

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

HAVELI INVESTMENT MANAGEMENT LLC

December 22, 2021

512-809-9092

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF HAVELI INVESTMENT MANAGEMENT LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT HAVELI INVESTMENT MANAGEMENT LLC BY PHONE AT 512-809-9092 OR BY EMAIL AT COMPLIANCE@HAVELII.COM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT HAVELI INVESTMENT MANAGEMENT LLC ALSO IS AVAILABLE ON THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

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ITEM 2
MATERIAL CHANGES

This is the initial Brochure of Haveli Investment Management LLC.

ITEM 3
TABLE OF CONTENTS

ITEM 1 COVER PAGE	1
ITEM 2 MATERIAL CHANGES	2
ITEM 3 TABLE OF CONTENTS.....	3
ITEM 4 ADVISORY BUSINESS	4
ITEM 5 FEES AND COMPENSATION	5
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	11
ITEM 7 TYPES OF CLIENTS.....	12
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	12
ITEM 9 DISCIPLINARY INFORMATION.....	29
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	29
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	3
0	
ITEM 12 BROKERAGE PRACTICES.....	60
ITEM 13 REVIEW OF ACCOUNTS.....	61
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.....	62
ITEM 15 CUSTODY	62
ITEM 16 INVESTMENT DISCRETION.....	62
ITEM 17 VOTING CLIENT SECURITIES.....	62
ITEM 18 FINANCIAL INFORMATION	63

ITEM 4: ADVISORY BUSINESS

Haveli Investment Management, LLC, a Delaware limited liability company (together, where the context permits, with its subsidiaries that provide investment advisory services, "Haveli", "we", "us", or other similar terms), was formed in August 2021 and is 100% owned by its parent company, Haveli Investments LP, a Delaware limited partnership ("Haveli LP"). Haveli LP is principally owned by the Sangreal Trust dated Dec. 1, 2009 (the "Trust"). The sole trustee of the Trust is Mr. Brian Sheth. Haveli is headquartered in Austin, Texas.

Affiliates of Haveli will serve as the general partner (each a "General Partner," and, collectively, the "General Partners"). Where the context permits, references to "Haveli" herein will also include the General Partners. Haveli sponsors and provides discretionary investment advisory services to pooled investment vehicles (the "Funds"). Certain Funds include feeder funds formed to invest in other Funds and/or co-invest vehicles formed to invest alongside other Funds in certain or all investments.

Haveli provides investment advisory services to the Funds in accordance with investment management agreements ("Advisory Agreements"). The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and their securities are not registered under the Securities Act of 1933, as amended (the "Securities Act").

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable General Partner, and not individually to the investors ("Investors" or "Limited Partners") in the Funds. In each case, Fund investments are consistent with the investment objectives and strategies, as defined by the applicable private placement memoranda, Advisory Agreements, limited partnership agreements, side letter agreements negotiated with Investors in an applicable Fund, and/or other governing documents (together, "Organizational Documents").

Haveli provides advisory services to the Funds in connection with investing in, acquiring and/or developing a range of companies whose principal business is in video game development and/or publishing across all types of deliverable platforms, video game and e-sports content distribution and streaming, operating and/or owning competitive e-sports leagues and/or competitive teams, and producing hardware used in video games and/or e-sports, including augmented and virtual reality (collectively, "Gaming Assets").

Haveli advises regarding investments in the following, among others:

- (a) direct majority, joint venture or minority ownership interests in Gaming Assets;
- (b) securities (including equity, debt or other securities) of, or other interests or instruments of, gaming issuers;
- (c) other gaming-related assets, debt, equity indices or other interests or securities (including, without limitation, hedging transactions and other transactions utilized to manage risk and/or create synthetic exposure to certain types of investments, including for investment or speculative purposes);
- (d) entities providing products, services and/or financing related to gaming-related resources and assets; and
- (e) derivatives, royalties and any other financial instruments that will enable to a Fund to create synthetic exposure to certain types of Gaming Assets.

Investors should refer to the Organizational Documents of the applicable Fund for complete information on the investment objectives, restrictions, and guidelines of the particular Fund and the services Haveli provides to the Funds.

Haveli does not currently manage any client assets.

ITEM 5: FEES AND COMPENSATION

Advisory Management Fees

Haveli generally receives advisory management fees (“Management Fees”) from the Funds. Management Fees are generally based on capital commitments or, at certain times during a Fund’s life, capital contributions. These fees are set forth in detail in each Fund’s Organizational Documents. In the sole discretion of Haveli or its affiliates, fees and expenses, if any, may be waived, reduced or calculated differently for the Funds, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. Certain Fund investors that are “friends and family” of Haveli or are affiliates of Haveli will not bear fees or Carried Interest with respect to their interest in the Funds. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund. Certain Funds may not pay Haveli any Management Fees. In certain cases, Haveli may also receive Management Fees from co-investors or co-investment vehicles, which Management Fees may differ from those born by a Fund. Certain other co-investors or co-invest vehicles do not pay any Management Fees.

The General Partners also receive Carried Interest, as described below in Item 6.

The Management Fee will be paid quarterly in arrears. The Management Fee is prorated for periods of less than one full quarter.

Other Fees and Expense Reimbursement

Other Fees

In addition to the Management Fees and Carried Interest, Haveli and its affiliates receive a variety of other cash, equity and other non-cash fees and compensation relating to the investment activities of a Fund, its portfolio companies and prospective portfolio companies including transaction fees, monitoring fees, directors’ fees, advisory fees, organization and financing fees, operational fees, commitment fees, break-up and topping fees, divestment fees, termination fees, project fees, fees relating to the arrangement of acquisitions or other financial restructuring, investment banking fees, fees relating to credit origination, loan syndication, loan servicing and/or other types of management consulting and other similar operational and financial matters and/or other fees and annual retainers from, or with respect to, the portfolio companies and prospective portfolio companies (collectively with the other fees described in this section, “Other Fees”). The amount and timing of Other Fees received by Haveli or its affiliates are generally specified in the agreement or other documentation governing the applicable transaction. Nevertheless, in many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company and therefore the fees are not subject to a market check. A conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company by virtue of Haveli acting on behalf of both parties.

As noted above, Haveli and its affiliates receive “monitoring fees” pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other

similar ongoing services provided by Haveli to such portfolio companies. The terms of a monitoring agreement may include (among other things) annual automatic renewals, the payment of monitoring fees (which may be fixed fees or calculated as a percentage of EBITDA or similar performance metric), and the acceleration of payment of the monitoring fees upon certain termination events, including the occurrence of an initial public offering or strategic exit. The accelerated monitoring fee may be calculated as the present value of hypothetical future payments, which may be based on an assumed growth in performance, based on an assumed growth of EBITDA or similar metric, and may be calculated using a discount rate as low as the risk free rate, as determined by Haveli. Since the monitoring agreements may have prolonged terms (often exceeding ten years and/or subject to automatic extensions and renewal), the financial effect of such acceleration may be substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company. Notwithstanding the foregoing, in the event of an initial public offering or other disposition, monitoring fees will continue to be paid so long as the applicable Fund continues to hold an other than *de minimis* position in such portfolio company and Haveli or its affiliates continue to provide the monitoring services.

Other Fees are often substantial and may be paid in cash, in securities of the portfolio companies, prospective portfolio companies or investment vehicles (or rights thereto) or otherwise. The payment of Other Fees and reimbursements by portfolio companies and prospective portfolio companies will, in some, but not all, circumstances create a conflict of interest between Haveli and its affiliates, and the Funds and their investors because the amounts of these Other Fees and reimbursements are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. Haveli determines the amount and timing of these Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions. Generally, the amount of such fees and reimbursements will not (except in connection with the reductions described herein) be disclosed to investors in the Funds.

In addition, Haveli or its personnel, on behalf of Haveli, may receive stock of a portfolio company as an Other Fee due to the service of such personnel on the board of such portfolio company or as compensation for other services provided to such portfolio company. In such event, the recipient will generally act in its own interest with respect to the stock received as an Other Fee (including, for instance, determining to sell the distributed securities, or hold on to the distributed securities for such time as such recipient shall determine in its sole discretion). The ability of such recipients, to act in their own interest with respect to the stock received as an Other Fee creates a conflict of interest between Haveli, as an adviser to the Funds and their personnel, on the one hand, and the Funds, on the other hand because the recipient's interests may not be aligned with those of the Funds and the recipient may determine to sell the stock received at a different time, or on different terms, than a Fund would sell its interest.

Allocation of Other Fees and Management Fee Offset

Although Other Fees are in addition to the Management Fees, Haveli will in some circumstances reduce the amount of Management Fees paid by the applicable Fund in connection with the receipt of such Other Fees in accordance with the Advisory Agreement and/or Organizational Documents of the applicable Fund. Generally, under the terms of the applicable Organizational Documents, for purposes of calculating any Management Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by Haveli in connection with consummated or unconsummated transactions or in connection with generating any such fees.

To the extent an Other Fee relates to more than one Fund participating (or expecting to participate) in an investment, the Other Fee is generally allocated among such Funds pro-rata based on the capital commitments of such participating Funds (or for an unconsummated investment, the proposed commitments of the Funds), or on such other basis that Haveli determines to be fair and reasonable in its sole discretion. However, in determining how to allocate an Other Fee among more than one participating Fund, Haveli may also take into account, among other things, the type of transaction (e.g., original acquisition or follow-on), the consideration involved in the transaction (cash or in-kind) and the value of the consideration.

To the extent an Other Fee relates to a Fund, co-investment vehicle or third-party investor that does not pay Management Fees or to capital committed by a Fund investor that does not pay Management Fees, the portion of such Other Fee allocable to the non-fee paying party or investor will be retained by Haveli and such amounts will not offset any Management Fee paid to Haveli.

From time to time, Haveli (in its sole discretion) agrees to pay a portion of an Other Fee received from an actual or prospective portfolio company to a third party, such as a consultant, advisor, Operations Support Provider (as defined below in Item 11), finder, broker, co-investor and/or investment bank. Haveli is not required to share the portion of the Other Fee paid to a third-party with the Funds (or their investors) and, therefore, the portion of an Other Fee paid to such third-party will not reduce the Management Fee.

Portfolio Company Expense Reimbursements

A portfolio company will typically reimburse Haveli for expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by Haveli in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of "Other Fees" under the terms of the applicable Organizational Documents, and such reimbursements do not reduce the Management Fee. Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Haveli, are reimbursed by a Fund and/or its portfolio companies, Haveli may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses which could result in lower returns to investors. As used throughout this brochure, "travel and travel-related" expenses includes, but is not limited to, all travel expenses for the use of first class or business class travel, black car ground transportation, accommodations, meals, events and entertainment.

Expenses

Adviser Expenses

To the extent provided in the Organizational Documents of the Funds and except as described below as a "Fund Expense", Haveli generally bears certain expenses and costs associated with the performance of its services, including expenses on account of rent, utilities, office supplies, office equipment, the compensation and expenses of certain of its partners, officers and

employees (other than Carried Interest described in Item 6 below) and other normal and routine administrative expenses relating to the services and facilities provided by Haveli to the Funds.

Fund Expenses

Fund Expenses will be borne by the Funds, and accordingly by the Investors in proportion to their contributions to the Funds, or in such other equitable manner as determined by Haveli in its absolute discretion. For the avoidance of doubt, Fund Expenses include legal, accounting, audit, actuarial, investment banking, consulting (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio company and fees of affiliated consultants), underwriting, brokerage, sale, depository (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive), marketing, advertising, printing, wholesaling and other fundraising expenses associated with the admission of an investor and investor-related services and other similar costs, travel and travel-related expenses and entertainment expenses incurred in connection with the Funds' fundraising and investment activities, premium meals, social and entertainment events (with portfolio company management, customers, clients, borrowers, brokers and service providers), organizational expenses of the Funds' General Partners, fees paid to third-party valuation agents for valuations, appraisals or pricing services, administration (including maintaining the books and records of a Fund, including any related internal costs that Haveli may incur to produce any such books and records or external costs for a third-party administrator to maintain and oversee a Fund's books and records), research and other information (including, but not limited to, research costs allocated by Haveli's internal research team and third-party groups, and including data and information service subscriptions, related systems and services from data providers and data management software and including any research or other service that may be deemed to be bundled for the benefit of such Fund), as well as the information technology systems used to obtain such research and other information, third-party diligence software and service providers, subject and industry-matter research and experts, brokerage, finders', custody, transfer, registration, advisory board meeting expenses (and including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses) as well as other advisory board expenses (including legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist the advisory board and other expenses incurred in connection with advisory board action), information technology system expenses (including the costs of acquiring, developing, implementing and maintaining specialty and custom computer software and hardware and other technological systems for the benefit of a Fund, its investors, or a portfolio investment or potential investment), bridge financing expenses and guarantees (which may be payable to another Fund co-investing in the bridge transaction or to Haveli or an affiliate, in each case being the entity providing the bridge financing to the applicable Fund), financing, commitment, broken deal, failed transaction, reverse break-up, origination and similar fees and expenses, all insurance premiums of any director and officer liability, General Partner liability, errors and omissions, or other insurance and extraordinary administrative or operating expenses, including, without limitation, all litigation, arbitration and indemnification expenses), including insurance of which Haveli and its affiliates are beneficiaries, cyber-security insurance premiums, interest, taxes, fees and other governmental charges levied against a Fund or payable by a Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund, expenses incurred in connection with tax preparation and filings, expenses relating to the preparing, printing and distributing investor reports physically or electronically (including software use to electronically distribute such reports), expenses of loan servicers and other service providers, expenses related to attending trade association meetings, conferences or similar meetings in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments and joint venture opportunities, regardless of whether such investment or joint venture is ultimately consummated),

Operations Expenses (as defined in Item 11 below), risk management assessment expenses, fees, costs and expenses related to the organization or maintenance of any intermediary entity used to acquire, hold or dispose of an investment or to otherwise facilitate a Fund's investment activities, expenses associated with a Fund's compliance with applicable laws and regulations, including regulatory filings as they relate to the Funds' activities, out-of-pocket costs and expenses, if any, associated with any third-party examination or audits (including similar services) of a Fund or Haveli that are attributable to the operation of such Fund or requested by one or more investors in a Fund, expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nation" provisions, the costs associated with any amendments, modification, revisions or restatements to the Organizational Documents of a Fund, the costs and expenses of hosting annual or special meetings of the Funds' investors (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses and other expenses), such Fund's allocable share of expenses and fees generated in the course of sourcing, evaluating, investigating, developing and researching potential investments, including investments which are not consummated (including certain advisory, transaction, consulting and other similar fees paid to Haveli, and legal expenses incurred in connection with claims or disputes related to unconsummated or proposed investments and including expenses and fees that would have been allocable to co-investment vehicles or other co-investors), expenses incurred in connection with the disposition of investments (including closing, execution and other transaction costs), expenses and fees generated in the course of organizing, maintaining, administering, restructuring operating and negotiating joint ventures arrangements and platform investments, such Fund's allocable share of expenses and fees incurred in the course of making investments, expenses of liquidating a Fund, expenses associated with a Fund, and other similar fees and expenses, as well as any other fees or expenses incurred by Haveli or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by Haveli.

Notwithstanding the foregoing, certain Fund Expenses or other expenses benefiting only certain Investors, may, in the absolute discretion of Haveli, be allocated to, and borne by, only Investors benefiting directly or indirectly therefrom. Those costs and expenses may include, without limitation, (i) all costs and expenses incurred on behalf of Investors who benefit in relation to the production, distribution and filing of the special reports and accounts in respect of a Fund, (ii) any fees of the auditors in connection therewith, (iii) the appointment of any tax representative, (iv) the filing of any information with a tax or regulatory authority, and/or (v) expenses incurred in connection with a subscription line, credit facility or other financing or partner as an alternative to any investor advisory committee approval requirement. All costs and expenses of an alternative investment vehicle shall be borne by such alternative investment vehicle.

The amount of the Fund Expenses in any year may exceed the net income of a Fund for such year and result in a loss for a Fund.

In addition to Haveli, the Funds may retain other persons (including, without limitation, an auditor and fund administrators) to perform certain administrative, accounting, portfolio, investor and other services for the Funds, including, without limitation, the preparation of reports to Investors and the Funds' tax returns at the Funds' expense. Certain of such persons may be affiliates of the General Partner, in which case the fees charged and/or terms and conditions associated with such services will be no less favorable to the Funds than would be obtained from non-General Partner affiliates on an arm's-length basis, as determined by Haveli in good faith. In consideration of such services, the Funds will generally pay the relevant service provider a fee, which may be a flat fee or may be based on the average net assets of the Funds, subject to a monthly minimum, or other measure. The Funds may also reimburse the relevant service provider for any out-of-pocket expenses. Fees paid to such a service provider in such capacity will be included in the

Fund Expenses and will not reduce the Management Fees payable to Haveli or any affiliate or subsidiary thereof.

For the avoidance of doubt, Fund Expenses shall include costs and expenses incurred by Haveli, a General Partner and any of their respective affiliates in connection with any regulatory requirements to which they may be subject as a result of their role in respect of the Funds; provided that Fund Expenses shall not include any costs or expenses in connection with defense of any governmental or regulatory action which would not otherwise be eligible for indemnification by the Funds.

From time to time, the General Partner of a Fund creates certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors (“SPVs”). In the event a General Partner creates an SPV, consistent with the Organizational Documents of the Funds, the expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV will typically be borne by the SPV, and indirectly, the investors thereof. In addition, expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Funds (including, without limitation, expenses of accounting and tax services) may be borne by the Funds and indirectly, the investors thereof (even if such investors do not participate in any such feeder fund or similar vehicle).

Co-Investment Vehicle Fees and Expenses

With respect to consummated co-investments, co-investors will generally bear their pro-rata share of fees, costs and expenses related to, among other things, the discovery, investigation, development, acquisition, consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments or the co-investment vehicles through which they participate, although it is possible that the relevant portfolio investment (rather than the co-investors themselves) will bear such expenses and in such case, the applicable Investors will indirectly bear expenses related to the co-investors. With respect to a proposed co-investment that is not consummated, however, Fund Expenses and be borne entirely by a Fund to the extent permitted by the applicable Organizational Documents and not by any such co-investor or co-investment vehicle.

In the event that co-investors participate in a consummated co-investment through one or more co-investment vehicles, they will generally bear their pro-rata share of the aggregate organizational expenses of all such vehicles; however, organizational expenses associated with a co-investment vehicle organized in connection with a particular portfolio investment could be borne by such portfolio investment, and therefore, indirectly by Investors and such co-investment vehicle. Co-Investors could receive compensation arrangements relating to the investment, including incentive compensation arrangements, where such co-investors include one or more members of a portfolio investment’s management group. Finally, some of the co-investors with whom Investors co-invest could have pre-existing investments with Haveli. The terms of those pre-existing investments could differ from the terms upon which such persons could invest with Investors.

In addition, Haveli and its affiliates have discretion to (i) receive performance-based compensation, Management Fees or similar fees from co-investors or co-investment vehicles and (ii) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

Allocation of Expenses

From time to time Haveli will be required to decide whether certain fees, costs and expenses should be borne by Haveli, a Fund, a portfolio company, co-investors or co-investment vehicles and/or a third-party (each, an “Allocable Party”) and if so, how such fees costs and expenses should be allocated among the relevant Allocable Parties. Allocation of expenses raises conflicts of interest. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or, fees, costs and expenses may be allocated among multiple Allocable Parties. For example, with respect to travel, Haveli will in certain cases be required to allocate the cost of a single flight that benefited multiple parties. Haveli allocates fees, costs and expenses in accordance with a Fund’s Organizational Documents. To the extent not addressed in the Organizational Documents of a Fund, Haveli will make allocation determinations among Allocable Parties in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by Haveli in its sole discretion). Haveli will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

There may be occasions when one Allocable Party (the “Payor Allocable Party”) pays an expense common to multiple Allocable Parties (the “Allocated Parties”) (e.g., legal expenses for a transaction in which multiple funds and/or co-investors participate). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share of such expense, generally without interest, promptly after the payment is made by the Payor Allocable Party. In addition, there may be occasions where a Fund procures borrowing through a subscription line or credit facility in order to make an investment, syndicating out a portion of the investment to another Allocable Party. Subject to the Organizational Documents, the borrowing Fund will bear the entire cost of interest from the borrowing, even though the investment may ultimately be made by other Allocable Parties. Furthermore, while highly unlikely, it is possible that one of the Allocated Parties could default on its obligation to reimburse the payor Allocated Party.

Haveli, from time to time, enters into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees and/or are reimbursed for certain expenses. Any fees and expenses associated with such investment opportunities will be allocated to the applicable Fund(s), consistent with the allocation process described above.

Brokerage Fees

Where Haveli utilizes the services of broker-dealers to effect portfolio transactions for the Funds, the Funds will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Certain of the Funds pay performance-based fees, including the payment of carried interest (“Carried Interest”) or incentive allocations, which vary across the Funds. The General Partner,

or an affiliate, of each Fund receives performance-based fees from the Funds it manages. The precise amount of, and the manner and calculation of, Carried Interest and incentive allocations are detailed in each applicable Fund's Organizational Documents. Carried Interest and incentive allocations paid by a Fund are indirectly borne by the Investors in a Fund. Performance-based fees differ from one Fund to another, as well as among Investors in the same Fund. Certain Funds and investors in such Funds incur lower or no Carried Interest. In addition, certain co-investors or co-investment vehicles may pay Carried Interest, which may be at different rates than a Fund.

The payment of Carried Interest and incentive allocation by some, but not all Funds, and the payment at varying rates (or varying effective rates) creates an incentive for Haveli to disproportionately allocate time, services, or functions to Funds paying Carried Interest, or the Funds paying Carried Interest at a higher rate, or to allocate investment opportunities to such Funds. Generally, and except as maybe otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated at least in part by (i) certain limitations on the ability of Haveli to establish new investment funds; (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously; and/or (iii) contractual provisions or procedures setting forth investment allocation requirements. Further, the existence of performance-based fees has the potential to create an incentive for a General Partner to make more speculative portfolio investments on behalf of a Fund than it would otherwise make in the absence of such a performance-based arrangement, although Haveli generally considers performance-based compensation to better align its interests with those of its Investors. Haveli has established procedures to address these potential conflicts of interest to ensure that transactions and investment opportunities are allocated to the Funds on a fair and reasonable basis and in accordance with each Funds' investment guidelines and Organizational Documents.

ITEM 7: TYPES OF CLIENTS

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

See Item 4 – Advisory Business.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Haveli will seek to acquire interests in, and extract value from Gaming Assets.

Haveli takes an active approach to asset management. Haveli invests in either minority or majority ownership of Gaming Assets. The specific nature of the particular opportunity in question (market, stage of development of company/industry, available exit opportunities, etc.) will generally guide the size of a Fund's ownership stake. Depending on a Fund's ownership stake, Haveli generally seeks to have influence over the activities of the portfolio companies in the form of board representation or additional shareholder protections, or both. There can be no assurance that a Fund will obtain a controlling position, the right to materially influence the actions of such companies or sufficient ownership to have any such influence.

A Fund may enter into partnerships, consortia or other similar arrangements, including joint ventures (in the form of special purpose vehicles or otherwise), with corporate entities or

individuals, that have expertise, financial capability or other strengths in a particular segment of the gaming industry, for the purposes of investing in, acquiring, developing, redeveloping, managing or operating a single investment or a portfolio of joint venture investments. The partners entering into joint ventures with that Fund may have an equity investment in the applicable joint venture vehicle in order to ensure alignment of their interests with those of that Fund, and may receive a promoted interest, if the applicable investment achieves certain targeted returns.

Although the Funds intend to seek effective control or consent rights over major decisions in joint ventures, the terms governing a particular joint venture, and the level of control given to a Fund or the joint venture partner in such a joint venture, will vary on a case by case basis, and may depend on the nature of the particular investment, the strengths of each party to the transaction or other factors.

In implementing these strategies, Haveli generally will (i) analyze specific market conditions for potential investment opportunities, (ii) investigate and conduct due diligence with respect to proposed opportunities and potential investment partners, (iii) negotiate investment terms, analyze potential exit options, pursue strategies to increase the value of the portfolio companies post-investment and (iv) advise the Funds in relation to the realization of investments.

Notwithstanding the foregoing, as market circumstances change and certain strategies become less attractive, a Fund may seek to adjust its strategies to respond and adapt to such changing conditions. Haveli believes that its ability to achieve a Fund's objective will continue to depend, in part, on Haveli's ability to develop new investment strategies and methodologies. Accordingly, there is generally no limitation on (i) the type of gaming and related investments that the Funds may acquire, (ii) the countries in which a Fund may pursue opportunities or (iii) the instruments or strategies that it may employ to seek exposure to such investments.

Risks

A Fund is intended for long-term investors who can accept the significant risks associated with investing in illiquid securities. An investment in a Fund involves various risk factors, including the possibility of partial or total loss of the capital invested in a Fund. Prospective investors should not subscribe unless they can readily bear the consequences of such risk factors, including such loss. A Fund's ability to achieve its targeted investment results is subject to risk factors over which a Fund may have no or limited control.

The following does not purport to be a comprehensive summary of all the risks associated with an investment in the Funds. Rather, the following are only certain specific risks to which Investors will be subject.

Investment Results Are Subject to Market Conditions

Market conditions, available investment opportunities and other assumptions may change significantly during the term of the Funds. There can be no assurance or guarantee that the Funds will achieve their investment objective, the targeted investment results or any other objectives. The return achieved by a Fund or any particular Investor is not certain. In addition, because current estimates of market conditions are likely to change during the life of the Funds, Investors should note that the actual realized return over the term of the Funds will depend upon a number of risk factors, as set forth herein.

Private Equity Investments

The type of investments which the Funds anticipate making may involve a high degree of risk. In general, financial and operating risks confronting the Funds' investments can be significant. While the investment results should reflect the perceived level of risk in any investment situation, there can be no assurance that Fund will be adequately compensated for risks taken. A loss of principal is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early, while successes often require a long maturation. The percentage of companies that survive and prosper can be small.

Lack of Liquidity of the Funds' Investments

The Funds' investments will generally be illiquid even though they may generate some current income. Dispositions of investments may also be subject to limitations on transfer or other restrictions that would interfere with the subsequent disposition of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will, except in certain limited circumstances, occur only upon the partial or complete disposal of an investment. Certain listed securities and instruments may from time to time lack an active secondary market. The market for the disposition of interests in distressed companies may be further limited, and a Fund may have to sell such interests at prices lower than those that might be achieved in an active or established market. In the absence of a ready market, a Fund's ability to sell its interests in Gaming Assets at a fair price may be impaired or delayed.

Investments in Distressed Gaming Assets and Bankruptcy Risks

The Funds may invest in Gaming Assets and companies owning and/or operating Gaming Assets involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions or in-court proceedings and may purchase assets from such entities or acquire secured or unsecured financial instruments issued by such entities. In addition, the Funds may originate new loans to distressed gaming companies on a secured or unsecured basis. Such loans may be made prior to the commencement of formal insolvency proceedings or after the commencement of such proceedings in the form of debtor-in-possession or similar financing under applicable laws. In addition, the Funds may participate in the secondary market for the purpose of purchasing or selling claims against a distressed gaming company before or after the company's commencement of formal insolvency proceedings and the Funds could realize gains or losses in such transactions.

Due to the substantial uncertainty concerning the outcome of transactions involving distressed gaming companies, there is a potential risk of loss by the Funds of their entire investment if the Funds make an investment in the equity or debt of such company. Described below are a few of the common risks associated with investments in distressed Gaming Assets and related bankruptcy risks of which prospective investors should be aware.

Certain Bankruptcy Risks Related to Investments in the Debt or Equity of a Distressed Gaming Company

As a general matter, there are significant risks when investing in, or transacting with, companies that become involved in formal insolvency proceedings. Many events in such proceedings are the product of contested matters and adversary proceedings that are beyond the control of creditors or equity holders. The duration and result of an insolvency proceeding are difficult to predict and

returns on investment can be impacted adversely by delays while a plan of reorganization, asset sale or liquidation is being negotiated, approved by the creditors, and confirmed by a court.

The Funds' ultimate realization on an investment in a formal insolvency proceeding will be subject to the process for the allowance of claims or interests and distributions on account of those claims or interests in accordance with the priorities established under applicable law. Certain claims, such as claims for taxes, wages, and certain trade claims, may have priority by law over the claims of general unsecured or secured creditors or the administrative costs in connection with an insolvency proceeding are frequently high and can be expected to be paid out of the debtor's estate, sometimes prior to any distributions being made to creditors. Further, the Funds may be required in some cases to accept cash or securities or other consideration with a value less than the Funds' original investment, or may be required to accept payment of their allowed secured claim over an extended period of time on modified terms, including adjustments to rates of interest where applicable.

A Fund's investments in a distressed gaming company and transfers of the interests in property of such company to a Fund (including in connection with asset acquisitions, the taking of guarantees, the origination or acquisition of loans, and the acquisition of securities or other financial instruments) may also be adversely affected by objections to such claims and transfers brought by a debtor, a trustee acting on behalf of the debtor's estate, or in some cases statutory or ad hoc committees of creditors or equity holders. Such parties can be expected to closely examine claims against a debtor held by a Fund and a Fund's pre-petition transactions with a debtor and may prosecute actions that are adverse to a Fund's interests under applicable law relating to, among other things, fraudulent transfers/conveyances, voidable preferences, and lender liability. In addition, a Fund's position in a proceeding may be adversely affected by the exercise of the broad discretionary power of courts in certain jurisdictions to recharacterize, disallow, subordinate, or disenfranchise particular claims as well as the effects of substantive consolidation and other equitable remedies.

Certain Bankruptcy Risks Related to Secured Claims Against a Distressed Gaming Company

The Funds' investments in secured loans may be unperfected for a variety of reasons, including the failure to make required filings by the lenders, and a Fund may not have the expected priority over other creditors as a result. Even a Fund holds a properly perfected security interest in collateral, the Fund's ultimate realization of value from that interest may come in a variety of forms, including through deferred cash payments equal to the value of a Fund's collateral as determined by a bankruptcy court. Further, if a secured loan is collateralized by stock of the borrower or its subsidiaries, such stock may lose some or all of its value in the event of the borrower's bankruptcy or insolvency.

More generally, upon the commencement of a formal insolvency proceeding by a borrower, a Fund may experience delays in and limitations on its ability to realize the benefits of its collateral due to the imposition of statutory injunctions (or similar strictures) in certain jurisdictions that would limit or stay a Fund's exercise of otherwise available remedies, including repossession of or foreclosure on collateral without obtaining prior relief from such injunction.

Certain Risks Related to Purchasing Assets from a Distressed Gaming Company After the Commencement of Formal Insolvency Proceedings

The Funds may acquire Gaming Assets after a company's commencement of formal insolvency proceedings, including through sales under applicable law that purport to convey a debtor's assets

to a Fund "free and clear" of all claims and interests. The transactional costs associated with such acquisitions, which are often subject to competitive solicitation and auction processes, can be substantial and in the common circumstance where a selling debtor does not plan to reorganize and emerge from its bankruptcy case as an operating business contractual recourse against the seller for, *inter alia*, breach of representations or warranties are of limited value as the assets are often sold "as is, where is" with representations and warranties that do not survive closing.

In connection with asset acquisitions, where a Fund has extended secured financing to a debtor a Fund may be in a position to "credit bid," which is the right of a secured creditor to offset the amount of its allowed secured claim as credit against the purchase price due in a sale of its collateral, thus reducing or eliminating the cash outlay required to acquire assets. However, a secured creditor's right to credit bid is not guaranteed and may be subject to litigation, including litigation related to the allowance of the creditor's secured claim in connection with a credit bid, the amount of the available credit bid, and whether the right to credit bid should be restricted in circumstances where permitting the bid would adversely impact a court-approved sale process. Where a Fund is constrained in its ability to credit bid, it may be required to use available cash to fund the purchase price of assets and any realization on a Fund's secured claim would remain subject to subsequent disposition in the relevant insolvency proceeding.

In addition, bankruptcy asset sales in most jurisdictions, including in the United States, are subject to court review and approval. Litigation with a debtor's creditors and/or equity holders (including litigation with governmental units and statutory or ad hoc committees formed to represent the interests of certain classes of parties in interest) can be expected where a transaction does not have the support of all parties in interest. Even where a transaction receives court approval over an objection, a Fund's ability to close on the transaction may be limited in circumstances where an appeal is taken of that approval.

Diligence Risk

A significant part of the Funds' strategy is to acquire Gaming Assets. Such acquisitions involve a number of special risks, including failure to identify material risks or liabilities associated with the acquired assets prior to their acquisition. To reduce these risks, Haveli may conduct, or cause to be conducted, certain diligence in relation to the Funds' potential investments. Such diligence may include a review of the disclosures required of companies participating in regulated industries, key documents, management presentations, management interviews, and certain independent reports on projects and their assets, as well as independent analysis. However, the level of diligence conducted will vary and there is no assurance that any such diligence will be thorough or conclusive and that all material risks in potential investments will be identified.

Although the Funds may conduct, or cause to be conducted, certain diligence with respect to Gaming Assets, there may be unknown liabilities or risks that may result in significant losses to the Funds. While the Funds will seek to address such risks and potential liabilities prior to each acquisition, including via indemnification provisions in the applicable acquisition agreement, there can be no assurance that potential risks will be fully addressed or mitigated prior to the Funds' acquisition of a Gaming Asset. Further, there can be no assurance that a gaming issuer, particularly a gaming issuer in distressed financial situation or that is subject to a formal insolvency proceeding will be in a position to perform its contractual obligations.

Moreover, the expenses relating to such diligence could be quite substantial. Diligence costs may include, among others: feasibility and technical studies; preliminary engineering costs and marketing studies; environmental and permitting reviews; legal costs; and bid preparation and

submission costs. These and other related expenses will be borne by the Funds, including in the event that the Funds' bid for any particular investment is not accepted.

Uncertainty of Financial Projections and Evaluations

Haveli will generally invest in the capital structure of a gaming issuer on the basis of financial projections for such gaming issuer. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the assumptions are or will be proven accurate or that the projected results will be obtained. Actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

In addition, with respect to investments in distressed Gaming Assets and/or distressed gaming issuers, the level of analytical sophistication, both financial and legal, necessary for successful investment is unusually high. There is no assurance that the Funds will correctly evaluate the value of a Gaming Asset or the assets collateralizing the loans to a gaming issuer, or the prospects for a successful reorganization or similar action. Moreover, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of investments in distressed Gaming Assets or gaming issuers. As a result, the returns generated from investments in a distressed Gaming Asset or gaming issuers may not compensate the Funds adequately for the risks assumed.

Litigation Risk

Gaming Assets are often governed by a complex series of legal documents and contracts. As a result, the risks of a dispute over interpretation or enforceability of the documentation and consequent costs and delays may be higher than for other investments. In addition, the Funds may be subject to third-party claims arising out of, among other things, environmental, health and safety concerns, business activities and workers' compensation. If any of the investments become involved in material or protracted litigation or arbitration, the associated expenses and the liability threatened or imposed could have a material adverse effect on the Funds.

In addition, investing in distressed Gaming Assets or gaming issuers can be a contentious and adversarial process. Different investor groups may have qualitatively different, and frequently conflicting, interests. The Funds' investment activities may include activities that are hostile in nature and that may subject the Funds to risks of litigation with third parties. Litigation risks may be greater where a Fund exercises control or significant influence over a Gaming Asset or gaming issuer. The expense of defending against claims against the Funds or the General Partners and paying any amounts pursuant to adverse settlements or judgments would be borne by the Funds and could potentially require Investors to return distributed capital and earnings to the Funds.

Concentration; Lack of Diversification

The Funds will seek to invest all of their assets in either direct or indirect ownership of Gaming Assets. Given the concentration of the Funds' investments in the gaming industry, the Funds will be more susceptible to adverse economic or regulatory occurrences affecting the gaming industry than a fund that is not concentrated in a single industry or group of assets. Since many of the investments may involve a high degree of risk, poor performance by a few of the investments could significantly affect the total returns to the Investors. In addition, the total number of investments may be limited, and, as a consequence, the aggregate returns realized by the

Investors may be materially and adversely affected by the unfavorable performance of a small number of such investments.

Leverage; Potential Restrictive Covenants

The Funds may seek leverage as there may be a possibility or need for the Funds to utilize leverage in their investment strategy. It is anticipated that any such debt financing may contain a number of covenants typically associated with secured lending that, among other things, may restrict the ability of the Funds to (i) acquire or dispose of assets, (ii) incur additional indebtedness, (iii) make capital expenditures, or (iv) make cash distributions. In addition, such debt financing would likely require the Funds to maintain specified financial ratios and comply with certain tests, including a minimum interest coverage ratio, a maximum leverage ratio, minimum net worth and minimum equity capitalization requirements. The use of leverage may also involve cross-collateralizing multiple investments in portfolio companies and thus increase the risk of loss. Principal and interest payments on any leverage will be payable regardless of whether the Funds have sufficient cash available. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss. US tax-exempt investors should note that the use of leverage by the Funds may create UBTI under certain circumstances.

Debt Activities

The Funds may engage in a variety of activities that involve debt instruments. For example, the Funds may purchase debt instruments either directly (by way of sale or assignment) or indirectly (by way of syndication or participation). The Funds may hold such debt instruments as investments or sell all or a portion of them. Certain debt instruments involve particular risk. For example, the Funds may purchase participating interests (“**Participations**”) from a lender to a Gaming Asset in return for a right to receive payments under the applicable loan documents. In purchasing Participations, the Funds generally will have no right to enforce compliance by the obligor with the terms of the applicable loan agreement, and the Funds may not directly benefit from the collateral supporting the loan in respect of which it has purchased a Participation. As a result, a Fund will assume the credit risk of both the obligor and the lender.

US tax-exempt investors should note that the Funds’ investments in debt instruments may create UBTI under certain circumstances.

Interest Rate Risk

As noted earlier, Gaming Assets are typically highly leveraged. As a result, if the interest rate is floating or the borrower has not been able to implement acceptable interest rate hedging arrangements, such as interest rate swaps or other mechanisms, adverse movements in interest rates may increase the cost of debt, affecting returns from these assets more significantly than investments in other types of assets that are not as leveraged.

Management of Assets

While Haveli’s management may be seconded to a portfolio company to supplement existing management of the Gaming Assets, in most instances the Funds will rely on existing operating management teams that have extensive experience in the day-to-day operations of the businesses in which they invest. Consequently, the operational success of such businesses, as well as the success of the Funds’ internal growth strategy, will be dependent on the continued efforts of the management teams of such businesses. The loss of key personnel, or the inability

to retain or replace qualified employees, could have an adverse effect on the Funds' business, financial condition and results of operations. In other cases, the Funds will rely on third parties, under services agreements with the Funds and/or other third parties, to provide day-to-day management of investments. However, there are a limited number of service providers with the expertise necessary to successfully manage gaming companies. Even if a third-party manager can be located, there can be no assurance that these arrangements will lead to successful performance or that the results will be as planned.

Investments with third parties; Non-Controlling Investments

The Funds may make some of their investments through joint venture partners. Such investments may involve risks not present in investments where a third party is not involved, including, for example, the possibility that a joint venture partner may have financial difficulties or become bankrupt, or may at any time have economic or business interests or goals which are inconsistent with those of the Funds or may be in a position to take (or block) actions in a manner inconsistent with the Funds' objectives. In addition, the Funds may be subject to liabilities in certain circumstances for the actions of joint venture partner with which it is associated (including liabilities for environmental acts or omissions of their joint venture partner). The Funds may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect their position in such investments, although as a condition of investment, Haveli expects that appropriate rights will generally be sought to protect the Funds' interests. The Fund's inability to exercise significant influence over the operations, strategies and policies of such companies means that decisions could be made that could adversely affect the Funds' results and their ability to generate cash and pay distributions to Investors.

If a Fund were to acquire investments having other third party investors, the related investment documentation could include rights of first refusal or preemptive rights that are triggered upon sale or attempted sale. These rights protect incumbent investors' interests and give investors the option of acquiring additional equity in priority to third parties. However, such rights may also dissuade potential third-party acquirers due to the uncertainty surrounding the outcome of any divestment process.

Investments in Securities; Trading Risk

Among the investments the Funds may consider are debt or equity securities of gaming issuers which may be undergoing restructuring or require additional capital or active management. These securities are subject to various inherent risks, including that (i) equity and debt securities fluctuate in value, often based on factors unrelated to the issuer of the securities, and such fluctuations may be pronounced, (ii) such investments generally may be subject to risks with respect to the issuer, (iii) the market for these securities may be less liquid than that for other higher rated or more widely followed securities, and (iv) securities markets in some countries are fragmented, small and less liquid than the securities markets of the US and certain other countries. In addition, securities markets may experience substantial price volatility which could have an adverse impact on the value of the Funds' investments. Periods of economic and political uncertainty may result in further volatility in the value of the investments. As a result, there may be greater volatility than the volatility that could be expected by investors in comparable securities traded in the US securities markets. There can be no assurance that such investments will not be sold at prices below their acquisition cost.

In addition, the Funds may invest in and actively trade securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including risks

arising from the volatility of the equity, currency, and fixed income markets, the risks of short sales, the risks of leverage, the potential illiquidity of derivative instruments, the risk of loss from counterparty defaults and the risk of borrowing to meet withdrawal requests.

Enforcement Risks

Each of the investments in gaming issuers is subject to the risk that the business and/or the assets of such gaming issuers may be pledged or charged to third parties, including senior lenders, and could be foreclosed upon or otherwise acquired by such third parties under certain circumstances, including an incipient and/or unremedied default. In this case, the Funds are likely to be without recourse and may be subject to a material adverse effect in their business.

Hedging Transactions

While under no obligation to do so, the Funds may enter into transactions or investments in relation to any or all currency exchange, interest rate, inflation, commodity or other risks in connection with investments. It may not be practical or cost-effective to hedge all of such risks precisely, especially where the magnitude and timing of future cash flows are not known with certainty. There can be no assurance that (a) such hedges will (i) be available, (ii) be available at a reasonable cost, (iii) be sufficient, or (iv) actually eliminate the risks being hedged, or that (b) counterparties to any hedging transaction would perform as expected. Further, even if the Funds were to enter into hedging transactions, such transactions could, while reducing certain risks, entail other risks that may result in the Funds obtaining a poorer overall performance than if it had not entered into any hedge transactions.

Derivative Instruments

The Funds may invest in derivatives (including without limitation, hedging transactions and other transactions utilized to manage risk and/or create synthetic exposure to certain types of investments, including for investment or speculative purposes) that will enable it to create synthetic exposure to certain types of Gaming Assets or input commodities without having to acquire such Gaming Assets or input commodities directly or interests therein. Derivatives typically allow an Investor to hedge or speculate upon the price movements of a particular security, commodity, financial benchmark or index at a fraction of the cost of acquiring, borrowing or selling short the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of additional risks associated with derivatives trading. Transactions in certain derivatives are subject to execution and/or central clearing on a US national exchange and to clearinghouse, while other derivatives may be subject to risks of trading in the over-the-counter markets or on non-US exchanges. Most such derivatives transactions are likely to be subject to regulatory oversight.

The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

Contractual asymmetries and inefficiencies can also increase risk, such as break clauses and early termination events, whereby a counterparty can terminate a transaction on the basis of criteria including, but not limited to, certain reductions in net asset value, certain declines in net asset value per share, incorrect collateral calls or delays in collateral recovery. In the event that one or more counterparties exercises any contractual rights to terminate some or all derivative transactions with the Funds, the Funds may become exposed to one or more risks that had been hedged by the derivative transaction(s). The Funds may be unable to replace the hedging transaction(s) or may be unable to replace the hedging transaction(s) with alternative counterparties upon the same economic terms as the transaction(s) that have been terminated early.

Risks Relating to Pension Liabilities

In a 2013 federal circuit court case, the court determined that a private equity fund could be liable for ERISA Title IV pension obligations (including withdrawal liability incurred with respect to union multiemployer plans) of their portfolio companies, if such fund is a "trade or business" and the fund's ownership interest in the portfolio company is significant enough to bring the portfolio company within their "controlled group". While a number of cases have held that managing investments is not a "trade or business" for tax purposes, the circuit court in this case concluded that a private equity fund could be a "trade or business" for ERISA purposes based on certain factors, including the fund's level of involvement in the management of their portfolio companies and the nature of their management fee arrangements. Therefore, if a portfolio company acquired by a Fund has any ERISA Title IV pension obligations, a Fund may become subject to such pension obligations.

Risks Related to Investments in Gaming Assets and Early Stage Companies

Risks of Growth Equity Investing

The Funds may make investments that are in a conceptual or early stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that may have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of these companies will need to implement and maintain successful marketing, finance personnel and other operational strategies in order to become and remain successful. Other substantial operational risks to which these companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and/or untested business models, products and services, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change.

A gaming company's ability to succeed will be dependent not only upon its ability to develop the right products for the right market, but to constantly evolve its business to be sure that its products keep pace with changing technologies and markets. Such a gaming company will need to implement appropriate sales and marketing, finance, personnel and other operational strategies in order to continue to grow its business. The Funds will make investments in portfolio companies which may rely upon rapidly changing technologies. Therefore, technological obsolescence and other technology risks may adversely impact the performance of these gaming companies. In all such cases, the Funds will be subject to the risks associated with the underlying businesses engaged in by gaming companies and of their customers.

Early-stage investments are considered highly speculative and may result in the loss of a Fund's entire investment.

Investments in Later Stage Companies

The Gaming Assets may also include later stage companies involving different types of risks. These companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a significant amount of change and could give rise to significant problems in sales, manufacturing and general management of these activities.

Technology and Software Sector Risk

The Funds' portfolio companies will be concentrated in software, software-enabled services and Internet companies active in the gaming space. While this industry has grown rapidly, an industry-focused fund may involve risks greater than those of more diversified investments. Adverse economic conditions in the US and other countries could have a material adverse effect on consumer and business spending in the information technology sector, which could limit or cause a substantial reduction in the revenues, profitability and/or continued viability of the portfolio companies in which the Funds invests. Further, the success of the Funds' portfolio companies may depend on the development and marketing of new technologies that at any time may be rendered unattractive or obsolete by technological advances, new social trends and/or communication methods as seen in the emergence of social networking tools and platforms.

Changes in laws and regulations related to the Internet or changes in the infrastructure of the Internet itself could also affect the Funds' portfolio companies. US federal, US state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting the use of the Internet as a commercial medium. Such regulation may adversely impact portfolio companies' businesses and business models. Also, domestic and foreign government agencies and private organizations may begin to impose taxes, fees or other charges for accessing the Internet or for the commerce conducted and services provided via the Internet.

Gaming Assets offer a range of exciting interactive experiences for children. Children's use of the internet and video games has been viewed by some as directly linked to violent and destructive behavior in the young. There are also concerns about excessive use of video games by children at the expense of other activities and family interaction. Children's privacy has been a focus of recent enforcement activity under longstanding privacy laws as well as privacy and data protection laws enacted in recent years, with increased enforcement pending as well as additional guidance. The Federal Trade Commission and state attorneys general have, in recent years, increased enforcement of the Children's Online Privacy Protection Act, which requires companies to obtain parental consent before collecting personal information from children under the age of 13. There are restrictions related to what information may be collected with respect to children under the age of 13. Apart from the requirements of privacy, data protection and data security laws, the gaming industry is subject to rapidly changing and increasingly stringent laws, contractual obligations and industry standards relating to privacy, data protection, data security and the protection of children. The restrictions and costs imposed by these requirements, or the Gaming Assets' actual or perceived failure to comply with them, could harm the Funds' business.

Dependence On Patents, Trademarks And Other Intellectual Property

Certain of the Funds investments will depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a Gaming Asset to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a gaming company's particular product.

Investments In Operating Turnarounds

In some cases, the success of the Funds' investment strategy will depend in part on a Fund's ability to effect improvements in the operations of a gaming company. The activity of identifying and implementing operating improvements at gaming companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such improvements.

Global Economic Conditions

The Funds' performance depend significantly on worldwide economic conditions. The global financial markets have experienced increased volatility due to, among other things, the COVID-19 pandemic and uncertainty surrounding the level and sustainability of the sovereign debt of various countries. In addition, some economists, observers and market participants have expressed concern regarding the sustainability of the European Monetary Union and the impacts of the "Sequester" on the U.S. economy. Recent examples of sovereign debt crises include Greece, Argentina and Puerto Rico. Although the Funds do not intend to invest in these jurisdictions, these conditions and other disruptions to international credit markets and financial systems have caused a loss of investor confidence and resulted in widening credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Despite the aggressive measures taken by governments and central banks, economic recovery has been extremely slow. There may be political and social instability in those jurisdictions which have adopted austerity measures in an attempt to manage their sovereign debt load, which could have wider destabilizing impacts on the global economy and commodity prices. A significant risk remains that these measures may not prevent the global economy from falling back into an even deeper and longer-lasting recession or even a depression.

A global economic downturn may result in cost inflation, commodity market fluctuations and otherwise adversely impact the Gaming Assets' profitability. Other effects could, for example, include:

- the insolvency of one or more of the Funds' joint venture partner which could result in contractual breaches and disruptions at the relevant Gaming Assets' operations;
- a reduction in the availability of credit which may make it more difficult for us to obtain financing for our operations and capital expenditures or make that financing more costly; and
- exposure to the liquidity and insolvency risks of any lenders to the Gaming Assets, any of which could negatively affect a Gaming Asset's operational results. Uncertainty regarding global economic conditions may increase volatility or negatively impact the market value of our securities.

Valuation of Assets.

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, Haveli will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of Haveli. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and differs from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by Haveli gives rise to conflicts of interest, valuations (including, for instance, determination of when an investment should be written down or written off) impact Haveli's track record and the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculation of Management Fees.

Cybersecurity Risk.

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

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

Tax Reform Risks.

President Trump signed into law a broad-based reform of the Internal Revenue Code of 1986, as amended (the "Code") on December 22, 2017 (the "Tax Act"). There are significant uncertainties regarding the interpretation and application of the Tax Act. While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes to the

Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to the Funds and their limited partners. In addition, although not free from doubt, the Tax Act subjects allocations of income and gain in respect of entitlements to Carried Interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of Carried Interest. Enactment of this legislation could cause Haveli's investment professionals to incur a material increase in their tax liability with respect to their entitlement to Carried Interest. This might make it more difficult for Haveli to incentivize, attract and retain these professionals, which may have an adverse effect on Haveli's ability to achieve the investment objectives of the Funds. In addition, this can create a conflict of interest as the tax position of Haveli may differ from the tax positions of the Funds and/or the investors and therefore, these rules may have an additional impact on the investment decisions made by the Funds, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the tax law gives Haveli an incentive to cause a Fund to hold an investment for longer than 3 years in order to obtain lower tax rates on Carried Interest gains even if there are attractive realization opportunities earlier than 3 years.

Environmental, Social and Governance Matters.

While Haveli may in its discretion consider ESG as one of many factors in making an investment, there is no guarantee that Haveli will successfully implement and make investments in companies that creates positive environmental, social or governance ("ESG") impact while enhancing long-term shareholder value and achieving financial returns. To the extent that Haveli engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of Haveli will depend on Haveli's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on Haveli's view of certain ESG-related and other factors, carries the risk that Haveli may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by Haveli.

Consideration of ESG factors may affect Haveli's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact Haveli's performance depending on whether such investments are in or out of favor. Applying ESG investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Haveli or any judgment exercised by Haveli will reflect the beliefs or values of any particular investor. In evaluating a company, Haveli is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause Haveli to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or Haveli's assessment of such practices may change over time.

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

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

COVID-19

The COVID-19 pandemic could have a material adverse impact on a Fund's employees, customers, partners, clients and other key stakeholders, which could materially and adversely affect a Fund's business, operating results and financial condition. Apart from the negative impact on the sales of goods, the COVID-19 pandemic and efforts to control its spread have caused significant disruptions to supply chains and such disruptions are likely to impact, among other things, the Funds' portfolio companies' ability to source goods at a preferred price or at all. Such disruptions to the Funds' portfolio companies will impact the performance of the Funds and indirectly the investors therein.

It has also caused extreme economic and financial market volatility, resulting in business shutdowns and a global economic downturn. The magnitude and duration of the COVID-19 pandemic and the magnitude and duration of its effect on business activity cannot be predicted with any certainty. In addition, as the COVID-19 pandemic subsides, a Fund cannot predict how the business, operations and its targeted markets may be impacted. While the long-term economic outlook is difficult to determine, a clear trend has emerged whereby employees across many industries are leaving their jobs at high rates. This trend may continue and is likely to impact Haveli's and the Funds' portfolio companies' ability to retain talent and to meet economic goals.

Government mandated closures of offices or other restrictions on workplaces and voluntary precautionary measures has and may continue to impact Haveli's ability to operate effectively, serve their customers, implement regulatory and technology changes, and undertake on-site audits or assessments that might be required by law or regulation. It may also become more challenging for the Funds to manage a growing workforce, as the Funds' ability to maintain a company culture and integrate new employees are affected by work-from-home policies. It is possible that the Funds' systems and controls are less effective as a result of our compliance and risk teams and other staff not being able to work from the Funds' offices. Failure to maintain adequate systems and controls may expose us to operational and regulatory risk.

Shortages in Skilled Labor

The success of gaming companies is dependent on the availability of highly skilled and experienced employees. Global shortages of, and increased competition over, highly skilled and experienced workers may adversely affect the operations and revenues of a gaming company. Although Haveli places a high priority on hiring and retaining key talent, there can be no guarantee that it will not lose, or be able to attract, skilled employees. In addition, in Gaming Assets jointly owned or operated by one of the Funds' joint venture partners, there can be no assurance that such joint venture partner will not lose, or be able to attract, skilled labor. A shortage in such skilled labor may adversely affect the operations and revenues of a Gaming Asset and the performance of the Funds.

Reliance on Contractors

A significant portion of the work related to the Gaming Assets may be conducted in whole or in part by contractors. Such operations are subject to a number of risks, some of which are outside the Funds' control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor in the event that either party terminates the agreement;
- reduced control over those aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement;
- interruption of operations or increased costs in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labor unrest or other employment issues.

In addition, any Gaming Asset may incur liability with respect to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could adversely affect the Funds' results of operations and financial position.

Competitive Conditions

The gaming industry is intensely competitive, and the Funds will compete with other gaming investment funds and gaming companies that may have greater financial resources. Such competition may result in the Funds being unable to acquire desired Gaming Assets, recruit or retain qualified employees or acquire the capital necessary to fund its operations.

The Funds primarily competes with other technology platforms and digital content monetization services. Broadly, the Funds' competitors include well established technology platforms that vary in size and compete with the Funds primarily with their mobile monetization, growth and user acquisition solutions and services. Haveli believes that its ability to compete effectively for customers depends upon many factors, including, but not limited to: providing a comprehensive

set of solutions; increasing the volume depth of and ability to leverage data and analytics, while respecting privacy restrictions; the pace and quality of innovation; providing high-quality solution capabilities, including performance, scalability, security and reliability; strong brand reputation and recognition; ease of deployment, implementation and use of solutions; optimized price-performance benefits; and the quality of service and customer satisfaction. The Funds' inability to compete favorably with respect to these factors could materially and adversely impact its business.

The Funds' competitors vary in size and in the breadth and scope of the products or services offered. Some of the Funds' competitors and potential competitors have greater name recognition, longer operating histories, more established customer relationships, larger marketing budgets and greater financial and operational resources than we do. Further, other potential competitors not currently offering competing products or services may expand their offerings to compete with the Funds' gaming products or enter the markets through acquisitions, partnerships or strategic relationships. Certain competitors may choose to limit working with the Funds, or cease working with us completely with respect to certain gaming products or solution suites that we offer now or in the future, if such competitors provide competing products or solutions.

In addition to platform and technology competition, the Funds face pricing competition. Some of the Funds' competitors offer competing products, which may be on more favorable terms, and has resulted in, and may continue to result in, pricing pressures. The Funds cannot assure that it will not be forced to engage in price-cutting or revenue limiting initiatives, change payment terms or increase our advertising and other expenses to attract and retain customers in response to competitive pressures.

Catastrophic and Force Majeure Risks

The investments may be subject to catastrophic events and other *force majeure* events. These events could include fires, floods, earthquakes, adverse weather conditions, assertion of eminent domain, strikes, wars, riots, terrorist acts, acts of God and similar risks. These events could result in the partial or total loss of an investment or significant down-time resulting in lost revenues, among other potentially detrimental effects. Some *force majeure* risks are generally uninsurable, cannot be insured on terms that would be acceptable to a profitable investment and, in some cases, agreements can be terminated if the *force majeure* event is so catastrophic that it cannot be remedied within a reasonable time period.

While the Funds will seek to utilize insurance and other risk management products (to the extent available on commercially reasonable terms) to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it may not be possible or financially feasible to insure against all such risks, and insurance proceeds may be inadequate. In general, losses related to terrorism are becoming more difficult and expensive to insure against, as most insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property or asset. As a result, all investments may not be insured against terrorism. If a major uninsured loss occurs, the Funds could lose both invested capital in and anticipated profits from the affected investments.

Integration of Gaming Assets; Involvement by the Funds

The integration of a newly acquired Gaming Asset into the Funds' portfolios may temporarily adversely impact the ongoing business of such newly acquired Gaming Asset, their information technology infrastructure, access to skilled and experienced employees and its relationships with existing employees, customers, suppliers and contractors.

In addition, distressed Gaming Assets often require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by the Funds. To the extent that the Funds become involved in such proceedings, they may have a more active participation in the affairs of such Gaming Asset than that assumed generally by an investor. Contemporaneous participation by the Funds in the bankruptcy or insolvency proceedings of multiple distressed Gaming Assets could significantly limit the Funds' ability to devote sufficient time and resources to other investments. Further, involvement by the Funds in a Gaming Asset's reorganization proceedings could result in the imposition of restrictions limiting the Funds' ability to liquidate their position in the issuer. For example, the Funds may elect to appoint representatives to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of the Funds' position as a creditor or equity holder. Under such circumstances, the Funds may be restricted or prohibited under applicable law from disposing of its investments in such company while it continues to be represented on such committee or group.

If the Funds are found to have interfered with the affairs of a company in whose debt the Funds have invested, to the detriment of other creditors or shareholders of such company, the Funds may be held liable for damages to injured parties or a bankruptcy court. Moreover, such debt may be disallowed or subordinated to the claims of other creditors or treated as equity. Where a Fund has representatives on the boards of a portfolio company, such involvement may also prevent the Fund from freely disposing of its debt investments and may subject a Fund to additional liability or result in re-characterization of its debt investments as equity.

ITEM 9: DISCIPLINARY INFORMATION

There are no disciplinary events material to our advisory business or the integrity of our management to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Haveli and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Haveli and its management persons are not registered as, and do not have any application to register as, a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Haveli generally does not recommend or select other investment advisers for the Funds.

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

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

Code of Ethics

Haveli has adopted a written Code of Ethics (the "Code") that is applicable to its employees pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"). The Code is designed to establish guidelines for professional conduct, monitor employee's personal securities transactions including certain pre-clearance and reporting obligations, and identify and mitigate conflicts of interest with Haveli's clients. The Code includes rules of conduct, policies, and procedures to prevent the misuse of material, non-public information in Haveli's possession, and personal trading policies. Haveli's internal review, including quarterly and annual reporting requirements, and defined rules of business conduct are all intended to prevent or detect potential conflicts of interest.

The Code subjects employees to restrictions on activities and securities trading and requires reporting of information on personal trading activities. Pursuant to the Code, employees are required to file certain periodic reports with Haveli as required by Rule 204A-1 under Advisers Act including initial, and thereafter, annual, holdings reports as well as quarterly transaction reports or equivalent brokerage statements, detailing the securities held, purchased, or sold during the relevant period. Employees must pre-clear securities trades, subject to certain exceptions, to allow Haveli to adequately identify and address conflicts of interest in a timely manner and prevent the misuse of material non-public information .

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

Haveli will make the Code available to any client or prospective client upon request by contacting Haveli's Chief Compliance Officer ("CCO") by phone at 512-809-9092 or by email at Compliance@Havelii.com.

Participation or Interest in Client Transactions

Haveli and certain employees and affiliates of Haveli may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Management Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

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

Conflicts of Interest

In the ordinary course of conducting its activities, the interests of a Fund may, from time to time, conflict with the interests of Haveli. As an investment management firm, Haveli will continue to engage in activities that may conflict with the interests of Investors, the Funds and/or any investment. From time to time, the affiliates may have multiple advisory, transactional and financial and other interests in, and transactions with, the Funds and their assets, and therefore may be subject to various conflicts of interest in their relationships with the Funds. The discussion below enumerates certain actual and potential conflicts of interest. By acquiring an interest, each Investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and, to the extent possible under applicable law, to have waived any claim with respect to the existence of any such conflict of interest and any profits arising therefrom.

While Haveli endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. Haveli will address all conflicts of interest using its reasonable judgment, but in any case, in its sole discretion. In resolving conflicts, Haveli may consider various factors, including the interests of the Funds it advises in the context of both the immediate issue at hand and the longer-term course of dealing among Funds. There can be no assurance that Haveli will resolve all conflicts of interest in a manner that is favorable to a particular Fund.

Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

1. Haveli will consider the appropriateness of an investment from the viewpoint of a Fund;
2. Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
3. Many of the Funds have established an advisory committee, consisting of representatives of investors not affiliated with Haveli. The advisory committees meet as required to consult with Haveli as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, Haveli will be guided by its good faith discretion;
4. Where Haveli deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
5. Haveli has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
6. Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

Haveli may consult the advisory committee with respect to certain conflict situations or matters. However, there is no assurance that such conflict will be resolved favorably for the Funds or that the Funds' investments would not be affected by such conflicts or situations.

Client and Other Relationships

Haveli and/or its principals have existing and potential relationships with a significant number of corporations and institutions and individuals. In connection with services to provided by Haveli to the Funds, affiliates may face conflicts of interest with respect to activities recommended to or performed for such clients, on the one hand, and the Funds, the Investors or the entities in which the Funds invests, on the other hand. In addition, these client relationships may present conflicts of interest in determining whether or not to offer certain investment opportunities to the Funds.

Haveli will seek to develop financial and advisory relationships with clients worldwide. Certain clients of Haveli may invest in entities in which Haveli holds an interest, including, without limitation, the Funds, and in providing services to its clients, Haveli may recommend activities that would compete with or otherwise adversely affect the Funds or the Funds' investments. It should be recognized that such relationships may indirectly preclude the Funds from engaging in certain transactions and may constrain the Funds' investment flexibility.

In particular, Haveli may also act as investment adviser, investment manager and/or in another capacity on behalf of or for third parties that invest, or may invest for their own account, in Gaming Assets (including assets in competition to those of the Funds and investments invested by the Funds) and may engage in, advise or possess an interest in other business ventures with persons competing with the investments or with the Funds for investment opportunities within the investment objective. Accordingly, it is possible that Haveli or its personnel may take for itself, or advise such third parties to take, positions that are adverse to the interests of the Funds and/or the Investors. In addition, no interested party will be required to offer the Funds co-investment opportunities in these or other circumstances and no guarantees can be given that any owners of Gaming Assets who seek advice from or retain an interested party in another capacity will provide any investment opportunities for the Funds. Such relationships could influence affiliates to take actions, or forbear from taking actions, which an independent investment manager might not take or forbear from taking. An interested party may give advice, and take action, with respect to any of Haveli's clients or proprietary accounts that may differ from the advice given, or may involve a different timing or nature from action taken, by Haveli on behalf of the Funds. An interested party may give advice and provide recommendations to persons competing with the Funds and/or any investments that are contrary to the interests of the Funds and/or any investments.

From time to time, an interested party (including, without limitation, a member of Haveli), may serve on the board of directors or hold another senior position with a corporation or other institution which may desire to sell an investment to, acquire an investment from or otherwise engage in a transaction with, the Funds. The presence of the interested party in such a circumstances may require such interested party to recuse himself or herself from participating in the transaction, or cause the corporation or other institution or Fund to determine that it is unable to pursue the transaction because of a potential conflict of interest, any of which circumstances may limit the investment opportunities of the Funds, constrain the ability of the Funds to engage in the transaction or require it to divest certain investments or assets, all of which could have an adverse effect on the target results.

Other Investment Funds and Allocation of Investment Opportunities

Haveli expects that it will, subject to the exclusivity provisions relating to the formation and operation of the Funds, sponsor similar investment funds in the future, some of which may have investment objectives or strategies that are similar to or in competition with that of the Funds,

including but not limited to with respect to Gaming Asset investments. Certain investment opportunities generated by Haveli or which otherwise become available may be appropriate for:

- the Funds,
- co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the co-investors or investors in such co-investment vehicles which may include Haveli personnel and/or individuals and entities that are not investors in any Funds),
- Haveli personnel, Proprietary Accounts (as defined below) and/or third parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s) and Haveli personnel and/or
- third parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

In addition, opportunities may be appropriate for co-investment by the Funds and/or parties described above at different or overlapping levels of the issuer's or counterparty's capital structure. Certain key persons and other members of Haveli currently serve on the boards of directors of various portfolio companies, and circumstances could arise where such persons could devote only limited amounts of their time to managing or advising the Funds and the portfolio companies. In addition, certain key persons and other members of Haveli currently own investments in Gaming Assets acquired prior to the initial closing date (including assets in competition to those of the Funds and investments invested by the Funds) and may continue to own such Gaming Assets and make additional investments or other contributions in such Gaming Assets (including follow-on investments).

Haveli makes investment allocation determinations consistent with the Funds’ Organizational Documents and in accordance with its written policies and procedures.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements are generally set forth in the Fund’s Organizational Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow Haveli discretion in making allocation decisions among the Funds, Haveli will follow the process below.

Haveli must first determine which Funds and/or other parties are eligible to participate in an investment opportunity. Haveli assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure, which are typically reflected in such Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, Haveli determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund. Possible restrictions include, but are not limited to:

- **Obligation to Offer:** Haveli may be required to offer an investment opportunity to one or more Funds.
- **Related Investments:** Haveli may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.

- Legal and Regulatory Exclusions: Haveli may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once Haveli identifies the Funds that are eligible to participate in a particular investment, Haveli, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, Haveli may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, one or more of the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing (and with respect to an investment opportunity originated by a third-party, the relationship of a particular Fund to or with such third-party);
- Each Fund's liquidity and reserves (including whether a Fund is able to commit to invest all capital required to consummate a particular investment opportunity);
- Each Fund's diversification (including the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio);
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment (including whether a Fund is able to invest all capital required to consummate a particular investment opportunity);
- The size, liquidity and duration of the investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund's portfolio and each Fund's investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics);
- The suitability as a follow-on investment for a current portfolio company of a Fund or to upsize an existing investment;
- The use of leverage in the proposed capital structure;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;

- The centrality of an investment to a Fund's strategy;
- Asset class restrictions;
- The seniority of an investment and other capital structuring criteria;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax and accounting implications;
- Whether an investment opportunity requires additional consents or authorizations from the Fund, investors or third parties;
- Whether an investment opportunity would enable a Fund to qualify for certain programmatic benefits or discounts that are not readily available to other Funds including, but not limited to, the ability to enter into credit arrangements with certain financial or governmental institutions;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. Haveli makes allocation determinations based solely on Haveli's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight.

Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, Haveli has an incentive to allocate investment opportunities to the Funds from which Haveli or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. While Haveli determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which Haveli is subject, discussed herein, did not exist.

In addition, Haveli personnel invest indirectly in and may be permitted to invest directly in Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Haveli and/or a Fund may invest in the securities offerings of a portfolio held by another Fund (including through initial public offerings), which would result in Haveli and/or a Fund receiving an allocation of portfolio company securities. In addition to conflicts of interest arising from the allocation of such securities, this arrangement also leads to similar conflicts described below under “*Conflicts Related to Purchases and Sales.*”

A conflict also arises in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. In making such an allocation determination, Haveli will consider some one or more of the factors set forth above and will make a determination in its good faith discretion.

There can be no assurance that (i) it might not be alleged that the Funds received a smaller allocation or inferior terms in investments in particular issuers than it would otherwise have received if Haveli did not have the conflicts of interest described herein in; or (ii) it might be alleged that a Fund was not afforded the opportunity to make a particular investment because Haveli had a conflict of interest in managing or advising both investors. The Funds may make investments in companies or other entities in which Haveli and investment funds that have been or may be established by Haveli (i) have an investment when the subsequent investment opportunity becomes available to the Funds; or (ii) are contemporaneously making an investment. Likewise, Haveli and any successor funds may make investments in companies or other entities in which the Funds (i) has an investment when the subsequent investment opportunity becomes available to Haveli and such successor funds; or (ii) is contemporaneously making an investment.

Co-Investment

Haveli will determine if the amount of an investment opportunity exceeds the amount Haveli determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to Haveli and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by Haveli to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds’ Organizational Documents or, to the extent not addressed in such Funds’ Organizational Documents, in accordance with the following paragraphs. There may be circumstances where Haveli determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular Fund is instead allocated to one or more co-investors.

Haveli may, but will be under no obligation to, provide, from time to time, pursuant to the terms of the Organizational Documents and any side letters entered into with Investors, co-investment opportunities with regard to selected investments to an Investor or Investors, other funds sponsored by Haveli, affiliates or third parties, as are selected by Haveli in its absolute discretion, on such terms as shall be agreed to between Haveli and such Investor or Investors, other funds sponsored by Haveli, affiliates or third parties. Moreover, (i) Haveli shall have the right to offer co-investment opportunities to any person, including Haveli, or any subsidiary or affiliate thereof, selected by Haveli in its absolute discretion, without offering any Investor the opportunity to co-invest, as described above; and (ii) the co-investment opportunity described above for Investors shall in no event limit Haveli’s right to offer co-investment opportunities in the Funds’ investments to its partners. Investors may be offered a smaller amount of co-investment opportunities than originally requested and an investor may be offered fewer co-investment opportunities than other investors in the same Fund, with the same, larger or smaller capital commitments to such Fund.

As Haveli retains complete discretion as to how co-investment opportunities are allocated, the benefits of an investment in which Haveli has made co-investment opportunities available will be received only by an Investor or the Investors selected by Haveli for such opportunities, and not by any of the other Investors. No Advisory Agreement limits or restricts the ability of Haveli to offer co-investment opportunities to Investors, other funds sponsored by Haveli, affiliates, persons associated with a portfolio company and other third parties, including persons who Haveli believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to Haveli, a Fund, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise, or third parties. In certain cases, Funds will be established to facilitate the co-investment of “friends and family” investors (which may include, but are not limited to, Haveli personnel, affiliates of Haveli, and other business associates of Haveli personnel) alongside another Fund, which “friends and family” fund will have the right to participate in a portion of each investment opportunity in which such other Fund invests. Such “friends and family” Fund will bear Management Fees but not Carried Interest. In some cases, co-investments may be offered to other funds advised by, or clients of, Haveli, as well as other affiliates. To the extent permitted by applicable law, in order to facilitate such co-investments, Haveli may cause the Funds to sell a portion of an investment to, or purchase an investment from, one or more other co-investment participants at a price based on the fair market value of such investment as determined by Haveli in its reasonable discretion or otherwise, on terms to be determined by Haveli in its sole discretion. Such co-investment transactions could create conflicts of interests to the extent Haveli is simultaneously representing the interests of more than one co-investing party. For the avoidance of doubt, no Investor shall have the right to participate in, or be offered an opportunity to participate in, any such co-investments, or be under an obligation to make any co-investments and no person co-investing with the Funds as described above shall be considered a joint venture partner. In addition, Haveli may form specially created co-investment vehicles, which may be owned in whole or in part by affiliates. Such co-investments may be on terms that may differ from those of Investors in the Funds.

The amount of Other Fees generated as a result of co-investments in connection with any portfolio company will often not reduce the Management Fees paid by the Funds and will therefore be retained by Haveli. The allocation of co-investment opportunities will, in many or all cases, also involve a benefit to Haveli in addition to the receipt of Other Fees, including the receipt of Management Fees or allocation of Carried Interest from the co-investor, and/or capital commitments to Funds (including successor Funds). As a result of the foregoing, Haveli could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement or economic terms.

In addition, co-investment vehicles are typically formed to make investments alongside a Fund. In such cases, the co-investment vehicle will have a priority right to make co-investments in some or all of the investments made by such Fund. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to other co-investors, including investors in a Fund.

Co-investors will generally purchase their interests in a portfolio company at the same time as the Funds or will, on occasion purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer).

Haveli may, but will be under no obligation to, provide, from time to time, co-investment opportunities with regard to selected investments to such Investors, as are selected by Haveli in its absolute discretion, on such terms as shall be agreed to between Haveli and such Investor.

Haveli anticipates that it will from time to time enter into contractual arrangements to provide priority investment rights to certain investors, but not all investors, which rights will in certain instances involve payment of Management Fees and/or Carried Interest, and in certain cases will be fee and carry-free. Acknowledgments of interest in co-investment opportunities do not obligate Haveli to allocate co-investments to any party.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds and other potential co-investors, Haveli may consider some or all of a wide range of factors, which include, but are not limited to, its own interests and/or one or more of the following:

- Haveli's evaluation of the size and financial resources of the potential co-investment party and Haveli's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise, and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns Haveli has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and Haveli's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by Haveli and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;
- Whether a potential co-investment party pays Management Fees or Carried Interest to Haveli and the amount of any such Management Fees and Carried Interest;
- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to Haveli and assume a passive role in governing a portfolio company);

- Any interests a potential co-investment party has in any competitors of the portfolio company;
- Haveli's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- Haveli's evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- Haveli's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether Haveli believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Funds and/or Haveli and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or Haveli.

The factors above are not listed in order of importance or priority and Haveli is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. Haveli's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Haveli investors and third parties, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, Haveli may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether Haveli and/or the applicable General Partners are entitled, under arrangements made with certain potential co-investment parties, to additional Management Fees and/or Carried Interest based on the availability of co-investment opportunities offered to such parties).

In the event Haveli determines to offer an investment opportunity co-investors, there can be no assurance that Haveli will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Funds or that expenses incurred by the Funds with respect to the syndication of the co-investment will not be substantial, and the Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from Haveli as to

appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that Haveli is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Funds may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

Haveli or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Fund. Any such vehicle will be established at Haveli or its affiliates' sole discretion and Haveli and its affiliates have no obligation to offer a similar opportunity to any other investor.

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

- Haveli's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- Haveli's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or Haveli and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject Haveli, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Fund (including any commitment into a future fund);
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Conflicts Related to Purchases and Sales

The Funds may invest debt or equity in a capital structure where Haveli or another fund sponsored or client advised by Haveli has a senior position and Haveli may, in such case, seek to protect such senior investment in a manner that is adverse to the Funds' investments. Likewise, other funds sponsored or clients advised by Haveli may invest debt or equity in a capital structure where the Funds have already established a senior position and the Funds may, in such case, seek to protect such senior investment in a manner that is adverse to Haveli or another fund sponsored

or client advised by Haveli. Other present and future activities of Haveli may give rise to additional conflicts of interests.

Funds from time to time invest in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Conflicts may arise in connection with such investments.

Investment opportunities are from time to time appropriate for more than one Fund at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and Haveli may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund.

In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

Certain clients of Haveli and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In the event that such investments are made by a Fund, the interests of such Fund will at times conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Funds holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm another Fund's equity investment in the portfolio company. The involvement of such Funds at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and, if provided, each Fund will supply such additional capital in such amounts, if any, as determined by Haveli. In the event one Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund may be obligated to fund more than its share of such amount. In such event, one Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. The returns of each Fund may be negatively impacted as a result of the foregoing. Investments by more than one Fund of Haveli or its affiliates in a portfolio company also raises

the risk of using assets of a Fund of Haveli or its affiliates to support positions taken by other Funds of Haveli or its affiliates, or that a Fund may remain passive in a situation in which it is entitled to vote.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. In addition, where more than one Fund of Haveli (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. For example, because Haveli has an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) or because one Fund's term may expire before the end of another Fund's term, such Funds may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if Haveli determines it is advisable for a Fund to exit an investment at the same time as another Fund of Haveli or its affiliates, the term of which may expire sooner than the former Fund's, such Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments.

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

From time to time Haveli may, in its discretion, enter into transactions with investors in one or more Funds, co-investors, Haveli investors or third parties to dispose of, or "sell down," all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, Haveli will comply with the requirements set forth in the Organizational Documents of the applicable Fund(s), or to the extent not addressed in the Organizational Documents of the applicable Fund(s), Haveli may consider some or all of the factors listed above under "*Allocation of Co-Investment Opportunities and Secondary Transactions*". The sales price for such transactions will be mutually agreed to by Haveli and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by Haveli is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, which means Haveli may not obtain the highest price for the transaction. Furthermore, subject to the Organizational Documents, Haveli may charge (or may decide not to charge) a purchasing party interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable purchasing party. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s).

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements

where a Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Funds (including co-investment vehicles through which Haveli personnel participate) are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Funds' Organizational Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or guarantees and, in any event, are not obligated to pay their proportionate share of any reverse termination fee. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Funds to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Funds would be held responsible for the entire equity purchase price or other applicable obligations.

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

Cross-Transactions

While Haveli currently only advises one Fund, in certain cases in the future, it may, from time to time cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or Haveli might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, Haveli, its affiliates and/or their professionals (i) may, from time to time, have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Haveli and its affiliates generally receives management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, Haveli will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Organizational Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Organizational Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the Investment Allocation Requirements, Haveli's Chief Compliance Officer will be responsible for confirming that Haveli (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Principal Transactions

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

Management of the Funds

While Haveli currently only manages one Fund, it may in the future advise multiple Funds that have investment objectives similar to each other. Haveli expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Funds. Haveli may give advice or take actions with respect to, the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund generally may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that employees responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by Haveli, including funds raised in the future or to proprietary investments made by Haveli and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these employees. Employees have an incentive to allocate more time, services or functions to Funds from which such personnel derive a higher economic benefit and/or better performing Funds.

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

In addition, Haveli receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund’s investment (or prospective investment) in a portfolio company. As a result, Haveli is better able to anticipate macroeconomic and other trends, and otherwise develop investment strategies. Haveli is likely in the future enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. Haveli is likely in the future in certain instances to use this information in a manner that may provide a material benefit to Haveli, its affiliates, or to certain

other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, Haveli may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Haveli is likely in the future to utilize such information to benefit Haveli, its affiliates or certain Funds in a manner that may otherwise present a conflict of interest resulting from the particular facts and circumstances, but does not intend to specifically disclose such conflicts to the relevant Funds.

Haveli and its affiliates from time to time also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow Haveli, the Funds and the Funds' portfolio companies to better discern economic or other trends and developments. Haveli believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across Haveli's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and Haveli. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by Haveli and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information. Therefore, Haveli and its affiliates may utilize such data outside of Fund activities in a manner that may provide a material benefit to Haveli, without directly compensating or otherwise benefitting the Funds. As a result, Haveli may have an incentive to pursue investments (on its own behalf or on behalf of the Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits Haveli and/or investments held by other Funds.

The Funds will, from time to time, enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount.

Follow-on Investments

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

Conflicts Relating to the General Partners and Haveli

Haveli may compete against, or engage in business with (i.e., through co-investments and joint ventures) another investment adviser with which Haveli or its affiliates or a member of their personnel has a relationship or from which Haveli or its affiliates or their personnel otherwise derives financial or other benefit. Such relationships may influence decisions that Haveli makes with respect to the Funds.

Employees and other related persons of Haveli and its affiliates may make capital investments in or alongside certain Funds. These investments are often at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

In addition, Funds from time to time invest in securities of companies in which employees and other related persons of Haveli and its affiliates have previously invested for their own accounts. Furthermore, employees and other related persons of Haveli and its affiliates from time to time invest for their own accounts in securities of companies in which the Funds have previously invested. While the significant interests of the employees generally align the interest of such persons with the Funds, such persons may have differing interests from the Funds with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

Haveli, its affiliates, and members, officers, principals and employees of Haveli and its affiliates may buy or sell securities or other instruments that Haveli has recommended to Funds. employees may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Haveli personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by Haveli on behalf of the Fund. In such circumstances, the investing Haveli personnel will not share or reimburse the relevant Fund(s) and/or Haveli for any expenses incurred in connection with the investment opportunity.

In addition, employees also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds and/or which may invest in similar industries and sectors as the Funds. Such employees have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Funds and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. Such personnel may be incentivized to cause a Fund to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

The transactions described above are subject to the policies and procedures set forth in Haveli's Code of Ethics and investors will not benefit from any such investments.

As described throughout this brochure, Haveli personnel engage in investment activities for their own account, which activities in certain cases can be expected to conflict with a Fund's interest. Certain employees of Haveli provide services with respect to investment activities of Haveli's founder, and such person's family members and estate planning vehicles (the "Proprietary Account"). Such services could potentially present a conflict of interest between Haveli and a Fund, including with respect to allocation of time and responsibilities and allocation of investment opportunities. It is anticipated that opportunities that are appropriate for a Fund will also, from time to time, be appropriate for the Proprietary Account. Subject to any restrictions or requirements set forth in a Fund's Organizational Documents, the Proprietary Account will in certain circumstances invest in an opportunity that falls with a Fund's objectives. As a result, it should not be assumed that all opportunities that fall within a Fund's investment objectives will be offered first to the Funds and not to the Proprietary Account. Proprietary Account investments are reportable and subject

to pre-clearance by the applicable Haveli investment professionals under Haveli's Code of Ethics. In addition, a Fund and the Proprietary Account may invest in the same company, whether at the same time or at different times, and whether at the same or different levels of a company's capital structure. Considerations relating to the Proprietary Account trigger application of the various conflicts and risks addressed below in "Conflicts Related to Potential Sales" and "Cross Trades." These circumstances can also be expected to implicate conflicts of the type described in "Management of the Funds."

Employees have family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies. Moreover, in certain instances, the Funds or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. In most such circumstances, the Funds' Organizational Documents will not preclude Funds from undertaking any of these investment activities or transactions.

Fee Structure

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

Additionally, as discussed above in Item 6, the general partners of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such general partners are affiliates of Haveli. The existence of the general partners' Carried Interest creates an incentive for the general partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by Haveli or its affiliates in a Fund and the clawback obligation of the general partner (as described below) reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of Haveli's personnel.

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

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

The Organizational Documents of certain Funds permit the general partner of each such Fund to cause such Fund to distribute such general partner's share of securities resulting from an investment disposition by such Fund to such general partner or its affiliates (including employees) in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest

between the general partners and the limited partners of the applicable Fund. The general partners are particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the limited partners received cash distributions instead of in-kind distributions, the limited partners will be denied the benefits of that increase had the Fund retained the securities and the general partner will receive more value from the securities than it would have had its Carried Interest been paid in cash. In the event the general partner, or its affiliates, receive such a distribution, the general partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the general partner shall determine. The ability of the general partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the general partner or affiliate, as an adviser to the Fund, and the Fund. These conflicts may be exacerbated due to the enhanced knowledge and information the general partner has relative to the limited partners with respect to such securities.

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

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and liabilities, to pay Management Fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. The Funds will also utilize subscription facilities to benefit co-investment parties and joint venture partners. For example, a Fund will borrow to fund a co-investment party's and joint venture party's pro rata share of an investment or expense related to an investment. While Haveli expects that all parties (including the general partner and any co-investment party and/or joint venture partner) will bear their pro rata share of the interests expenses but not necessarily origination and other costs allocable to the extension of credit, the Funds will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds. In such instances the Funds would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by the general partner and any co-investor, including employee co-investment vehicles) benefit from the credit risk taken by the Fund's guarantee.

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

To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. The batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by the Funds will generally be secured by capital commitments made by the limited partners to the Funds and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Funds may cause the realization of Unrelated Business Taxable Income.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by Haveli or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, Haveli and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Positions with Portfolio Companies

Employees serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employees' fiduciary duties as a director conflicts with those of the Fund, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an

issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Fund. Furthermore, an employees serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such employees may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company. employees serving as directors may make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company. In addition, to the extent an employees serves as a director on the board of more than one portfolio company, such employees' fiduciaries duties among the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject Haveli, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify Haveli and employees from such claims. Employees serving in a director or observer role are required to remit any remuneration they may receive as directors to the applicable Funds. In addition, employees may leave the employment of Haveli or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

From time to time employees may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such person's employment with Haveli. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of Haveli to take actions with respect to the portfolio company that Haveli considers to be in the best interests of the Funds.

Certain personnel of Haveli or its affiliates may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies will pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may reimburse Haveli or such persons for any first class or business class travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. Haveli may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by Haveli or its affiliates 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 Funds to Haveli will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by Haveli and reimbursed by a portfolio company) will not reduce the Management Fee otherwise payable to Haveli or any Carried Interest otherwise payable to Haveli or its affiliates. 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 categorized as an Operations Support Provider, an employee of Haveli, a former employee of Haveli or a seconded employee may not be clear. In such cases, Haveli will make a determination in good faith based on an evaluation of the facts and circumstances.

Side Letter Agreements; Advisory Committee Rights

Haveli often enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, Haveli (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund. In addition, side letter arrangements with certain investors of the Funds impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Fund.

Generally, each Fund has established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee because those designating limited partners will, for instance, have greater information rights. The advisory committee may also have the ability to approve conflicts of interests with respect to Haveli and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and other relationships with Haveli, Haveli personnel and its affiliates. These relationships may influence the decisions made by such members of the advisory committee.

In addition, members of one Fund's advisory committee may also be a member of another Fund's advisory committee. In such instances, a conflict of interest exists because the Funds on which such overlapping advisory committee members may have conflicting interests and such advisory committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

Other Potential Conflicts

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

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

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

In addition, from time to time, Haveli recruits a management team to pursue a new “platform” opportunity expected to lead to the formation of a future portfolio company. In other instances, a new platform could be formed to recruit an existing or newly formed management team to build such platform through acquisitions and organic growth. In certain circumstances, such platform employees may include former employees of Haveli, or current or former senior advisors or consultants to Haveli and its affiliates. The structure of each platform and the engagement of personnel will vary, including whether a management team’s services are exclusive to the platform and whether the members of the management team are employed directly by the platform or indirectly through a separate management company established to manage such platform. Platform structures may change during the investments’ hold period, for instance, in connection with restructurings or dispositions. The management team of a platform investment may provides services with respect to other platform investments of more than one Fund, or provide the same or similar services for unaffiliated parties. The services provided by the platform management team could be similar to, and in some cases overlap with, the services provided by Haveli to the Funds. The Funds will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, management or other fees, employee compensation (including cash compensation and profits-interest), diligence expenses or other related expenses in connection with backing the management team or the build out of the platform company. Such expenses may be borne directly by the applicable Fund as Fund expenses or indirectly as the Fund bears the start-up and ongoing expenses of the newly-formed platform portfolio company. Such costs and expenses will not offset the Management Fee and are in addition to Management Fees and other compensation (e.g., Carried Interest) received by Haveli.

Haveli may, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, Haveli and/or employees and their respective agents, representatives, members of the advisory committee and other indemnified parties,

against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by Haveli that cover one or more Funds and/or Haveli (including employees and their respective agents, representatives, members of the advisory committee and other indemnified parties). Haveli will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or Haveli on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

A Fund may invest in a pooled investment vehicle that is advised by, or that has another business or other relationship with, Haveli or its related persons. In such a case, investors in such Fund will bear not only the direct Management Fees and other expenses associated with their investment in the Fund, but also the expenses and fees associated with the investment in the underlying pooled investment vehicle, some of which fees and expenses may be paid to Haveli or its related persons. Additionally, the interests of the Fund, as an investor, may conflict with the interests of the underlying pooled investment vehicle or Haveli or its related persons in their capacity as service providers to the underlying pooled investment vehicle, which would create a conflict of interest for Haveli.

Haveli may represent creditors or debtors in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings. From time to time, Haveli may serve as advisor to creditor or equity committees. This involvement, for which Haveli will often be compensated, will limit or preclude the flexibility that the Funds would otherwise have to make investments.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

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

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

Providers of Operations Support

Haveli, the Funds and/or the portfolio companies will from time to time retain companies and individuals (“Operations Support Providers”), which may include employees and former employees of Haveli, affiliates of Haveli, employees of such affiliates, portfolio companies of the Funds, third party consultants (including specialized consultants, advisers, industry specialists,

external executives, industry advisory roundtable members, and similar professionals), “operating partners” or “senior advisors”.

The Operations Support Providers are engaged to provide operational support, due diligence, research, specialized operations and consulting services and similar or related services to the Funds, or in connection with, one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies and from time to time also provide “front office” functions with respect to a Fund, such as sourcing or other investment-related functions (such services collectively, “Operations Support Services”). These services may be high level insight or extensive day-to-day roles, and may include support to a General Partner on behalf of the Funds, or portfolio companies regarding, among other things, the company’s management (including serving in management positions or participating in determining corporate strategy), the company’s supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters.

The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider may vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to the Funds and/or the portfolio companies. These arrangements may be memorialized in a formal written agreement or may be informal, and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. In certain cases, Operations Support Providers are Haveli employees, and in certain other cases, Operations Support Providers have attributes of Haveli personnel (for instance, they may have dedicated office space, receive Haveli administrative support services, participate in general meetings or events for Haveli personnel, have Haveli e-mail address or business cards), even though they are not employees, affiliates or personnel of Haveli. Operations Support Providers may be offered the ability (or may have a preferred right) to co-invest alongside Funds or may be offered the opportunity directly by the portfolio company to invest in the company, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Pursuant to the Organizational Documents of the Funds, fees, compensation, expenses and any attributable overhead associated with Operations Support Services (collectively, “Operations Expenses”) are paid and/or reimbursed by Haveli, portfolio companies and/or the Funds. Operations Expenses (including Operations Expenses incurred in connection with an Operations Support Provider that is an affiliate or employee of Haveli or its affiliates) may be determined at the discretion of a General Partner taking into account the particular Operations Support Services, may include reimbursement of an allocable portion of an affiliated Operations Support Provider’s compensation (including, without limitation, salary, bonus, payroll taxes and benefits) and overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces), an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation (e.g., Carried Interest) to the Operations Support Provider, and may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable

services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service will be made by the General Partner, in its sole discretion but will generally be based on whether third parties typically provide such services to investment advisers or companies. Operations Expenses may also be incurred in respect of portfolio companies prior to the closing of the investment. In addition, an Operations Support Provider's benefits described herein will, in certain circumstances, continue after termination of status as an Operations Support Provider. To the extent services are provided for the benefit of a Fund, without reference to a particular portfolio company, Operations Expenses incurred in connection with such services are borne by the Funds and, indirectly, the investors in such Fund. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Funds, such Operations Expenses will be allocated among the Funds as determined by a General Partner or Haveli, consistent with the Organizational Documents of the applicable Funds and as described above (see "*Allocation of Expenses*"). With the exception of Operations Expenses payable to any Operations Support Provider that is a Haveli employee by the Funds or a portfolio company, such Operations Expenses will be retained by such Operations Support Provider and will not reduce the Management Fee or any other fees otherwise payable to Haveli or its affiliates and will not benefit the Funds or their investors, even if the Operations Expenses paid by a Fund or a portfolio company have the effect of reducing any retainers or minimum amounts otherwise payable by Haveli. The determination of whether an Operations Expense is paid by a portfolio company, a Fund, or Haveli will be made by Haveli in its sole discretion. The General Partner's determination as to whether a service is an Operations Support Service, whether an Operations Support Provider is or is not a Haveli employee and the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Funds and their investors. Over time, certain employees of Haveli (including senior personnel) may transition to be former employees an Operations Support Provider role, which will shift the burden of compensating such persons from Haveli to the applicable Fund and/or its portfolio companies and any fees received by such persons will not reduce the Management Fee.

Business with and Among Portfolio Companies and Investors and Prospective Investors

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

Portfolio companies controlled by a Fund may provide services to Haveli, certain Fund investors or prospective investors. This creates a conflict of interest, as Haveli has an incentive to cause the portfolio company to favor itself, or those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Funds. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

Current and former officers and executives of portfolio companies may also invest in a Fund. While Haveli believes this aligns portfolio company management teams with the best interests of

the Funds, Haveli may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

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

In addition, certain portfolio companies controlled by a Fund may engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

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

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds managed by Haveli that, although Haveli determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with Haveli, and which may provide economic or other benefits to affiliates of Haveli that are not subject to the Management Fee offset provisions described herein. For example, Haveli may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, servicing payments, commissions or similar payments and/or discounts being paid to Haveli, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While Haveli may have a conflict of interest because its economic benefit may

incentivize Haveli to maintain such arrangements, Haveli believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and Haveli's benefits from such arrangements are reduced because Haveli only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with Haveli will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies. Haveli and its affiliates may, from time to time, hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although Haveli uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee Haveli can control all such conflicts of interest and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

While less common, from time to time a Fund could hold an investment in a different layer of the capital structure than an investor or another party with which Haveli has a material relationship, in which case Haveli could have an incentive to cause the Funds or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements).

Service Providers

Services required by a Fund (including some services historically provided by Haveli or its affiliates to the Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of Haveli or its affiliates. This can create a conflict of interest because Haveli and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Haveli personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, trading, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by Haveli to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and Haveli has no obligation to inform such Funds or investors of such a change. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Funds.

If a service provider provides services to a Fund on the property of Haveli, such Fund may also be responsible for any overhead, rent or other fees, costs and expenses charged by Haveli in connection with an on-site arrangement.

Haveli and/or its affiliates may engage certain service providers to provide services to Haveli, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers or their affiliates are, in certain circumstances, investors in a Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or other lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Funds. This creates a conflict of interest, as Haveli may give such investor

preferred economics or other terms with respect to its investment in a Fund, enhanced information or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, Haveli will have a conflict of interest in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide Haveli information about markets and industries in which Haveli operates, will provide other services that are beneficial to Haveli and/or will provide financial sponsorship of events held by Haveli (such as transaction closing dinners or outings, or informational summits or training events for Haveli or portfolio company personnel). Haveli generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Haveli generally may in its discretion, contract directly with, or recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with, a related person of Haveli or an affiliate (including but not limited to a portfolio company of a Fund). When making such a recommendation, Haveli, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Additionally, Haveli personnel, and/or their family members or relatives may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence Haveli in determining whether to select, or recommend such service provider to perform services for a Fund or a portfolio company. Although Haveli selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that Haveli, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to Haveli, the Funds and/or the portfolio companies, or affiliates of such service providers, also provide goods or services to or have business, personal, financial or other relationships with Haveli, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source investment opportunities, be co-investors or commercial counterparties or entities in which Haveli and/or the Funds have an investment, and payments by a Fund and/or such portfolio companies may indirectly benefit Haveli and/or such Fund.

Investors may be introduced to Haveli, or may be brought in a Fund, by a third-party consultant from which Haveli or a related person purchases products and to which Haveli or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

Haveli, its personnel, the Funds and the portfolio companies of the Funds will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to Haveli, its personnel, the Funds, and/or the portfolio companies. As a result, Haveli or its personnel from time to time receives a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or from time to time receives a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no,

discount. This creates a conflict of interest between Haveli and its personnel, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Haveli will favor the engagement or continued engagement of such persons if it, or its personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. Neither the Funds nor investors in the Funds will receive the benefit of any such favorable rate or discount provided to Haveli, its personnel or its affiliates, and the Management Fee paid by any Fund will not be reduced in connection with such favorable rate or discount.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by Haveli or its affiliates differ from those required by the Funds and/or their portfolio companies, Haveli and its affiliates will pay different rates and fees than those paid by the Funds and/or their portfolio companies.

Haveli or its affiliates engage certain service providers (including law firms) on behalf of the Funds and personnel of such service provider may in the future be seconded to Haveli or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. Haveli is, from time to time, a beneficiary of these arrangements as well. Such personnel provide services in respect of multiple matters, including in respect of matters related to Haveli, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in Haveli's discretion taking into consideration the usage of such personnel. The Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because Haveli or its affiliates have an incentive to select one service provider over another on the basis that Haveli or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not Haveli or its affiliates.

Haveli and the Funds will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, Haveli and/or its affiliates, the parties may engage separate counsel in the sole discretion of Haveli and its affiliates, and in litigation and other circumstances separate representation may be required.

The Funds may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company ("Holding Company") would be created that would acquire and manage the companies in the platform. The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former employees of Haveli, or current or former senior advisors or consultants to Haveli and its affiliates. The Holding Company's costs and expenses (including compensation for its personnel, which compensation may include, among other things, the granting of profit participation in certain investments of

Holding Company and/or a capital interest in such investments or the underlying assets) would be borne by the Holding Company (and, therefore, indirectly borne by the Funds). Such costs and expenses will not offset the Management Fee and are in addition to Management Fees and other compensation (e.g., Carried Interest) received by Haveli. In addition, as Haveli earns Management Fees and Carried Interest from the Funds, Haveli will benefit from the assets, income and gains of Holding Company.

Haveli may, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, Haveli and/or Haveli personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by Haveli that cover one or more Funds and/or Haveli (including Haveli personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties). Haveli will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or Haveli on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Defaulting Investors

Haveli or a General Partner may face conflicts of interest in pursuing remedies against a defaulting investor. Some of the remedies allow Haveli to cause the sale of the interest held by a defaulting investor to a third-party, or an affiliate of Haveli or in a transaction in which Haveli is acting as agent. Such remedies may benefit Haveli and their affiliates to the exclusion of the Funds or the non-defaulting investors.

Investment Valuation and Realization

The existence of performance-based compensation and varying levels and calculations of Management Fees creates a conflict of interest in valuing investments and there will be situations in which a General Partner is incentivized to influence or adjust the valuation of the Funds’ assets. For example, a General Partner is incentivized to: (i) employ valuation methodologies that improve the Funds’ track record; (ii) defer recognizing losses from investments that have experienced a permanent impairment that must be returned prior to an affiliate (i.e., the General Partner) receiving a Carried Interest; or (iii) employ valuation methodologies that give rise to a higher valuation in order to increase fees, such as in the case of a Management Fee that is calculated based on adjusted cost or as a percentage of the value of the Funds’ assets.

ITEM 12: BROKERAGE PRACTICES

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

In determining the broker-dealers through which to initiate securities transactions for Funds, it is Haveli's policy to obtain "best execution" of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and researched services (as discussed below). "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. Best execution is not limited solely to the consideration of the best available commission rate.

In selecting a broker-dealer, Haveli reserves the right to consider various relevant factors, although no one factor is determinative in the decision-making process, they include, but are not limited to, best price; current market conditions; time constraints; liquidity; volatility in the markets; volatility in the particular type of security or asset; size and type of transaction; the nature and character of the market for the security or asset in the transaction; confidentiality; execution efficiency; settlement capabilities; financial condition of the broker-dealer; full range and quality of the broker-dealer's services; the responsiveness, reputation, reliability, and experience of the broker-dealer; the reasonableness of any commissions or spreads, difficulty of execution, ability and willingness to commit capital to the transaction; past effectiveness in executing illiquid or difficult types of securities or assets or difficult types of orders; and the value of brokerage and research services provided. Accordingly, the transactions will not always be executed at the lowest available price or commission. In addition, Haveli may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, Haveli generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

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

Aggregation of Trades

Haveli and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Haveli often employs this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. Haveli and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, Haveli and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction. If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon Haveli's procedures for allocation of investment opportunities, as described in Item 11 above.

In order to monitor best execution, Haveli's Chief Compliance Officer will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of Haveli and a Fund.

ITEM 13: REVIEW OF ACCOUNTS

Oversight and Monitoring

The investment portfolios of the Funds are generally private, relatively illiquid and long-term in nature, and accordingly Haveli's review of them is not directed toward a short-term decision to dispose of securities. However, Haveli closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are

reviewed by a team of investment professionals on an on-going basis. The team generally includes senior level investment professional of Haveli.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports within 30 days after each fiscal quarter end. Haveli and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Except as otherwise described herein, Haveli does not receive economic benefits from non-clients for providing investment advice and other advisory services.

While Haveli may enter into arrangements with third party placement agents or distributors to solicit investors for one or more current or future Funds, Haveli has not entered into any such arrangements as of the date of this brochure. Haveli may in the future enter into arrangements with third party placement agents or distributors to solicit investors for one or more current or future Funds and such arrangements will generally provide for the compensation of such persons or their services as an offset against the Management Fee.

ITEM 15: CUSTODY

Item 15 is not applicable to Haveli.

ITEM 16: INVESTMENT DISCRETION

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the Investors in the Funds. Haveli, subject to the investment policies, objectives, and limitations set out in the Organizational Documents of the Funds, has full discretionary authority over the investments made on behalf of the Funds. This discretionary authority includes the ability to select the type, amount, and price of the investments bought and sold on behalf of the Funds, including the selection of, and commissions paid to, broker-dealers, and to investment bankers and other professionals.

ITEM 17: VOTING CLIENT SECURITIES

As required by Rule 206(4)-6 under Advisers Act, Haveli has adopted and implemented written policies and procedures for voting proxies with respect to securities owned by the Funds for which Haveli exercises voting authority and discretion.

It is Haveli's general policy to vote or give consent on all matters presented to security holders in any vote. However, Haveli reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of Haveli's Chief Compliance Officer (the "CCO") and General Counsel, or the relevant Haveli investment professional, the costs associated with voting such vote outweigh the benefits to the relevant Funds or if the

circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds. Funds generally cannot direct Haveli's vote.

All voting decisions initially are referred to the Chief Executive Officer/Chief Investment Officer (the "CEO/CIO") and Chief Operating Officer (the "COO") for appropriate investment professional for a voting decision. In most cases, Haveli's CEO/CIO and COO will make the decision as to the appropriate vote for any particular vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. The CEO/CIO and COO will inform the CCO and General Counsel of any such voting decision, and if neither the CCO nor the General Counsel objects to such decision as a result of his or her conflict of interest review, the vote will be voted in such manner. The CEO/CIO and COO, on one hand, and the CCO or General Counsel, on the other hand, will review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds' holdings.

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

Where Haveli's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts or to otherwise assist Haveli in fulfilling all or part of its voting obligations. In this regard, Haveli can retain independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to which voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Haveli Compliance at Compliance@Havelii.com.

ITEM 18: FINANCIAL INFORMATION

Haveli has no events requiring disclosure under this Item of the brochure.

Haveli does not require or solicit prepayment of Management Fees six months or more in advance.