&O or E&O liability or other insurance;
- out-of-pocket costs of reporting to the Fund’s Limited Partners;
- meetings of the Fund’s advisory board and partners, any votes or consents of the Fund’s advisory board and partners, any amendments to or waivers of the Fund’s partnership agreement or any related agreement (including the fees, costs and expenses of legal counsel to the Fund’s advisory board);

- any indemnification, extraordinary expense, liability, audit and investigation costs and expenses relating to the affairs of the Fund (including all amounts paid in connection with settlements, penalties, fines and judgments, but excluding any indemnification claims that are finally determined to not be indemnifiable by the Fund in accordance with its partnership agreement) and the fees, costs and expenses of complying with applicable law, rules and regulations;
- all taxes, fees, duties and other governmental charges levied against the Fund (other than any such taxes, fees or charges levied in respect of or otherwise in connection with any specific Fund partners or allocated to partners pursuant to the Fund's partnership agreement), and all related filing fees and tax consulting fees and expenses;
- the principal, interest, fees (including, without limitation, commitment, arrangement, set-up, administration, placement and other similar fees) and any other obligations or expenses of any lender or other financing source or otherwise arising out of any indebtedness, including, without limitation, any fees and expenses incurred as a result of the implementation and utilization of any credit facility or credit support;
- loans made by the Fund to a portfolio company, including without limitation any bridge financings entered into by the Fund;
- the winding-up and termination of the Fund and the General Partner and the liquidation of the assets of the Fund in connection therewith;
- the implementation of and compliance with any environmental, social and governance policy;
- ongoing compliance with AIFMD (as defined below), including governmental or regulatory filings and those allocable expenses relating thereto;
- the organization, maintenance and operation of any alternative investment vehicle, blocker corporation, intermediate entity, alternative participation structure or any other entity or vehicle through or in which investments or bridge financings are made (other than any blocker expenses), subject to apportionment among the Fund's partners in accordance with the Fund's partnership agreement; and
- all other costs and expenses of the Fund, any parallel funds, the General Partner, LionTree Manager or any of their respective affiliates (other than expenses of the General Partner as described in the Fund's partnership agreement) in connection with the Fund's partnership agreement, in each case, including to the extent incurred prior to the Fund's initial closing.

Except as provided for in the applicable partnership agreement, the Fund generally does not reimburse LionTree for salaries, office rent and other general overhead costs of the General Partners or LionTree Manager.

In addition, in certain instances, the Fund may bear expenses in respect of an existing or prospective portfolio company that will not be borne by other owners or investors in such portfolio company (including co-investors or Co-Invest Funds), where LionTree has determined such arrangement to be in the best interest of the Fund (*e.g.*, the Fund engages or pays for a consultant for services in respect of a portfolio company without reimbursement by other owners of the portfolio company). None of these expenses will offset any management fees.

Brokerage fees may be incurred in accordance with the practices set forth in Item 12 below, “*Brokerage Practices.*”

From time to time, a Private Investment Fund may recruit a management team to pursue a new or “platform” opportunity expected to lead to a future portfolio company. In other cases, a Private Investment Fund may form a new portfolio company and recruit a management team to build the portfolio company through acquisitions and organic growth. Typically, the expenses associated with the activities of such a team, including their overhead and due diligence and related expenses incurred in pursuing acquisition opportunities, will constitute fund expenses and be borne by the Private Investment Fund. There can be no assurance that such management team will lead to a new platform or other investments. Any expenses in connection with such “platform” opportunities will not offset the management fee.

In certain circumstances, a Private Investment Fund may guarantee loans or provide other extensions of credit (including, but not limited to, letters of credit or pledges of a portion of the Commitments) to any portfolio company (or any affiliate thereof) or any vehicle formed to effect the acquisition thereof (“**Credit Support**”), subject to the Governing Documents. Such Credit Support may take the form of guarantees, letters of credit or pledges or charges of a portion of the Commitments to a lender or other counterparty. Such funding commitments may be secured by an assignment of the General Partner’s right to draw down capital from the Limited Partners. It is possible that the Limited Partners will be required to acknowledge and consent to any such pledge or charge or Credit Support and provide certain information or legal opinions as required by the lender or other counterparty. Utilization of Credit Support will result in fees, expenses and interest costs to the Private Investment Fund, and may result in an under-utilization of the Private Investment Fund’s capital. In the event that one or more Limited Partners fail to satisfy a drawdown or otherwise default on their contribution obligations pursuant to any such Credit Support, such amount would be drawn from non-defaulting Limited Partners.

The expenses described above are detailed, but do not include every possible expense the Fund may incur. Prospective and existing investors are advised to review the applicable Governing Documents for a more extensive description of the fees and expenses associated with an investment in the Fund.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under Item 5 “*Fees and Compensation*,” LionTree may receive performance-based fees and/or distributions based upon the performance of the Fund. LionTree does not expect to advise Private Investment Funds not subject to a performance allocation. However, LionTree may waive or reduce the performance allocation with respect to certain persons as described above.

The fact that LionTree is in part compensated based on the performance of the Fund may create an incentive for LionTree to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. LionTree believes this conflict is mitigated because the Principal, his affiliates and designees, other principals of LionTree LLC, or any of their respective affiliates have made significant personal investments in the Fund which align the interest of LionTree personnel with the Fund.

Initially, LionTree will only provide advisory services to the Fund. However, LionTree expects to advise additional Private Investment Funds in the future. In allocating investments, LionTree may have incentives to favor Private Investment Funds with higher potential for carried interest distributions over Private Investment Funds with lower potential for carried interest. As described in more detail below, LionTree has adopted allocation policies and procedures designed to treat all Private Investment Funds fairly and equitably in accordance with the applicable partnership agreements and to minimize the risk of any potential conflict of interest.

## **ITEM 7 TYPES OF CLIENTS**

LionTree’s clients are the Private Investment Funds, including the Fund. Investment advice is provided directly to such Private Investment Funds and not individually to the Limited Partners of such Private Investment Funds. The Private Investment Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**1940 Act**”). The investors participating in the Private Investment Funds may include high net-worth individuals, banks or thrift institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also may include, directly or indirectly, past or current service providers, principals or other employees of LionTree.

Typically, the Fund requires a minimum investment amount of \$25 million, but such amount has been and in the future will be reduced with the prior agreement of LionTree, subject to applicable legal requirements.

Any Fund interests will be offered and sold generally to investors that are (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended and (ii) “qualified purchasers” as defined in Section 2(a)(51)(A) of the 1940 Act, or other “knowledgeable employees” of LionTree.

## **ITEM 8            METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***General***

LionTree is a private investment firm focused on providing investment advice relating to privately negotiated equity investments made on a global basis in any assets or businesses operating within technology, media, telecoms, consumer, and the global digital economy (the “**Target Sector**”). LionTree provides day-to-day investment advisory services to the Private Investment Funds. LionTree’s investment advisory services to its Private Investment Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments, and achieving dispositions for such investments.

LionTree carefully reviews and conducts due diligence to identify attractive investment opportunities and seeks stable cash flows and strong risk adjusted and predictable returns primarily in the Target Sector. LionTree provides investment advice to the Fund regarding control or influential minority equity positions, thematic platform investments, direct or indirect debt investments having equity-like returns or secured by assets or businesses related to the Target Sector, including in connection with distressed and/or distressed-for-control situations, and investments which are intended to be of a temporary nature in equity or debt securities. The Fund can use leverage directly and/or indirectly.

More detailed descriptions of the Fund’s investment strategies and methods of analysis are included in its private placement memorandum. While the descriptions of the Fund’s investment strategies and methods of analysis are relevant to the Co-Invest Funds, each Co-Invest Fund generally invests in one portfolio company of the Fund and therefore lacks the potential benefit of diversification and will be particularly exposed to the legal and financial risks associated with that transaction, including the risk of loss. The summary above should not be interpreted to limit in any way the Private Investment Funds’ investment activities. There can be no assurance that LionTree will achieve the investment objectives of the Fund and a loss of investment is possible.

### ***Method of Analysis***

LionTree employs a systematic investment process based around creation of long-term thematic trends, market mapping, filtering a robust sourcing engine, thoughtful investment screening, exhaustive due diligence, and a rigorous investment committee process.

LionTree applies thesis-driven investment selection criteria to identify prospective portfolio companies, focusing on companies which benefit from long-term growth powered by the digital transformation of industries. Such investments will have some or all of the following characteristics:

- Companies that are within LionTree’s areas of subject matter expertise, in which demand for products or services has the potential to grow rapidly and substantially.

- Companies with talented and committed founders, executives, and management teams capable of developing and executing business plans.
- Companies with a potential path to liquidity given the relevant strategic landscape.
- Opportunities where LionTree can provide value-added business development.
- Companies with sustainable competitive advantages, such as secure intellectual property, proprietary products, a strong presence in distribution channels, or a commanding presence in industries with high barriers to entry.
- Companies with the appropriate systems in place to manage and control the business, with financial and operating performance measured on an ongoing basis against a detailed set of objective metrics.

Prior to any commitment of capital, LionTree will complete a thorough due diligence review of each prospective investment. This review assesses a company's historical and projected financial performance, its current product or business lines and their prospects in light of customer, industry and other trends, the caliber of its founder, management professionals, and other board members and existing investors, its industry status and relationships with suppliers, counterparties and competitors. The Fund's investment committee must approve each investment by the Fund prior to consummation. The Fund's investment committee has the right to approve or reject any such investment that is brought before it in any manner. While the specific procedure for investment committee review may be adapted to particular circumstances, in general, a preliminary review, building on the due diligence process, is prepared by LionTree's principals and other investment professionals tasked with a given investment opportunity. This threshold review will typically focus on the fundamental characteristics of the proposed investment and the prospects for the portfolio company following an investment by the Fund:

- Market potential;
- Management strengths;
- Prospects for exit options, and projected returns;
- Governance mechanisms; and
- Regulatory status.

If the Fund's investment committee approves an investment, the Fund's investment director will pursue negotiation with the relevant counterparties to execute on the transaction. The Fund's investment committee will continue to monitor the investment process to confirm that the evolution of the transaction terms remains consistent with the original thesis for investment

approval. Decisions as to portfolio investment restructurings or exits are subject to formal investment committee review and approval.

### ***Risks of Investment***

The Fund and its investors bear the risk of loss that LionTree's investment strategy entails. While the discussion below often refers to "Fund," it enumerates certain risk factors that apply generally to an investment in the Fund, however the following discussion does not describe all of the risks that may potentially be faced by the Fund. Prior to making any investment in the Fund, investors should review the Fund's private placement memorandum or other offering document for additional information regarding risks and conflicts of interest specific to the Fund.

### **General Risks**

Long-Term Nature of Investment; Illiquidity. An investment in the Fund requires a long-term commitment, with no certainty of return. Generally, the Fund's investments will be illiquid, and there can be no assurance that the Fund will be able to realize on such investments in a timely manner or at all. Consequently, disposition of such investments may require a lengthy time period or may result in distributions in kind to the Limited Partners. In addition, there may be little or no near-term cash flow available to the investors.

The Fund typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act, as amended (the "**Securities Act**"), or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. In addition, in some cases, the Fund may be prohibited or limited by contract from selling certain investments for a period of time, and, as a result, may not be permitted to sell an investment at a time it might otherwise desire to do so.

Additionally, the realizable value of a highly illiquid investment may be less than its intrinsic value. While an investment may be sold at any time (subject to any relevant restrictions), it is generally not expected that partial or complete dispositions of investments will result in a return of capital or the realization of gains (if at all) for a number of years after an investment is made. A variety of factors (including economic conditions, asset conditions, political and regulatory considerations and public opinion) could affect the ability of the Fund to buy or sell investments on favorable terms. An investor generally will not be permitted to withdraw from the Fund or be excused from participation in any Fund investment, unless such participation would cause such investor to violate applicable law.

Therefore, the Fund may make investments that it is unable to realize advantageously prior to the date that the Fund is to be wound-up, either by expiration of the Fund's term or otherwise. Although the General Partner and LionTree Manager generally aim for all investments to be realized prior to the end of the Fund's term or to be suitable for distribution in-kind at the end of the term, the General Partner and LionTree Manager have limited authority to extend the term of



the Fund, and the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of the expiration of the Fund's term.

At the expiration of the term of the Fund, investments in privately-held companies may be distributed in-kind so that Limited Partners may then become minority shareholders in a number of privately-held companies which are intrinsically riskier than publicly-held companies as the privately-held companies may be smaller, more vulnerable to changes in markets and technology and dependent on the skills and commitment of a small management team. When such investments are distributed to Limited Partners, such Limited Partners may then become minority shareholders and may be unable to protect their interests effectively. A public market for such investments may never develop and it may be difficult to liquidate such investments or find prospective buyers in the private market. If "in-kind" distributions will be made to the Limited Partners of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the Governing Documents. An independent appraisal generally will not be required and is not expected to be obtained.

Lack of Operating History and Experience. The Fund consists of one or more newly formed entities that have not commenced operations prior to the initial closing. Therefore, the Fund has no operating history upon which prospective investors may evaluate its performance or upon which an investor can base its prediction of future success or failure. In addition, although the Principal and the investment team has significant experience in making investments consistent with the Fund's investment strategy, the General Partner and LionTree Manager are also recently formed entities. The Fund is permitted to make investments in markets in which LionTree and its respective affiliates may have had no prior operating experience. Accordingly, the Fund may compete for investments in portfolio companies with entities that may have greater experience and knowledge of such markets and may have better relationships with sellers, brokers, lenders or others in such markets. Investments in new markets may require more management time, staff support and expense in order to develop and maintain an appropriate knowledge base and relevant relationships.

The prior investment performance of affiliates of LionTree and the Principal does not necessarily represent the performance of the investment program to be pursued by the Fund, nor is such performance indicative of the future results of the Fund. On any given investment, total loss of the investment is possible.

Business Risk. The companies or projects in which the Fund will invest may involve a high degree of business and financial risk. These companies or projects, in some cases, may have significant variations in operating results, may be engaged in a rapidly changing business environment with products subject to a substantial risk of obsolescence, may require significant additional capital to support their operations, or may otherwise have a weak or unstable financial condition.

Dependence on Key Persons. The success of the Fund depends in substantial part upon the skill and expertise of the Principal and the other individuals employed by the General Partner, LionTree Manager and their respective affiliates. However, there can be no assurance that such professionals will continue to be associated with the General Partner, LionTree Manager or their respective affiliates throughout the life of the Fund. The loss of the Principal or other key personnel could materially and adversely affect the Fund and the performance of its investments. In such event, the Fund could have a diminished capacity to obtain investment opportunities, to capitalize upon relationships and to structure, manage and execute its potential investments and dispositions. The Fund may not be able to successfully recruit additional personnel and any additional personnel that are recruited may not have the requisite skills, knowledge or experience necessary or desirable to enhance the incumbent management. The Principal or other key personnel will devote such time and effort as reasonably deemed necessary for the management and administration of the Fund's business, subject to the terms of the Fund's partnership agreement. However, the Principal or other key personnel may engage in various other business activities in addition to managing the Fund, and consequently may not devote all of their time to Fund business.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. Where appropriate, the Fund intends to seek management rights, including board representation or other rights or an influential position over a portfolio company. However, there is no assurance that these rights, if sought, will be obtained. Furthermore, even in cases where the Fund may be represented on management boards or have other management rights, the Fund does not expect to have an active role in the day-to-day operations of its investments. The success or failure of many of the Fund's portfolio companies may depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability or resignation could adversely affect the performance of the portfolio company. No assurance can be given that a portfolio company's management team will be able to operate the portfolio company successfully and there may be legal, contractual or practical limits on the Fund's or portfolio company's ability to affect changes in management on a timely basis and on the ultimate outcome of any such change. In addition, the Fund may co-invest with non-affiliated co-investors, management teams, or joint venturers whose ability to influence the day-to-day management and affairs of the portfolio companies' investments may be significant and even greater than that of the Fund.

Limited Number of Investments; Lack of Diversity. The Fund is expected to participate in a limited number of investments and LionTree and the Fund may not be able to identify or acquire an appropriate volume of investment opportunities and, as a consequence, the Fund's aggregate returns may be materially and adversely affected by the unfavorable performance of even a single investment. Because the Fund may only make a limited number of investments and since the Fund's investments generally will involve a high degree of risk, poor performance by a few of the Fund's investments could materially affect the total returns to investors. On any given investment, loss of all or a portion of the investors' capital is possible. Investors have no assurance as to the

degree of diversification in the Fund's investments. Because the Fund's investments are expected to be concentrated within relatively few sub-sectors, countries or regions, portfolio diversification will be less than would be possible if the Fund were to invest in a broader range of industries, sectors, countries or regions. Such reduced diversification may increase the volatility of the Fund's returns, and could reduce the Fund's returns relative to more diversified funds to the extent that such industries, sectors, countries or regions do not perform as well as other industries, sectors. Although the Fund intends to diversify its investments among different assets, no assurances can be given that the Fund will, in fact, so diversify its investments. The Fund may also make investments that are not diversified geographically. The Fund may make investments for which third-party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment. Such financing may never become available, or a refinancing may not be able to be completed on desirable terms. This could result in the Fund having a variety of unintended long-term investments or reduced diversification.

Valuation of Investment Opportunities. The Fund may make investments relying upon projections developed by LionTree or a company concerning such company's future performance and cash flow. Projections are inherently uncertain and subject to factors beyond the control of LionTree and the company in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of a portfolio company to realize projected values and/or cash flow.

Available Opportunities and Competitive Marketplace. The activity of identifying, completing and realizing attractive aggregate investments is competitive and involves a high degree of uncertainty. The Fund will be expected to compete for investments with private equity funds, hedge funds, strategic investors, financial institutions, large and well-capitalized industrial groups, commercial, investment and merchant banks, or other investors, and certain of these competitors could have larger capital pools or superior access to investment opportunities. The availability of, and competition for, investment opportunities will depend on, among other things, financial, market, business and economic conditions. There can be no assurance that the Fund will be able to locate, complete and exit investments that satisfy the Fund's investment objectives or realize upon their values or that it will be able to invest fully its available capital or to diversify the Fund's investment portfolio. Additionally, competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which investments can be made.

Warehoused Investments. Prior to the date of the Fund's initial closing, LionTree Manager or one of its affiliates, directly or indirectly, acquired one or more investments that were designated by LionTree Manager as warehoused investments ("**Warehoused Investments**"), whether partially or entirely, for the Fund, and provided or procured financing therefor, including from third-party investors that are, or may in the future become, Limited Partners. All Warehoused Investments were identified in writing to the Limited Partners prior to the Fund's initial closing and will be (i) transferred, whether partially or entirely, to the Fund at a purchase price agreed to by the parties at the relevant time, including on terms that may be presented to and approved by

the Fund's advisory board, or (ii) contributed by a third-party investor, directly or indirectly, to the Fund in exchange for a distribution of corresponding interests in the Fund, which such interests may be retained by such third-party investor or redeemed for its pro rata portion of the purchase price. In connection with any partial transfer or contribution of a Warehoused Investment beneficially owned by a third-party, such third-party may continue to hold its remaining interests in such Warehoused Investment, directly or indirectly, alongside the Fund's investment in such Warehoused Investment.

Affiliates of LionTree Manager may take different actions or give different investment advice with respect to investment vehicles holding Warehoused Investments prior to the Fund's purchase than LionTree Manager may provide to the Fund. Additionally, one or more other persons may provide financing to, act as lenders to or invest in (which may, for the avoidance of doubt, include persons that will become Limited Partners) such investment vehicles holding Warehoused Investments prior to the Fund's purchase of such Warehoused Investments. There is no assurance that the Fund will acquire the Warehoused Investments on terms that are favorable to the Fund. The purchase price at which the Fund expects to purchase the Warehoused Investments will be based on the original cost of the investment, but may include an additional amount payable in addition thereto (as well as all expenses incurred in connection with the original acquisition and sale to the Fund). There can be no assurance that this price will accurately reflect the fair market value of the Warehoused Investments at the time of sale. Investors in or lenders to investment vehicles holding Warehoused Investments may receive more favorable terms with respect to the Fund as compensation for participating in the Warehoused Investments prior to the Fund's initial closing, which will not be available to other investors in the Fund. In addition, in the sole discretion of LionTree Manager, following the consummation of the sale of any Warehoused Investment to the Fund, the Fund may sell a portion of the Warehoused Investment to one or more co-investors, including, without limitation, one or more investors in or lenders to the investment vehicle selling the Warehoused Investment, which co-invest may be on terms that are different from the Fund. No assurance can be made as to when the Fund will purchase the Warehoused Investments.

Minority Investments. The Fund may make minority equity investments or investments in debt securities in portfolio companies where the Fund may not be able to protect its investment or to control or influence effectively the business or affairs of such entities to the same extent as it would in a controlled investment. The Fund may be adversely affected by actions taken by the majority equity holder(s) of the portfolio companies in which it invests, including actions which result in the Fund's investments being frozen in minority positions that incur substantial losses.

Control Positions. The Fund (alone, or together with other investors, including other investment vehicles advised by the General Partner, LionTree Manager or their respective affiliates) may be deemed to have a control or management position with respect to one or more of the portfolio companies in which it has an investment. This in turn could expose the Fund to risk of liability for environmental damage or clean-up obligations, product defects, failure to supervise management, pension and other fringe benefits, violation of laws and governmental

regulations (including securities laws), violation of fiduciary duties to minority owners and other types of liability. If these liabilities were to arise, the Fund might suffer a significant loss. The exercise of control over a portfolio company could expose the assets of the Fund to claims by such portfolio company, its security holders and its creditors.

Hedging; Use of Derivative Transactions. Certain of the investments by the Fund or its portfolio companies may employ hedging techniques or the use of derivative transactions designed to reduce risks, such as from adverse movements in prices, inflation, interest rates or currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of such transactions, unanticipated changes in prices, inflation, interest rates or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such transactions.

Bridge Financings. From time to time, the Fund may, in connection with its investments, make additional investments intended to be of a temporary nature in the form of debt or equity, including debt issued 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 financings are generally intended to be refinanced with a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities issuance or other refinancing may not occur and such bridge financing may remain outstanding. In such event, the returns on such bridge financing may not adequately reflect the risk associated with the investments made by the Fund.

Public Company Holdings. Although the Fund will focus primarily on non-public securities, the Fund's investment portfolio may contain securities issued by publicly held companies or their affiliates. Such investments may subject the Fund to risks that differ in type and degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times (including due to the possession by the Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members or significant shareholders, which may include the Principal and other members of the LionTree investment team, regulatory action by the domestic or foreign securities regulators and increased costs associated with each of the foregoing risks. In addition, in connection with investments in public companies, the Fund may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain in making directly originated or otherwise privately negotiated investments. Moreover, the Fund may not have the same access to information in connection with investments in public securities, either when investing a potential investment or after making an investment, as compared to privately negotiated investments. The Fund may also be limited in its ability to make investments, and to sell existing investments, in public securities because the Fund may be deemed to have material, non-public information regarding the issuers of those securities. The inability to sell public securities in these circumstances could materially adversely affect the investment results of the Fund.

Leverage. The Fund's investments may include companies whose capital structures may utilize significant amounts of leverage. While investments in leveraged companies offer the opportunity for relatively greater capital appreciation, such investments also involve a higher degree of risk. Recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, movements in the level of interest rates may affect the returns from these assets more significantly than investments in other types of assets. In particular, the type of debt, maturity profile, interest rates and covenants in place (including the manner in which they affect returns to equity holders) could affect the timing and magnitude of returns. Additionally, the securities acquired by the Fund may be the most junior in what will typically be a complex capital structure, and thus subject to the greatest risk of loss. If a portfolio company cannot generate adequate cash flow to meet its debt obligations, the Fund may suffer a partial or total loss of capital invested in the portfolio company. Under certain circumstances, payments to the Fund and distributions to the Limited Partners may be reclaimed if any such payment is later determined to have been a preferential payment.

Other Legal, Tax and Regulatory Risks. The regulatory considerations affecting the ability of the Fund to achieve its investment objectives are complicated and subject to change and can result in significant compliance costs and expenses. Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. For example, from time to time, the market for private investment fund transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. In addition, private investment funds and their investment advisers may be subject to increased regulation, taxation or other scrutiny by regulators or other market participants. There can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private investment fund industry generally or on the Fund, the General Partner or LionTree Manager, including the ability of the Fund to take the measures necessary to effect operating improvements or restructurings of portfolio companies or otherwise achieve its objectives.

Global Economic Conditions; Market Dislocation. General global economic conditions and fluctuations in the debt markets or in the securities markets (whether in local communities, particular countries or globally) may affect the value and success of the portfolio companies that will be held by the Fund. Interest rates, availability of credit, inflation rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may also affect the value of investments made by the Fund. Instability in the securities markets may increase the risks inherent in portfolio investments made by the Fund. In addition, to the extent that there are adverse marketplace events, there may be an adverse impact on the availability of credit to businesses generally which could lead to a weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of the Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Fund could lose both invested capital in and anticipated profits from such portfolio companies.

General market conditions can materially and adversely impact the Fund in a variety of ways and may include impacts that cannot be anticipated at this time. Among other things, general market conditions may materially and adversely affect (i) the ability of the Fund, its portfolio companies or their respective affiliates to access the credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with the Fund or its affiliates, (iii) the Fund's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) consumer spending and demand for the products and services offered by the Fund's portfolio companies, (v) growth opportunities for the Fund's investments, (vi) the Fund's ability to exit its investments at desired times, on favorable terms, or at all, (vii) availability of reliable insurance on favorable terms or at all, and (viii) the ability of the Fund's investors to meet their obligations to the Fund in a timely manner or at all. National and global market and economic conditions may deteriorate during the term of the Fund, and such conditions could deteriorate materially and for an extended period of time. Fundamentals across many continental European economies have worsened over the last several years, and it is possible that some period of market dislocation will exist during the term of the Fund. National and global concerns about future economic growth, rising unemployment, changes in demographics, lower consumer sentiment, market instability, inflationary pressures, fluctuating oil prices, adverse developments in the credit markets and mixed corporate earnings may present significant challenges to the national and global economies and equity markets. Any of the foregoing could have a material adverse impact on the Fund.

Certain Risks Associated with Non-U.S. Investments. The Fund may invest in portfolio companies organized and operating primarily in certain countries outside the United States. Such non-U.S. investments may involve risks and special considerations not typically associated with U.S. investments. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation, (ii) social, economic and political uncertainty, including corruption, war and revolution, (iii) dependence on exports and the corresponding importance of international trade, (iv) price fluctuations, market volatility, less liquidity and smaller capitalization of securities markets, (v) currency risks, including exchange rate fluctuations, devaluation and the costs of currency conversions, (vi) rates of inflation, (vii) controls on, and changes in controls on, foreign investment, limitations on repatriation of invested capital, proceeds from the sale of securities and other remittances, and on the Fund's ability to exchange local currencies for U.S. dollars, (viii) governmental involvement in and control over such non-U.S. economies, (ix) governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies, (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers, (xi) less extensive regulation of the securities markets, (xii) longer settlement periods for securities transactions, (xiii) less developed corporate laws regarding fiduciary duties and the protection of investors, (xiv) adverse effects of local withholding and foreign tax requirements on repatriation of income from and investments in entities that are organized or domiciled in non-U.S. jurisdictions, (xv) less reliable judicial systems to enforce contracts and applicable law, (xvi) foreign restrictions and prohibitions on ownership

of property by U.S. entities and changes in foreign laws relating thereto, and (xvii) incidents of terrorism.

Diseases, Pandemics and Epidemics. The impact of disease and epidemics may have a materially adverse impact on the operations and business results of LionTree Manager, the Fund and its portfolio companies and each of their respective affiliates and the performance, financial position and investment obligations of each of the foregoing. The COVID-19 (as defined below) pandemic, renewed outbreaks of other epidemics or the outbreak of new epidemics have or could result in health or other government authorities requiring the closure of offices or other businesses and have or could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, the operations of any of the foregoing persons could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on any of the foregoing persons.

The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. In December 2019, a novel strain of coronavirus surfaced (“**COVID-19**”) and has spread around the world resulting in wide-spread business and social disruption. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, are uncertain and cannot be predicted, and such adverse effects may be material. While governmental agencies and private sector participants continue to seek to mitigate the adverse effects of COVID-19, including such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel and other restrictions, and the medical community continues to produce vaccines and other treatment options, the efficacy of such measures is uncertain. The effects of a public health emergency, including, without limitation, the COVID-19 pandemic, may materially and adversely impact (a) the value and performance of the Fund’s investments, (b) the ability of the Fund’s portfolio companies to continue to meet loan covenants, post margin or repay loans on a timely basis or at all, or (c) the Fund’s ability to source, manage and divest investments and the Fund’s ability to achieve its investment objectives, all of which could result in significant losses to the Fund. The foregoing market conditions may cause the Fund to write down assets materially as the fair market value of its investments may be reduced in light of a potential or actual economic decline or recession, decline in or lack of consumer confidence or uncertain and volatile market conditions that are difficult to assess or predict. In addition, the operations of LionTree Manager, the Fund and its portfolio companies and each of their respective



affiliates may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Brexit. The United Kingdom (the “UK”) withdrew from the European Union (the “EU”) on January 31, 2020 (“**Brexit**”). In connection with Brexit the UK and the EU agreed to the Trade and Cooperation Agreement (“TCA”) that governs the future trading relationship between the UK and the EU in specified areas. The TCA took effect from January 1, 2021 following a transition period that commenced immediately following the Brexit date.

The UK is no longer in the EU customs union and is outside of the EU single market. As a result, logistical disruption is expected whilst the UK and EU implement the new relationship under the TCA. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual EU member state regulations and cooperation/recognition arrangements. The initial timeframe set to agree on a financial services cooperation framework may be subject to extension and a cooperation agreement on financial services is not guaranteed. The uncertainty surrounding the implementation of the TCA and the outcome of ongoing negotiations may have economic, tax, fiscal, legal, regulatory and other implications for the asset management industry, the broader European and global financial markets generally and for private funds, such as the Fund and its investments. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU, including companies or assets held or considered for prospective investment by the Fund.

The future application of EU-based legislation or taxation to the private fund industry in the UK will depend, among other things, on how the UK negotiates its relationship with the EU as regards to financial services. There can be no assurance that any negotiated laws, taxation or regulations will not have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives. The ongoing effects of Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the ability of the General Partner and LionTree Manager to manage, operate and invest the Fund and increased legal, regulatory or compliance burden for the General Partner, LionTree Manager, or the Fund, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Fund.

Whilst the most immediate impacts of Brexit on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and the EU.

Eurozone Risk. There are significant and persistent concerns regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro to function as a single currency given the diverse economic and political circumstances in individual Eurozone countries. The risks and prevalent concerns about a credit crisis in Europe could have a detrimental impact on global economic recovery as well as on sovereign and non-sovereign debt in the Eurozone countries. There can be no assurance that the market disruptions in Europe will not spread to other countries, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilize affected countries and markets in Europe or elsewhere. These and other concerns could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the Euro entirely.

Anti-Corruption Laws. Conducting business on a worldwide basis requires portfolio companies to comply with the laws and regulations of the U.S. government and various international jurisdictions, and their failure to comply with these rules and regulations may expose both the Fund and such portfolio companies to liabilities. These laws and regulations may apply to companies, individual directors, officers, employees and agents, and may restrict a portfolio companies' operations, trade practices, investment decisions and partnering activities. In particular, international portfolio companies may be subject to U.S. and foreign anti-corruption laws and regulations, such as The Foreign Corrupt Practices Act of 1977 ("**FCPA**"), the United Kingdom Bribery Act of 2010 ("**UKBA**"), the Canadian Corruption of Foreign Public Officials Act ("**CFPOA**") and other anticorruption laws, anti-bribery laws, rules and regulations, as well as anti-boycott regulations, to which LionTree Manager, the General Partner, the Fund or the portfolio companies may be subject (collectively, the "**Anti-Corruption Laws**"). Such Anti-Corruption Laws may result in the Fund and its portfolio companies incurring additional costs and expenses or otherwise affect the management and operation of the Fund or its portfolio companies. In addition, any determination that LionTree Manager, the General Partner, the Fund or any portfolio company has violated any Anti-Corruption Law could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct or securities litigation, any one of which could adversely affect LionTree Manager, the General Partner, the Fund or the portfolio companies.

While LionTree Manager has developed and implemented procedures and practices designed to require compliance by LionTree Manager and their personnel with applicable Anti-Corruption Laws, such procedures and practices may not be effective in all instances to prevent violations. In addition, in spite of LionTree Manager's policies and procedures, portfolio companies and their affiliates may engage in activities that could result in FCPA, UKBA and CFPOA violations, particularly in cases where the Fund does not control such portfolio company. Any determination that LionTree Manager, the General Partner, the Fund or one of their respective affiliates has violated the FCPA, UKBA, CFPOA or other applicable Anti-Corruption Laws could subject LionTree Manager, the General Partner, the Fund or such affiliates and their respective officers, employees and agents to civil and criminal penalties, material fines, profit disgorgement,

injunctions on future conduct, securities litigation, debarment from federal or international programs or a general loss of investor confidence, among other things, any one of which could adversely affect LionTree Manager's business prospects or financial position, as well as the Fund's ability to achieve its investment objective or conduct its operations.

The AIFMD and the UK AIFMR. The Directive on Alternative Investment Fund Managers, together with any supplementary regulation implemented in the UK following Brexit ("UK AIFMR"), or subordinate legislation or guidance thereto implemented in any relevant jurisdiction (the "AIFMD"), imposes requirements on AIFMs (as defined in the AIFMD) that market AIFs to professional investors who are domiciled or have a registered office within the European Economic Area (the "EEA"). For these purposes the Fund is a non-EEA alternative investment fund (as such term is defined in the AIFMD, "AIF") and LionTree Manager is a non-EEA AIFM. The AIFMD allows member states to permit the marketing of non-EEA AIFs by non-EEA AIFMs in accordance with local laws, provided that local laws meet the requirements of Article 42 of the AIFMD. There is no requirement for member states to operate or maintain a national private placement regime and, if they do, the member state is free to impose stricter rules than the minimum requirements of Article 42 of the AIFMD. Where national private placement is permitted, the AIFM must comply with Article 22 (requirements relating to an annual report), Article 23 (prescriptive pre-investment and periodic disclosure to investors), Article 24 (relating to periodic reporting to regulators) and Articles 26 to 30 if applicable (the provisions relating to the acquisition and control of non-listed companies and issuers, including the asset-stripping rules). In addition to these minimum requirements, some jurisdictions require a non-EEA AIFM to comply with substantially all of the AIFMD or certain additional compliance requirements, such as the appointment of a depositary. Given that national private placement regimes are, by definition, a matter of national law, a non-EEA AIFM must comply with different regulatory requirements in different member states, both in respect of the initial process for seeking to market in that member state and with respect to ongoing compliance. Since LionTree Manager, as a non-EEA AIFM, is not currently eligible for authorization and therefore cannot have the benefit of a marketing "passport", it is required to comply with the national private placement regimes and other applicable rules of those EEA member states that allow private placement and in which interests in the Fund are marketed and sold. Where LionTree Manager has marketed the Fund in a member state in compliance with the national private placement regime and that marketing has resulted in investors in that member state investing in the Fund, LionTree Manager's ongoing compliance with the laws of that member state will continue at least until all of such investors dispose of their interests. Compliance with these requirements may therefore result in significant additional costs over the life of the Fund and may reduce returns to investors. The rules, regulations and guidance related to the marketing of interests to investors domiciled or having their registered office in the EEA continue to evolve and may have already changed. LionTree Manager or its affiliates and agents has endeavored or will endeavor (as applicable) to comply with these evolving rules as interpreted, but there is not absolute certainty as to their successful compliance. Any changes which have occurred to, or the evolution of, the rules which cause subsequent restrictions related to the marketing of interests may lead to a reduction in the aggregate capital commitments made to the Fund. In the event that LionTree Manager or its affiliates or agents is found to have

breached the provisions of the AIFMD or the national private placement regimes and other applicable rules of relevant EEA member states (inadvertently or otherwise), LionTree Manager (or the Fund, indirectly) may face regulatory sanctions as a result of such noncompliance. Such activities and sanctions may impact the enforceability of any subscriptions received from the applicable investors domiciled or with a registered office in the EEA (each an “**EEA Investor**”) (including potential rescission rights with respect to such EEA Investors), result in significant costs and ultimately materially and adversely affect the Fund, its financial condition, liquidity, reputation and operations. Certain EEA member states have indicated that they will cease to operate national private placement regimes when or shortly after the passport becomes available to non-EEA AIFMs, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. The abolition of such regimes would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, LionTree Manager may not seek to market interests in those jurisdictions, which may lead to a reduction in the aggregate capital commitments made to the Fund. Alternatively, if LionTree Manager sought to comply with the requirements to use the passport, this could have adverse effects including, amongst other things, increasing the regulatory burden and costs of operating and managing the Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting LionTree Manager’s ability to recruit and retain such personnel.

Following Brexit and subject to compliance with the UK AIFMR, AIFMs may market AIFs to professional investors who are domiciled or have a registered office within the UK pursuant to the UK national private placement regime. The UK AIFMR currently imposes compliance obligations that are broadly similar to those detailed in the above paragraph in connection with a non-EEA AIFM marketing a non-EEA AIF pursuant to the national private placement regimes of certain EEA member states. If within scope of the UK AIFMR, an AIFM must comply with rule 3.3 of the Investment Funds sourcebook (requirements relating to an annual report), rule 3.2 of the Investment Funds sourcebook (prescriptive pre-investment and periodic disclosure to investors), rule 3.4 of the Investment Funds sourcebook (relating to periodic reporting to regulators) and Part 5 of the UK AIFMR if applicable (the provisions relating to the acquisition and control of non-listed companies and issuers, including the asset-stripping rules).

For Investors Domiciled in EEA Member States Where the AIFMD is in Full Effect. LionTree Manager is established outside of the EEA. As a non-EEA AIFM marketing a non-EEA AIF without an AIFMD “passport,” if LionTree Manager markets the Fund in an EEA member state it shall only be subject to the individual EEA member state rules and the requirements identified in Article 42 of the AIFMD. As a result, applicable EEA Investors should be aware that LionTree Manager will not be required to comply with all of the requirements of the AIFMD with which an EEA AIFM is otherwise required to comply and that such EEA Investors may not receive all the protections or disclosures that might be available with respect to investments managed by

an EEA AIFM in and/or marketed into their home EEA member state. As a non-EEA AIFM, LionTree Manager is not subject to, for example, Article 9(7) of the AIFMD, which requires EEA AIFMs to cover professional liability risks (i.e. LionTree Manager shall not be required to maintain professional indemnity insurance pursuant to the application of the AIFMD). As a non-EEA AIFM, LionTree Manager is also not subject to, for example, the requirements with respect to the management of liquidity risk set out in Article 47 of the AIFMD. As a non-EEA AIFM, LionTree Manager's not required to appoint a depositary as contemplated in Article 21 of AIFMD unless the national private placement regime of an EEA member state requires otherwise and an EEA Investor is admitted to the Fund, following active marketing of interests. The AIFMD requires disclosures to be made to investors (*e.g.*, details of an investor's rights with respect to certain service providers, such as auditors). While certain details of the Fund's arrangements with such service providers may be set out in the Governing Documents, any such descriptions may not address the governing law, dispute resolution mechanisms and similar provisions of such arrangements. In addition, although the Fund has negotiated certain protections with these service providers, such as the ability to terminate certain arrangements, investors, generally do not have a direct ability to enforce such provisions. The Governing Documents describe the preferential treatment which certain investors may receive and the types of investors who may receive such treatment. In addition, such investors may have legal or economic links with the Fund, and LionTree Manager or their respective affiliates.

As a non-EEA AIFM marketing a non-EEA AIF in the EEA (if applicable), LionTree Manager may be required pursuant to the AIFMD to notify periodically and, in any event, at least once a year, applicable EEA Investors of information regarding the Fund's illiquid assets and special arrangements arising from their illiquid nature and certain changes to the maximum amounts of leverage and total amounts of leverage employed by the Fund. When required to do so, LionTree Manager will make this information available to such EEA Investors as part of any regular, periodic, extraordinary or annual reports which LionTree Manager would otherwise make to such EEA Investors. In addition, LionTree Manager will make available to such EEA Investors at their request an annual report for each financial year no later than six months following the end of the financial year as required by the AIFMD.

Environmental, Social & Governance (“ESG”) Matters. ESG matters have been the subject of increased focus by regulators in the U.S. and EU, among other jurisdictions. While LionTree strives to implement ESG practices, there can be no assurance that LionTree will be able to identify all ESG issues or will be able to successfully implement its ESG policies. The use of ESG metrics in the investment process may be subjective and are not subject to uniform standards, and, as such, there is no guarantee that LionTree will be able to accurately assess and measure the ESG risks and ESG compliance of a Fund's investments and/or potential investments. ESG-based exclusionary criteria may result in a Fund foregoing opportunities to make certain investments when it might otherwise be advantageous to do so, and/or selling certain investments due to their ESG characteristics when it might be disadvantageous to do so. The use of ESG criteria may affect a Fund's investment performance and, as such, a Fund may perform differently compared to similar funds that do not use such criteria.

Data Privacy Risk. The protection of personal data has been the subject of national, international, and other regulatory guidance and proposals for reform. Among other such regulatory reforms, the General Data Protection Regulation (“**GDPR**”) provides for the protection of the individual’s right to privacy with respect to the processing of personal data and is directly applicable in all EEA member states. Following Brexit, the GDPR has been imposed in UK law, as the UK General Data Protection Regulation (“**UK GDPR**”). The UK’s data protection regime primarily consists of the UK GDPR and the UK Data Protection Act 2018 (the “**UK DP Laws**”). To the extent LionTree or its agents offers investment opportunities to, or monitors the behavior of, natural persons located in the EEA and the UK (“**Data Subjects**”), LionTree will be deemed to be a “controller” with respect to personal data collected from such Data Subjects and will be required to comply with the provisions of the GDPR and related UK laws, which are extensive and implement stringent operational requirements and onerous accountability obligations for controllers and processors of personal data, including, for example, requiring expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for controllers to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities. The GDPR provides that EEA member states may make their own additional laws and regulations in relation to certain data processing activities, and may impose stricter governance requirements, which could limit LionTree’s ability to use and share personal data or could require localized changes to LionTree’s or a Fund’s operating model, if applicable. The provisions of the GDPR and related UK laws may also apply to a Fund’s investments, to the extent that they are established in the EU and the UK, or offer goods or services to, or monitor the behavior of, EEA and UK Data Subjects. LionTree is also subject to certain rules with respect to cross-border transfers of personal data out of the EEA and the UK.

As regulatory authorities issue further guidance on the collection and use of personal data and/or start taking enforcement action, LionTree may incur additional costs, and/or become subject to regulatory investigations or fines, which may affect the manner in which LionTree conducts its business. LionTree may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs and diversion of internal resources. An assessment by a regulatory authority that LionTree has not complied with the requirements of the GDPR, UK GDPR or other applicable privacy regimes could result in serious financial and reputational damage to LionTree or the Fund. These laws (if applicable) also could cause costs of the Fund and its investments to increase and result in further administrative burden, which is likely to reduce capital and time that can be deployed for making investments.

Cyber Security. LionTree Manager, the Fund, their affiliates, service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect LionTree Manager, the Fund and its investors, despite the efforts of LionTree Manager and the Fund’s service providers to adopt technologies, processes

and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of LionTree Manager, the Fund's service providers, counterparties or data within these systems.

Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of LionTree Manager's systems to disclose sensitive information in order to gain access to LionTree's data or that of the Fund's investors. A successful penetration or circumvention of the security of LionTree's systems could result in the loss, theft or corruption of an investor's data, a loss of Fund data, a loss of funds, the inability to access electronic systems, overall disruption in operations systems, loss, theft or corruption of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. These threats may also indirectly affect the Fund through cyber incidents with third-party service providers or counterparties. Data taken in such breaches may be used by criminals in identity theft, obtaining loans or payments under false identities, and other crimes that could affect the Fund's investors directly as well as affect the value of assets in which the Fund invests. These risks can disrupt the ability to engage in transactional business, cause direct financial loss and reputational damage, lead to violations of applicable laws related to data and privacy protection and consumer protection or incur regulatory penalties, all or part of which may not be covered by insurance. Cybersecurity risks also result in ongoing prevention and compliance costs. In addition, LionTree Manager or the Fund may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information and adverse reputational reaction or litigation.

Similar types of operational and technology risks are also present for the portfolio companies in which the Fund invests, which could have material adverse consequences for such companies, and may cause the Fund's investments to lose value and negatively impact returns to investors.

Natural Disasters, Terrorist Acts and Similar Dislocations. Upon the occurrence of a natural disaster such as a flood, hurricane, or earthquake, or upon an incident of war, riot or civil unrest, or an epidemic, the impacted country may not efficiently and quickly recover from such event, which can have a materially adverse effect on portfolio companies and other developing economic enterprises in such country. Terrorist attacks and related events can result in increased short-term economic volatility. U.S. military and related actions in the Middle East, and terrorist actions worldwide could have significant adverse effects on U.S. and other economies and securities markets. The effects of future terrorist acts (or threats thereof), military action or similar events on the economies and securities markets of countries cannot be predicted. Such disruptions of the world financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to the Fund's investments.

Trade War. Any proposed tariffs by the U.S. government and the potential of a trade war between the U.S. and China, and on a larger scale, internationally, may dampen global growth. If the U.S. government, in the future, subjects the services that any of the Fund's portfolio companies provide to proposed tariffs, the business operations and revenues of such portfolio companies may be negatively impacted. Sustained tension between the United States and China over trade policies could significantly undermine the stability of the global and Chinese economy. Any prolonged slowdown in the Chinese or global economy may have a negative impact on the Fund and its portfolio companies and their respective results of operations and financial condition, and continued turbulence in the international markets may adversely affect the Fund's or its portfolio companies' ability to access the capital markets to meet liquidity needs.

### **Conflicts of Interest**

During the investment period of the Fund, all appropriate investment opportunities will be pursued by the Principal through the Fund, subject to certain limited exceptions. In the future, the Principal may manage several other investments similar to those in which the Fund will be investing, and may direct certain relevant investment opportunities to those investments in accordance with LionTree's policies and procedures. The Principal may focus his investment activities on other opportunities and areas unrelated to the Fund's investments.

Initially, LionTree will only provide investment advisory services to the Fund. However, in the future, LionTree may advise additional Private Investment Funds and other investment vehicles and, from time to time, LionTree may be presented with investment opportunities that would be suitable not only for the Fund, but also for other Private Investment Funds and other investment vehicles operated by advisory affiliates of LionTree. In determining which investment vehicles should participate in such investment opportunities, LionTree and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. LionTree will attempt to resolve such conflicts of interest in light of its obligations to investors in its Private Investment Funds and the obligations owed by LionTree's advisory affiliates to investors in investment vehicles managed by them, and will attempt to allocate investment opportunities among the Fund, other Private Investment Funds and such investment vehicles in a fair and equitable manner. Where necessary, LionTree consults and receives consent to conflicts from an advisory board consisting of unaffiliated Limited Partners of the Fund selected by the General Partner.

In addition to the time devoted to the Fund, the Principal may engage in certain permitted other activities, including involvement with personal and family investments, prior investments made by LionTree Manager or its affiliates and certain other business activities. Further, subject to any restrictions under the Governing Documents, LionTree Manager and its affiliates (other than the General Partner) may from time to time establish, sponsor or manage one or more other investment funds or other pooled investment vehicles, investment structures or accounts or engage in any other business.



The Fund will receive an allocation of investment opportunities made available by the Principal and his affiliates, together with principals of LionTree LLC (“**LionTree Advisory**”) to any investment fund or account advised or managed by LionTree Advisory or any affiliate thereof. The Fund may also invest alongside one or more investment funds or accounts managed or advised by an affiliate of the General Partner and/or LionTree Advisory in any such opportunity.

Except as set forth in (a)-(d) below, without the consent of the Fund’s advisory board or a majority in interest of the Limited Partners, the Fund will not invest in, acquire investments from, nor sell investments to, the General Partner, LionTree Manager, the Principal or any of their respective affiliates or any entity in which any of the foregoing holds a material investment or is in a position of voting control. The foregoing will not apply to (a) purchases, sales or transfers of interests in any investment from or to any entities formed to hold any co-investment permitted to be allocated to co-investors as described in the Governing Documents, (b) any transactions in connection with the organization or operation of any parallel funds, feeder funds or alternative investment vehicles, (c) purchase of warehoused investments from an affiliate of the Fund, and (d) purchase of investments from, or sale of investments to, certain investment vehicles associated with LionTree Manager or the Principal as further described in the Governing Documents (each a “**LionTree Existing Fund**”); provided that such purchase or sale, as applicable, is on terms that are no less favorable than terms that could have been obtained from a third party on an arm’s length basis.

#### Co-Investments

LionTree serves as investment manager to Co-Invest Funds, which invest alongside the Fund in certain portfolio companies and also, from time to time, may offer certain investors or other persons the opportunity to co-invest directly in a portfolio company. In particular, certain investors who have made larger commitments in early closings will be offered the opportunity to participate on a priority basis ahead of all other Limited Partners, and in any such co-investment opportunity, pro rata with all such other similar investors. LionTree intends that such Co-Invest Funds invest at the same time as the Funds and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a Co-Invest Fund may subsequently purchase a portion of an investment from a Fund. The co-invest buy-down generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. In certain circumstances, a Co-Invest Fund or other co-investor may evaluate a potential investment alongside a Fund. In the event that any potential investment of the Fund or any alternative investment vehicle results in Broken Deal Expenses and all or a portion of such Broken Deal Expenses are not paid or reimbursed by any potential Co-Invest Funds, co-investors or other third parties or transaction participants, as applicable, the Fund (together with any parallel funds and alternative investment vehicles, as applicable) will, unless otherwise determined by the General Partner in its sole discretion, be required to bear 100% of the amount of any such Broken Deal Expenses. In circumstances where an entire investment could be made by the Fund, LionTree may still allocate a portion of such investment to one or more Co-Invest Funds or other co-investors

in accordance with the Fund's Governing Documents and LionTree's allocation policy if, for example, LionTree believes in its good faith judgment that the full investment would unreasonably limit the diversification of the Fund or that a particular co-investor would add value to the Fund or the investment. Investors that participate in co-investments, whether directly or through a Co-Invest Fund, may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the Fund. In addition, co-investors' interests are not always aligned with the Fund's interests and, if third party investors co-invest directly into a portfolio company, LionTree's ability to control or influence such third parties will likely be more limited than if the co-investors were participating in a vehicle managed by LionTree. LionTree may enter into similar arrangements with additional co-investment vehicles that may be formed from time to time invest alongside the Private Investment Funds, which will be subject to similar considerations.

#### Co-Investments With another Private Investment Fund

The Fund may, from time to time, make investments together with another Private Investment Fund. In these cases, such investment will be on the same terms and conditions in all material respects, with amounts for investment allocated between the Fund and the other Private Investment Fund, subject to available capital, including reasonable reserves, or other investment limitations on the Fund and the other Private Investment Fund, in the reasonable discretion of the General Partner.

#### Co-Investments With Prior Funds Affiliated with LionTree Advisory

The Fund may, from time to time, make investments together with investment funds or accounts in existence prior to the formation of the Fund that are managed or advised by LionTree Advisory or one of its affiliates. In these cases, such investment will be on the same terms and conditions in all material respects, with amounts for investment allocated between the Fund and such investment fund or account, subject to available capital, including reasonable reserves, or other investment limitations on the Fund and the other investment funds, in the reasonable discretion of the General Partner; *provided* that the foregoing will not apply to any co-investment made alongside the Fund by any LionTree Existing Fund in any portfolio company. For the avoidance of doubt, the Fund will not purchase any securities from any investment funds or accounts managed or advised by LionTree Advisory or one of its affiliates without the approval of the Fund's advisory board.

#### Portfolio Company Board Participation

It is expected that employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of the General Partner, LionTree Manager and their respective affiliates may serve as directors of certain of the portfolio companies and, as such, may have duties to persons other than the Fund. Although such positions in certain circumstances may be important to the Fund's investment strategy and may enhance the General

Partner's and LionTree Manager's ability to manage investments, they may also have the effect of impairing the Fund's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the General Partner, LionTree Manager and the Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Fund will indemnify employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of the General Partner, LionTree Manager and their respective affiliates from such claims.

From time to time, certain principals of LionTree Manager, including the Principal, serve as board members of or organize or sponsor one or more special purpose acquisition companies ("SPACs") for the purposes of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. Although such principals of LionTree Manager will continue to devote their time and attention to the investment activities of the Fund, they will have other obligations with respect to the SPACs as board members. In addition, such principals of LionTree Manager may regularly obtain confidential information regarding various target companies and other investment opportunities that would be imputed to LionTree Manager. Therefore, if any such principal of LionTree Manager receives confidential information with respect to a company, the Fund may face certain restrictions on their ability to pursue a transaction with that company or dispose of an investment.

#### Use of Subscription Lines

The Fund may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities, the collateral for which can be, for example, the undrawn capital commitments of investors (*i.e.*, subscription lines) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be borne by LionTree, but certain related costs may be borne by the Fund, subject to the Governing Documents. As a result, LionTree may have an incentive to cause a Fund to borrow in this manner in lieu of drawing down capital commitments, subject to the Governing Documents.

#### Portfolio Company Relationships

Certain of the Fund's portfolio companies may be counterparties to or participants in agreements, transactions or other arrangements with or alongside other portfolio companies, including portfolio companies of other Private Investment Funds. In addition, the portfolio companies and the portfolio companies of LionTree Manager, or any of its affiliates or any other Private Investment Funds, may transact amongst themselves in the ordinary course of their respective businesses on customary commercial terms.

#### Former Employees and Secondees

Former employees of LionTree Manager may become employees, officers or directors of, or otherwise engaged by, portfolio companies. Current employees of LionTree Manager may also

be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. Those companies may pay such persons' directors' fees, salaries, consultant fees, other cash compensation, stock options or other compensation and incentives and may reimburse such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. LionTree Manager may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by LionTree Manager to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the management fee paid or carried interest distributed by the Fund to LionTree Manager or the General Partner will not be reduced. All or a portion of any such compensation and incentives will be borne by the Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be characterized as an employee or former employee of LionTree Manager, or a seconded employee may be unclear. In such cases, LionTree Manager will make a determination in good faith based on its evaluation of the relevant facts and circumstances.

#### Service Providers or other Consultants

LionTree and its affiliates may engage in business with certain service providers, including, for example, investment banks, outside legal counsel and insurance providers, who are investors in the Fund and/or who provide services to LionTree, a Private Investment Fund, portfolio companies of the Fund or businesses that are competitors of LionTree. Such engagement may be concurrent with a service provider's admission to a Private Investment Fund as a limited partner or during the term of such service provider's investment in the Fund. LionTree may have conflicts of interest with the Private Investment Funds or their portfolio companies in recommending the retention or continuation of a service provider to the Fund or portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in a Private Investment Fund or will provide LionTree information about markets and industries in which LionTree operates. In these instances, LionTree uses reasonable efforts to mitigate such conflicts and uses good faith efforts to negotiate market terms for such law firm and service providers' services.

#### **ITEM 9           DISCIPLINARY INFORMATION**

None of LionTree, the Principal or other management persons have been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **ITEM 10       OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

LionTree Manager is affiliated with the General Partner, which is also an investment adviser registered in accordance with SEC guidance under the Advisers Act pursuant to LionTree Manager's registration. The General Partner and LionTree Manager operate together as a single advisory business and serve as managers or general partners of private investment funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or

persons occupying similar positions. All of these advisers are under common control and subject to LionTree Manager's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

LionTree Manager is under common control with LionTree Partners LLC ("**LionTree Partners**") and certain of its affiliates. LionTree Partners is an SEC exempt reporting adviser, which also advises private funds.

LionTree Manager is also under common control with Tenere Capital, LLC ("**Tenere Capital**") and certain of its affiliates. Tenere Capital is a registered investment adviser which advises private investment funds which are hedge funds.

LionTree Manager is under common control with LionTree Advisors and certain of its affiliates. LionTree Advisors is a registered broker-dealer and a member of the Financial Industry Regulatory Authority, Inc. LionTree Advisors, LionTree Advisory and its affiliates engage, or may engage in the future, in a broad spectrum of financial advisory and consulting services to certain portfolio companies of one or more Private Investment Funds or other LionTree investment vehicles, including acting as private placement agent and providing investment banking, consulting, advisory, brokerage or other services.

#### **ITEM 11      CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

LionTree Manager has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of the Principal and LionTree's employees, and addresses conflicts that arise from personal trading. The Code requires certain LionTree personnel to report their personal securities transactions, requires LionTree personnel to obtain pre-approval from LionTree's Chief Compliance Officer in order to acquire, directly or indirectly, beneficial ownership of securities in a limited offering or initial public offering, and may prohibit LionTree personnel from directly or indirectly acquiring or disposing of beneficial ownership of certain securities without first obtaining approval from LionTree's Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to LionTree's Chief Compliance Officer at WModlin@liontree.com. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

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

Accordingly, should LionTree Manager or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, LionTree Manager would be prohibited from communicating such information to clients and may be prohibited from engaging in a transaction that it would otherwise undertake on behalf of a client. LionTree Manager will have no responsibility or liability for failing to disclose such information to, or undertake a transaction on behalf of, Clients as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of LionTree personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Fund.

In the future, the Fund and other Private Investment Funds may invest together with other private investment funds advised by an affiliated adviser of LionTree in the manner set forth in the Governing Documents. LionTree will determine the allocation of such investment opportunities in accordance with its investment allocation policy and generally in a manner that it believes is fair and equitable to the Private Investment Funds consistent with LionTree's obligations and may take into consideration factors, including (without limitation): each Private Investment Fund's investment objectives, strategies and structure of the investment opportunity as reflected in each Private Investment Fund's Governing Documents; transaction sourcing; each Private Investment Fund's diversification; lender covenants and other limitations; amount of capital available for investment by each Private Investment Fund as well as each Private Investment Fund's projected future capacity for investment; stage of development of the prospective portfolio company or other investment; composition of each Private Investment Fund's portfolio; suitability as a follow-on investment for a current portfolio company of a Private Investment Fund; the availability of other suitable investments for each Private Investment Fund; supply or demand of an investment opportunity at a given price level; risk considerations; cash flow considerations; asset class restrictions; geography considerations; industry and other allocation targets; minimum and maximum investment size requirements; tax implications; and any other relevant limitations imposed by or conditions set forth in the applicable Governing Documents of each Private Investment Fund.

LionTree 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 the Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives may be the same or similar.

## ***ITEM 12***      **BROKERAGE PRACTICES**

Because LionTree Manager renders advice to private equity funds, and investments are made on a negotiated basis, opportunities for trade executions are rare. On those rare occasions that LionTree Manager engages in public securities transactions, LionTree Manager will follow the "best execution" brokerage practices described below.

If LionTree Manager buys or sells publicly traded securities on behalf of the Fund, LionTree Manager is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by LionTree Manager. In selecting a broker to execute client transactions, LionTree Manager may consider a variety of factors in seeking to obtain best execution, including, among other things: (i) execution capabilities with respect to the relevant type of order; (ii) confidentiality considerations; (iii) commissions charged; (iv) the reputation of the firm being considered; (v) responsiveness to requests for trade data and other financial information; (vi) LionTree Manager's overall relationship with the broker-dealer, including past transaction experiences; and (vii) such broker's provision of certain investment-related services and research that the General Partner believes to be of benefit to the Fund. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the General Partner, LionTree Manager or their respective affiliates as compared to services provided to the Fund and its portfolio companies, which will result in more favorable rates or arrangements than those payable by the Fund or such portfolio companies. LionTree may retain LionTree Advisors or one or more other broker-dealers or investment banks, the costs of which will be borne by the Fund and/or its portfolio companies.

LionTree Manager does not have any duty or obligation to seek competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although LionTree Manager generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

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

In LionTree Manager's private company securities transactions on behalf of the Fund, LionTree Manager may retain LionTree Advisors or one or more other broker-dealers or investment banks, the costs of which will be borne by the Fund and/or its portfolio companies. In doing so, LionTree Manager 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, (iv) responsiveness to requests for information, and (v) LionTree Manager's overall relationship with the broker-dealer, including past transaction experiences. As a result, although LionTree Manager generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Fund may not necessarily select the broker-dealer or investment bank that charges the lowest commission or fee for such services.

### **ITEM 13      REVIEW OF ACCOUNTS**

LionTree Manager actively monitors and manages the assets and performance of its clients, as well as evaluates potential dispositions and other means of adding value for investors with respect to the invested assets. Reviews are incorporated into periodic reports to LionTree's investors and such reports will typically contain financial information and summaries, performance, current investments, recent acquisitions, portfolio activity, detailed investment activity, and relevant developments in the property and financial markets.

The Fund expects to provide the following information to their investors: (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each Limited Partner's tax return and (iii) quarterly reports reviewing the Fund's unaudited performance for each calendar quarter. In addition to the information provided to all investors, LionTree may provide certain investors with additional information or more frequent reports that other investors will not receive.

### **ITEM 14      CLIENT REFERRALS AND OTHER COMPENSATION**

From time to time, LionTree may enter into placement arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in the Fund.

Any fees and expenses payable to any such placement agents will generally be borne by LionTree either directly or, in the case of the Fund, indirectly through a dollar-for-dollar offset against the management fee as described in Item 5, "*Fees and Compensation*" above. Any such placement agents soliciting third-party investors in the U.S. will be registered as broker-dealers with the SEC and placement agents soliciting third-party investors outside the U.S. will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

LionTree Advisors and its registered representatives have acted and in the future will act as a placement agent for the Fund; provided, however that in no event will LionTree Advisors receive a placement fee for such service.

### **ITEM 15      CUSTODY**

LionTree uses a qualified, unaffiliated third-party custodian to hold the Fund's funds and, to the extent required pursuant to the Advisers Act and SEC guidance, certificated securities. Although LionTree Manager is deemed to have custody of the underlying assets of the Fund, LionTree relies on the "pooled investment vehicles" exemption from the reporting and surprise audit obligations imposed by the SEC's custody rule. Accordingly, the Fund is generally subject to a year-end audit by a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of the Fund within 120 days of the end of the fiscal year.



## **ITEM 16      INVESTMENT DISCRETION**

LionTree generally has discretionary authority to manage investments on behalf of the Fund pursuant to the respective Governing Documents. LionTree assumes this discretionary authority pursuant to the terms of the partnership agreement, management agreement and powers of attorney executed by the Limited Partners of the Fund.

As a general policy, LionTree does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable partnership agreement and as previously described, however, LionTree has entered and will in the future enter into side letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in the Fund may be altered or varied, including, in some cases, to provide for reduced fees or the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

## **ITEM 17      VOTING CLIENT SECURITIES**

LionTree Manager has adopted proxy voting policies and procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Fund's investments. The Proxy Policy seeks to ensure that LionTree Manager votes proxies (or similar instruments) in the best interest of the Fund, including where there may be material conflicts of interest in voting proxies. LionTree Manager believes that its interests are generally aligned with those of the Fund's investors, and therefore will not seek investor approval or direction when voting proxies. However, in the event that there is or may be a conflict of interest in voting proxies in a particular instance, the Proxy Policy provides that LionTree may address the conflict using several alternatives, including by seeking the approval or concurrence of the Fund or the Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by LionTree when voting proxies on behalf of the Fund.

LionTree not consider service on portfolio company boards by LionTree personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In the event that there is a conflict of interest between LionTree and a Private Investment Fund in voting proxies, the Proxy Policy provides that LionTree addresses the conflict using certain procedures, including by seeking the approval or concurrence of the Private Investment Fund's limited partner advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy.

A copy of LionTree's Proxy Policy will be provided to any client, prospective client or any investor in the Fund upon request to Wendy K. Modlin, LionTree Manager's Chief Compliance Officer, at WModlin@liontree.com.

***ITEM 18***      **FINANCIAL INFORMATION**

LionTree does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure. None of LionTree has been the subject of any bankruptcy petition.