

Item 1. Cover Page

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CAROUSEL CAPITAL MANAGEMENT COMPANY, L.P.

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This brochure provides information about the qualifications and business practices of Carousel Capital Management Company, L.P. If you have any questions about the contents of this brochure, please contact us at (704) 372-2040. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Carousel Capital Management Company, L.P. also is available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2. Material Changes

This brochure updates the previous Carousel Capital (as defined below) brochure dated March 30, 2020. Carousel Capital has made changes and updates throughout this brochure, including to reflect the addition of Peter L. Clark, Jr. and Alan C. Welch, Jr. (each, a “New Partner” and collectively, the “New Partners”) as Partners of Carousel Capital. Other than changes relating to the addition of the New Partners as Partners of Carousel Capital, Carousel Capital has not made any material changes to this brochure. However, this other-than-annual update includes certain enhanced disclosures and clarifying changes and updated regulatory assets under management.

Except as otherwise specified, all information set forth or referenced in this brochure is as of the date hereof. Subject to the requirements of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and other applicable laws, Carousel Capital is under no obligation to update any such information.

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

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Item 4. Advisory Business

Description of Advisory Firm

Carousel Capital Management Company, L.P. (“Carousel Capital” or the “Manager”), a Delaware limited partnership, provides investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). Carousel Capital currently provides investment advisory services to Carousel Capital Partners IV, L.P., Carousel Capital Partners IV PV, L.P. and Carousel Capital CEO Fund IV, L.P. (collectively, and together with their respective parallel vehicles and separate investment vehicles, “Fund IV”); Carousel Capital Partners V, L.P., Carousel Capital CEO Fund V, L.P. (collectively, and together with their respective parallel vehicles and separate investment vehicles, “Fund V”); and Carousel Capital Partners VI, L.P., Carousel Capital CEO Fund VI, L.P. (collectively, and together with their respective parallel vehicles and separate investment vehicles, “Fund VI”); Carousel Capital Apex SPV, L.P., Carousel Capital Apex Rollover Partners, L.P. and Carousel Capital Company IV Apex Rollover Partnership, L.P. (collectively, with Fund IV, Fund V, Fund VI and any co-investment vehicles and any newly-formed funds sponsored by Carousel Capital, the “Carousel Funds”). As the investment adviser of each Carousel Fund, Carousel Capital, along with each Carousel Fund’s General Partner, each of which is an affiliate of Carousel Capital (the “General Partners”), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each Carousel Fund. Carousel Capital is controlled by its general partner, Carousel Capital Management Company, L.L.C., a Delaware limited liability company (“Carousel Management GP”). The two Managing Partners of Carousel Capital, Charles S. Grigg and Jason C. Schmidly (each, a “Partner” and collectively with the New Partners, the “Partners”), along with the New Partners, control Carousel Management GP.

Carousel Capital was founded in 1996 by Nelson Schwab III on the core belief that the Southeastern United States is one of the most attractive and under-served regions for private equity investing. The principal owners of Carousel Capital are Mr. Grigg and Mr. Schmidly. The primary focus of Carousel Capital’s investment advisory activity is researching and advising on private equity investments located in this region. Such investments generally take the form of small buyout transactions where Carousel Capital teams with management to acquire, manage and grow the investment.

Carousel Capital provides investment advisory services to each Carousel Fund pursuant to separate management agreements (each, a “Management Agreement”). Investment advice is provided by Carousel Capital directly to the Carousel Funds, subject to the direction and control of the affiliated General Partner of such Carousel Fund.

As of September 30, 2020, Carousel Capital has regulatory assets under management of approximately \$658,400,000. Carousel Capital subsequently closed Fund VI on November 10, 2020, resulting in an increase to Carousel Capital’s regulatory assets under management of approximately \$700,000,000. All of Carousel Capital’s regulatory assets

under management are managed on a discretionary basis together with the General Partners.

Carousel Capital provides advice to the Carousel Funds in respect of their investment portfolios, as well as certain ancillary managerial and administrative services, including, without limitation, identifying and screening potential investments, recommending strategies for the management and disposition of investments, monitoring the performance of investments and preparing reports necessary or appropriate for compliance with the governing agreements of the Carousel Funds. Investments in Carousel Funds are privately offered only to qualified investors, typically institutional investors (for example, public and private pension funds) and eligible high net worth individuals.

Carousel Capital's advisory services are geared to the management of the Carousel Funds, the investment objectives, parameters and restrictions of which are disclosed to investors in the applicable governing agreements before they invest. Investment restrictions applicable to specific Carousel Funds are customarily imposed in the governing agreements for such Carousel Funds, as agreed upon with investors.

Carousel Capital or certain affiliates may also enter into side letters or other writings with specific investors in Carousel Funds which have the effect of establishing rights under, or altering or supplementing, the terms of the governing agreements of the Carousel Funds in respect of the investor to whom such letter or writing is addressed. Any rights established, or any terms altered or supplemented, will govern only that investor and not a Carousel Fund as a whole. Such side letters may impose restrictions on participation in certain investments or types of investments made by the Carousel Funds, and may also provide benefits to certain investors in a Carousel Fund not provided to investors in such Carousel Fund generally (for example, adjustments to fees or other economics, access to information, ability to transfer interests in a Carousel Fund or compliance with specified laws or regulations). Neither Carousel Capital nor its affiliates will enter into a particular side letter if Carousel Capital determines that the provisions contained in such side letter would be disruptive to the applicable Carousel Fund or its investment program. Disclosure of applicable side letter practices is made to investors prior to their investment in the applicable Carousel Fund.

Item 5. Fees and Compensation

As compensation for investment advisory services rendered to the Carousel Funds, Carousel Capital generally receives from each Carousel Fund an annual management fee payable quarterly in advance. Generally, the management fee is initially 2% of aggregate capital commitments. After a Carousel Fund's commitment period ends, the management fee is typically reduced to 2% of capital contributions made with respect to investments then held by the Carousel Fund or for which the Carousel Fund is holding non-cash proceeds, adjusted to take into account write downs and write-offs of such investments or non-cash proceeds, as described in the applicable partnership agreement (any such Carousel Fund partnership agreement hereinafter referred to as the "Partnership Agreement").

Upon termination of an advisory agreement, appropriate treatment will be given to all management fees collected in advance. Management fees are paid by capital contributions from investors to each Carousel Fund pursuant to capital call notices delivered by each General Partner to drawdown capital an investor agrees to contribute to the applicable Carousel Fund (i.e., an investor's "capital commitment") or are paid out of cash that is otherwise distributable to the investors in the Carousel Funds, including cash held by the Carousel Fund after a portfolio investment of a Carousel Fund is disposed of and before the proceeds are distributed to investors. Management fees may also be paid out of cash reserves of the applicable Carousel Fund. Carousel Capital Management Company, in its sole discretion, may waive or reduce the management fee otherwise payable by certain investors in Carousel Funds, including in connection with investments made by the General Partners or its related persons.

Each Carousel Fund will generally bear all out-of-pocket costs and expenses (including, without limitation, travel, printing, legal and accounting fees and other expenses) of Carousel Capital, the General Partners, the Partners and their respective affiliates incurred in the formation of such Carousel Fund or incurred in connection with the offering, organization and funding of such Carousel Fund. In addition, each Carousel Fund will generally bear all costs and expenses relating to such Carousel Fund's, activities, investments and business (to the extent not borne or reimbursed by a portfolio company or proposed portfolio company), including, but not limited to, (i) all costs and out-of-pocket fees and expenses attributable to sourcing, investigating, identifying, analyzing, pursuing, acquiring, purchasing, investing, holding, monitoring, managing, seeking disposition opportunities and disposing of the such Carousel Fund's investments, whether or not consummated, including, but not limited to, commitment fees or other lenders' fees that become payable in connection with a proposed portfolio company Investment, consulting, investment banking, legal and accounting fees and expenses and printing expenses, but only to the extent that such fees and expenses exceed topping and break-up fees applied against such expenses as set forth in the partnership agreement of the applicable Carousel Fund, (ii) all legal, accounting, auditing, administrative, custodian, appraisal, consulting and other fees and expenses of such Carousel Fund (including, but not limited to, meetings of investors of such Carousel Fund or of the Board of Advisors (as defined in Item 10) of such Carousel Fund, fees of the administrator of such Carousel Fund and insurance, including, but not limited to, D&O or E&O liability or other insurance), and other out-of-pocket expenses associated with the preparation and distribution of financial statements, tax returns and forms K 1 and reports to the investors in such Carousel Fund, and any expenses incurred or paid by the "Tax Matters Partner" under the partnership agreement of the applicable Carousel Fund, (iii) expenses of the Board of Advisors incurred in accordance with the partnership agreement of the applicable Carousel Fund, (iv) extraordinary expenses, liabilities, indemnities and other obligations of such Carousel Fund (including, but not limited to, litigation and indemnification costs and expenses, judgments and settlements (including, but not limited to, costs and expenses payable under the partnership agreement of the applicable Carousel Fund)), (v) costs of winding up and liquidating such Carousel Fund, and (vi) all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of such Carousel Fund incurred in accordance with the partnership agreement of the applicable Carousel Fund.

Carousel Capital and the General Partners allocate expenses in a manner they believe fair and reasonable and in accordance with the provisions of any applicable Carousel Fund partnership agreements. In general, investment-related expenses incurred on behalf of more than one Carousel Fund are allocated to each Carousel Fund based on their pro rata commitments to the investment, although expenses related to transactions not consummated are generally not borne by co-investment vehicles.

To the extent permitted under the applicable Carousel Fund's partnership agreement, Carousel Capital may elect to forego a portion of the management fee in favor of a right (a) to receive a priority interest in future distributions of fund profits equal to the waived amounts and (b) to cause the Carousel Fund investors to contribute such waived amounts to such Carousel Fund on Carousel Capital's behalf, which reduces the amount of capital Carousel Capital would otherwise be required to contribute to the respective fund. As a result, the exercise of such waiver will affect the management fee offset calculations described below.

As discussed in Item 6 below, each Carousel Fund's General Partner has the right to receive "carried interest."

The discussion herein generally summarizes the management fees, carried interest, fund expenses and other fee provisions applicable to the Carousel Funds. Because fees and expenses are negotiated on a vehicle-by-vehicle basis, investors should review the applicable Carousel Fund's partnership agreement for terms specific to that Carousel Fund.

Other Fees

Carousel Capital and its affiliates will typically perform management, advisory, transaction-related, financial advisory and other services ("Related Services") for, and will receive fees from, actual or prospective portfolio companies or other deal related investment vehicles of the Carousel Funds, including such fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions, or break-up and topping fees. These fees may be significant and may, in some instances, exceed the management fee. Such fees may be paid in cash, in securities of portfolio companies or investment vehicles (or rights thereto) or otherwise.

Although such fees are paid in addition to the management fees paid by the Carousel Funds, Carousel Capital will in some circumstances reduce future management fees otherwise payable by a Carousel Fund in connection with the receipt of a portion of these fees. The calculation of such reduction varies from fund to fund and is described in the applicable fund documents, but generally such reduction is applied after taking into account the management fee waivers described above and to the extent of the management fees payable by a Carousel Fund. For example, a fund that does not pay management fees would not benefit from a reduction and does not otherwise have a right to share in such fees. Such reductions will be credited on a quarterly basis. To the extent any such credit would reduce the management fee for a given quarter below zero' such

credit will be carried forward for future application. These fees are disclosed in the annual financial statements of the applicable Carousel Fund.

In the event that Carousel Capital chooses to use a broker-dealer for limited purposes relating to a particular Carousel Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Investors in Carousel Funds agree to commit a certain amount of capital to a Carousel Fund in advance of any investment advisory functions performed by Carousel Capital. Management fees assessed by the Carousel Funds are paid from these amounts and are payable in advance for each period as described above. Carousel Capital's services may be terminated under very limited circumstances. Should Carousel Capital's services be terminated before services are provided for the applicable period, fees that have been paid in advance will generally be prorated from the date of Carousel Capital's termination to the end of the period to which the advance fee covered and will be returned to the investors that paid those fees in advance.

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

A Carousel Fund may be assessed a "carried interest" or performance fees that are paid to the applicable General Partner. The "carried interest" is assessed periodically, typically after the receipt by the Carousel Funds of proceeds from a portfolio investment, and is paid out of cash otherwise distributable to investors. "Carried interest" is typically measured as a percentage of the profits of a Carousel Fund and is negotiated separately for each Carousel Fund at a rate consistent with industry standards and in compliance with the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The amount of "carried interest" is distributed to the General Partners with respect to each receipt of net proceeds attributable to a portfolio investment of a Carousel Fund only after the investors in the applicable Carousel Fund receive the aggregate of (i) the capital contributions of such investor made in respect to such portfolio investment, (ii) the investor's proportionate share of capital contributions used to pay organizational and other expenses described in Item 5 that have been allocated to such portfolio investment, and (iii) a preferred return on such capital contributions.

Generally, upon the termination of a Carousel Fund, the applicable General Partner will be required to restore funds to the applicable Carousel Fund to the extent that (i) the investors have not received their return of realized capital and costs and preferred return described above, or (ii) the applicable General Partner has received cumulative distributions in respect of its "carried interest" in excess of a certain percentage of the profits of a Carousel Fund, in each case, applied on an aggregate basis covering all transactions of the applicable Carousel Fund. In no event will the applicable General Partner be required to restore more than the cumulative distributions in respect of its "carried interest" received by such General Partner, less income taxes thereon and taxes attributable to property distributed in kind.

The existence of the General Partners' "carried interest" or performance fee may create an incentive for the General Partners and Carousel Capital to make riskier or more speculative investments on behalf of the Carousel Funds than would be the case in the absence of these arrangements. Conflicts are addressed in the manner described in Item 11.

Item 7. Types of Clients

Carousel Capital Management Company currently provides investment advisory services to the Carousel Funds. Investment advice is provided directly to the Carousel Funds, subject to the direction and control of the General Partner of such Carousel Fund, and not individually to the limited partners of such Carousel Fund (any such limited partner, a "Limited Partner").

Interests in the Carousel Funds (the "Interests") are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in Carousel Funds include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, trusts, estates, university endowments, corporations, limited partnerships and limited liability companies or other business entities, as well as persons affiliated with Carousel Capital.

Although Carousel Capital does not impose minimum dollar values on creating a Carousel Fund, legal eligibility requirements must be met. Minimum investment commitments may be established for limited partners in Carousel Funds. The General Partner of such Carousel Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable fund documents of such Carousel Fund.

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

Methods of Analysis and Investment Strategies

Prior to making an investment, Carousel Capital carries out an extensive fundamental analysis of a target investment's position in the market and prospects. A vital element of this analysis is the development of an operating plan that, if the investment is approved, will form the basis for the portfolio company's operating targets.

Carousel Capital conducts extensive due diligence to analyze, among other things, the company's market and competitive position within that market, the company's cost and revenue structures, the company's unique assets, such as brand strength, distribution capability and intellectual property, the company's management team and compensation structure, the company's contingent liabilities – environmental, regulatory, accounting or otherwise, the company's potential growth opportunities and potential exit strategies.

Carousel Capital pursues investments within three targeted growth sectors: business services; consumer products and services; and healthcare services. Carousel Capital sources and invests across the Southeastern United States, and primarily makes majority control investments in the selected companies.

Risks

Investing in private securities as described above involves a substantial degree of risk. A Carousel Fund may lose all or a substantial portion of its investments and investors in Carousel Funds must be prepared to bear the risk of loss of their investments therein.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by Carousel Funds in connection with those strategies and methods, include the following, each of which is described in more detail in the applicable Carousel Fund's offering document.

Nature of Investment

An investment in a Carousel Fund requires a long-term commitment, with no certainty of return. Portfolio investments may not generate current income. Therefore, the return of capital and the realization of gains, if any, from a portfolio investment generally will occur upon the partial or complete realization or disposition of such portfolio investment. While a portfolio investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of a Carousel Fund's portfolio investments will not occur for a number of years after such portfolio investments are made. There can be no assurances that purchasers of a Carousel Fund's portfolio companies will be found. A Carousel Fund generally will not be able to sell portfolio company securities publicly unless the issuer has gone public and such sale is registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases, a Carousel Fund may be prohibited or limited by contract from selling certain portfolio company securities for a period of time, and, as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

Restrictions on Transfer and Withdrawal; Lack of Liquidity

An investment in a Carousel Fund is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment and who understand that they may lose all or a significant portion of their invested capital. Investors must be willing to bear the economic risk of an investment in a Carousel Fund for an indefinite period of time. The Interests have not, nor will they be, been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests under the Securities Act or other securities laws will ever be effected. There is no public or private market for the Interests and none is expected to develop. In addition, the Interests are not transferable and may not be encumbered except with the prior written consent of the General Partner, which may be withheld by the General Partner in its sole discretion, and subject to the terms and conditions of the Partnership Agreement. Limited Partners may not withdraw capital from a Carousel Fund. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of a Carousel Fund's term.

Prior Investment Performance Not Indicative of Future Results

The performance of prior investments made by the Manager, Carousel Capital, any predecessor funds, the Partners or any of their respective affiliates is not indicative of a Carousel Fund's future results. While the General Partner intends to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that the historical internal rate of return ("IRR") generated by prior investments made by Carousel Capital will be achieved by any Carousel Fund. On any given investment, total loss of the investment is possible.

A Carousel Fund is a newly formed entity and has no prior operating history upon which an investor can base its prediction of future success or failure. Although Carousel Capital has had significant experience and success in making investments in leveraged companies, the past performance of these investments is not indicative of the future results of any Carousel Fund's investments.

Dependence on Key Personnel

The success of a Carousel Fund depends in substantial part upon the skill and expertise of the members of the investment team of Carousel Capital and the other individuals employed to assist them. There can be no assurance that the Partners will continue to be partners of or employed by the General Partner or Carousel Capital. The loss of service to a Carousel Fund of one or more Partners or other personnel could have a material adverse effect on the success of such Carousel Fund.

Furthermore, even in cases where a Carousel Fund may be represented on management boards or have other management rights, such Carousel Fund does not expect or intend to have an active role in the day-to-day operations of its investments. The success or failure of many of the Carousel Funds' portfolio companies may depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability or resignation could adversely affect the performance of the portfolio company and Partnership's investment in such portfolio company.

Risks in Effecting Operating Improvements

In some cases, the success of a Carousel Fund's investment strategy will depend, in part, on the ability of such Carousel Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Carousel Fund will be able to successfully identify and implement such restructuring programs and improvements. In addition, a Carousel Fund may seek management rights, including board representation or other rights, where appropriate. However, there is no assurance that these rights, if sought, will be obtained.

Limited Number of Investments

A Carousel Fund may participate in a limited number of investments and, as a consequence, the aggregate return of such Carousel Fund may be substantially affected by the unfavorable performance of a single investment.

Leverage

A Carousel Fund's investments may include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although the General Partner will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio companies or their respective industry. Additionally, the securities acquired by a Carousel Fund may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss.

Bridge Financing

A Carousel Fund may provide bridge financing in connection with one or more of its equity investments. A Carousel Fund will bear the risk of any changes in capital markets that may adversely affect the ability of a portfolio company to refinance any bridge investments. If the portfolio company were unable to complete a refinancing, the Carousel Fund could have a long-term investment in a junior debt security or a junior debt security that is convertible into equity and the interest rate on such bridge financing may not adequately reflect the risk associated with the unsecured position taken by the Carousel Fund.

Credit Facility

A General Partner may establish one or more credit facilities for a Carousel Fund with one or more financial institutions. Implementation and utilization of any credit facility may result in fees and expenses to a Carousel Fund. In order to obtain any credit facility, the General Partner expects that (i) it may be required to assign or pledge to each such credit facility issuer/lender the General Partner's right to call capital from the investors as may be required to honor any credit facility draws and/or repay any loans, including any interest accrued thereon, and (ii) the investors may be required to acknowledge and consent to the assignment of the General Partner's rights in respect thereof. If a Carousel Fund does not honor its obligations pursuant to any credit facility, the provider(s) of such credit facility may have the right to take action against any investor or its Interests, including directly drawing capital from the investors. Investors may also be required to provide certain representations and other documents and information as required by (and for the benefit of) credit facility lenders in connection with any credit facility, at the investor's own expense. Such costs will not be reimbursed by the Carousel Funds.

Uncertainty of Financial Projections

The General Partner will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating

results will typically 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 projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Risk Relating to Due Diligence and Conduct at Portfolio Companies

Before a Carousel Fund makes an investment, the General Partner and/or the Manager will conduct such due diligence as they deem reasonable and appropriate based on the facts and circumstances applicable to the investment. Due diligence may entail feasibility and technical studies, studies regarding reserves, environmental studies, marketing studies, business plan development, evaluation of important and complex business, financial, tax, accounting, environmental and legal issues as well as background investigations of individuals. Outside professionals, engineers, consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. The involvement of such third parties may present a number of risks primarily relating to reduced control of the functions that are outsourced and may entail significant third-party expenses, which will be borne by the Carousel Funds subject to certain limitations thereon set forth in the Partnership Agreement. In addition, if a Carousel Fund is unable to timely engage third-party providers, its ability to evaluate and acquire more complex assets could be adversely affected. Due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. Moreover, there can be no assurance that attempts to identify risks associated with an investment will achieve their desired effect. Potential investors should regard an investment in a Carousel Fund as being speculative and having a high degree of risk.

In the event of fraud, any material misrepresentation or omission or any professional negligence by any seller of assets acquired by a portfolio company or such seller's representatives, by a portfolio company or any of its affiliates, or by any other third party, a Carousel Fund may suffer a material loss of capital and the value of a Carousel Fund's investments may be adversely impacted. The Carousel Funds will rely upon the accuracy and completeness of representations made by various persons in the due diligence process, and cannot guarantee such accuracy or completeness.

Accuracy of Third Party Information

The General Partner and the Manager may select investments for the Carousel Funds, in part, on the basis of information and data made available directly or indirectly by third parties. The General Partner and the Manager may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Competitive Marketplace

The Carousel Funds will be competing with a significant number of private equity funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result of this competition, there can be no assurance that a Carousel Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital.

Early Termination of a Carousel Fund

Pursuant to the Partnership Agreement, it is possible that a Carousel Fund may be dissolved and terminated prematurely, and as a result, may not be able to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in Limited Partners not having their capital invested and/or deployed in the manner originally contemplated).

Investments Longer than Term

A Carousel Fund may make investments that may not be advantageously disposed of prior to the date such Carousel Fund will be dissolved, either by expiration of the Carousel Fund's term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the General Partner has a limited ability to extend the term of a Carousel Fund and a Carousel Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of such dissolution. In addition, although upon the dissolution of a Carousel Fund the General Partner (or the relevant liquidator) will be required to use its best efforts to reduce to cash and cash equivalents such assets of the Carousel Fund as the General Partner or such liquidator deems it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Limited Partners will occur.

Risks Upon Dispositions of Investments

In connection with the disposition of a portfolio investment, a Carousel Fund may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. It may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities of a Carousel Fund, which might ultimately have to be funded by the Limited Partners to the extent that such contingent liabilities exceed the reserves and other assets of the Carousel Fund and such Limited Partners have received prior distributions from the Carousel Fund. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each Limited Partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to return such distribution to the Carousel Fund.

Distributions in Kind

Although, under normal circumstances, the Carousel Funds intend to make distributions in cash or in publicly traded securities, it is possible that under certain circumstances (including the liquidation of a Carousel Fund) distributions may be made in kind and could consist of securities for which there is no readily available public market.

Recourse to a Carousel Fund's Assets

A Carousel Fund's assets, including any investments made by such Carousel Fund and any capital held by the Partnership, are available to satisfy all liabilities and other obligations of the Carousel Fund. If a Carousel Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Carousel Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The General Partners, the Manager, the Partners, the Board of Advisors, the members of the investment team and their respective members, partners, shareholders, directors, officers, employees, agents and affiliates, will be entitled to indemnification from the Carousel Funds, except in certain circumstances. The assets of a Carousel Fund and unfunded Commitments will be available to satisfy these indemnification obligations, and Partners may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of a Carousel Fund.

Risk Arising from Provision of Managerial Assistance

A Carousel Fund may elect to structure its investments so that it will be a venture capital operating company (a "VCOC") within the meaning of regulations promulgated under the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA"). Operating as a VCOC requires a Carousel Fund to obtain rights to participate substantially in, and to influence substantially the conduct of the management of, the majority of the portfolio companies. A Carousel Fund will typically designate one or more Partners and other members of the investment team to serve on the boards of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of a Carousel Fund to claims by a portfolio company and/or its executives, employees, security holders and creditors. While the Manager intends to manage a Carousel Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded. In general, a Carousel Fund will indemnify the General Partners, the Manager, the Partners and other members of the investment team from such claims.

Risks Relating to Admission of Benefit Plan Investors to the Fund

The General Partner intends to conduct the operations of the Carousel Funds so that the assets of the Carousel Funds will not be deemed to constitute "plan assets" of investors which are subject to the fiduciary provisions of ERISA or the prohibited transaction rules of Section 4975 of the Code ("Benefit Plan Investors"). If, however, a Carousel Fund were deemed to hold "plan assets" of Benefit Plan Investors, (i) ERISA's fiduciary

standards would apply to the Carousel Fund and (ii) transactions into which the Carousel Fund might enter in the ordinary course of business to constitute prohibited transactions under ERISA and Section 4975 of the Code. In order to avoid having a Carousel Fund's assets treated as "plan assets," if 25% or more of any class of equity of the Carousel Fund is held by Benefit Plan Investors, the General Partner intends to operate such Carousel Fund so as to qualify as a VCOC within the meaning of regulations promulgated under ERISA in order to avoid holding "plan assets" within the meaning of ERISA. The General Partner cannot give any assurance that a Carousel Fund will ultimately be considered to qualify as a VCOC. Accordingly, each fiduciary of an ERISA Plan should consult its legal advisers before making an investment in a Carousel Fund. If the General Partner determines to operate a Carousel Fund so as to qualify as a VCOC, the Carousel Fund may be restricted or precluded from making certain investments. In addition, it could be necessary for the General Partner to liquidate Partnership investments at a disadvantageous time in order to avoid holding ERISA "plan assets," resulting in lower proceeds to a Carousel Fund than might have been the case without the need to qualify as a VCOC.

Effects of Bankruptcy

A Carousel Fund may make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks that are faced in bankruptcy cases that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, a Carousel Fund could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of the investment by a Carousel Fund. In general, bankruptcy laws may be expected to have a variety of adverse impacts on the value of a Carousel Fund's investments and the timing and amount of any distributions a Carousel Fund is able to receive therefrom. In addition, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Pension Liabilities

A Carousel Fund could face risk of loss from employee pension-related liabilities arising from investments in portfolio companies that maintain or contribute to defined benefit pension plans in the United States and certain other jurisdictions. Under certain circumstances, U.S. courts have held (and certain non-U.S. laws provide) that certain shareholders may be responsible for satisfying certain pension liabilities incurred by their direct and indirect operating company investments (including liabilities associated with the operating company's withdrawal from a pension plan). While U.S. law is unsettled

regarding the circumstances under which an investment fund could be responsible for these types of pension liabilities and the Partners intend to consider (among many factors) potential pension liabilities in determining whether to invest in a particular portfolio company, it is possible that a Carousel Fund could become subject to pension-related liabilities of portfolio companies in which it invests and that such pension liabilities could exceed the value of such investment.

Hedging

A Carousel Fund may enter into swaps, forward contracts and other arrangements to seek to preserve a return on a particular investment or to seek to protect against currency fluctuations. Such transactions have special risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by a Carousel Fund relating thereto. Although such transactions may reduce a Carousel Fund's exposure to currency fluctuations or decreases in the value of investments, the costs associated with these arrangements may reduce the returns that the Carousel Fund would have otherwise achieved if it had not entered into these transactions.

Investments in Small Companies

A component of a Carousel Fund's investment strategy is to invest in small companies (enterprise values less than \$150 million). While investments in small companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in large companies. Small companies may have more limited product lines, markets and financial resources, and may be dependent on smaller management groups. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small companies, could make it difficult for a Carousel Fund to react quickly to negative economic or political developments.

Failure to Make Capital Contributions

The Interests of a Carousel Fund may be materially and adversely affected by the failure of a Limited Partner to meet its contribution or other payment obligations to the Carousel Fund (whether arising through a Limited Partner's default, its excuse or exclusion from one or more investments, or a permitted withdrawal or removal from the Carousel Fund). If a Limited Partner fails to make any contribution or payment to a Carousel Fund for any reason, the other Limited Partners may be required to fund the shortfall, with the consequence that the non-defaulting Limited Partners may have greater exposure to a Carousel Fund's investments or liabilities than they otherwise would. A Limited

Partner's failure to make any contribution or payment to a Carousel Fund for any reason could also cause the Carousel Fund to be unable to meet the Carousel Fund's obligations when due, which could materially and adversely impair the Carousel Fund's ability to execute on its investment strategy or to otherwise continue operations. In such event, a Carousel Fund may be subjected to significant liabilities or penalties that could materially reduce the returns to the participating Limited Partners (including non-defaulting Limited Partners). A substantial default by (or discontinued participation of) one or more Limited Partners would leave a Carousel Fund with less available capital commitments and would limit opportunities for investment diversification and likely reduce returns to the Carousel Fund.

Consequences of Failure to Pay Contribution in Full

If a Limited Partner fails to pay any installment of its Commitment, the General Partner may elect to cause the defaulting Limited Partner to forfeit all or a portion of its Interest in a Carousel Fund, including any future profits that otherwise would have been allocable to the defaulting Limited Partner, and to lose its voting rights with respect to any matter to come before the Limited Partners. The General Partner may require that the remainder of the defaulting Limited Partner's Commitment be cancelled, and may designate a person or entity to assume the entire unpaid balance of the defaulting Limited Partner's Commitment and succeed to all of the rights of the defaulting Limited Partner's Interest. In addition, the General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by the defaulting Limited Partner. The General Partner will retain the discretion to employ such remedies in respect of a Limited Partner's default as it may determine on a case-by-case basis in its sole discretion. There is no requirement that remedies be applied consistently among defaulting Limited Partners, and the General Partner may determine for a variety of reasons to apply different remedies to different defaulting Limited Partners.

Mandatory Withdrawal

The General Partner has the authority to require a Limited Partner to withdraw from a Carousel Fund prior to the termination and liquidation of the Carousel Fund if the General Partner determines that the continued participation in the Carousel Fund of such Limited Partner could materially adversely affect the Carousel Fund or in certain other circumstances as further described in the Partnership Agreement (for example, by causing the Carousel Fund to be registered as an investment company under the Investment Company Act or causing the Carousel Fund's assets to be treated as "plan assets" under ERISA). A Limited Partner required to withdraw early from a Carousel Fund could suffer a material loss on its investment.

Public Disclosure Obligations

A Carousel Fund may be required to disclose confidential information relating to its portfolio investments and its financial results to third parties that may request such information if and to the extent required by federal, state or local law or regulation

applicable to the Carousel Fund or any of its Limited Partners, including those Limited Partners that are public agencies or governmental bodies. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. In addition, in order to comply with regulations and policies to which a Carousel Fund, the General Partners, the Manager, portfolio companies, or service providers (including financial institutions) are or may become subject, or to satisfy regulatory or other requirements in connection with transactions, the Carousel Fund, the General Partners or the Manager may be required to disclose information about the Limited Partners, including their identities. Such disclosure obligations may adversely affect certain Limited Partners, particularly Limited Partners who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest. Such disclosure obligations may adversely affect certain Limited Partners, particularly Limited Partners who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

Freedom of Information Act

The General Partner or the Manager may withhold all or any part of the information otherwise to be provided to a Limited Partner (pursuant to the Partnership Agreement or otherwise) under certain circumstances in order to prevent public disclosure of such information under the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state, provincial or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

Investments in Public Companies

A Carousel Fund may take private portfolio companies public. Investments in public companies may subject the portfolio company to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Carousel Fund to dispose of such securities at certain times (including due to the possession by the Carousel Fund of material non-public information), increased likelihood of shareholder litigation against such companies’ board members, which may include the Partners and other members of the Carousel Capital team, regulatory action by the domestic or foreign securities regulators and increased costs associated with each of the aforementioned risks.

Limited Access to Information

Limited Partners’ rights to information regarding a Carousel Fund will be specified, and strictly limited, in the Partnership Agreement. In particular, it is anticipated that the General Partner will obtain certain types of material information from investments that will not be disclosed to Limited Partners because such disclosure is prohibited by contractual, legal or other obligations. Decisions by the General Partner to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its Interests may

have difficulty in determining an appropriate price for such Interests. Decisions to withhold information also may make it difficult for Investors to monitor the General Partner and its performance. Additionally, it is expected that Limited Partners who designate representatives to participate on the Board of Advisors may, by virtue of such participation, have more information about a Carousel Fund and investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Investors generally.

Legal, Tax and Regulatory Risks

The regulatory considerations affecting the ability of a Carousel Fund to achieve its investment objectives are complicated and subject to change and can result in significant compliance costs and expenses.

During the term of a Carousel Fund, legal, tax and regulatory changes could occur that may adversely affect the Carousel Fund. For example, from time to time, the market for private investment fund transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. In addition, private investment funds and their investment advisers may be subject to increased regulation, taxation or other scrutiny by regulators or other market participants. Any such scrutiny or initiatives may have an adverse impact on the private investment fund industry generally or on a Carousel Fund, the General Partner or the Manager, including the ability of the Carousel Fund to take the measures necessary to effect operating improvements or restructurings of portfolio companies or otherwise achieve its objectives.

Other Regulatory Concerns

A Carousel Fund is not required to, and does not intend to, register as an investment company under the Investment Company Act in reliance upon an exclusion from registration provided in either Section 3(c)(7), which limits the availability of Interests to persons who are qualified purchasers as defined in Section 2(a)(51) of the Investment Company Act, or Section 3(c)(1), which limits the number of beneficial owners of the Interests to not more than 100 persons. Accordingly, certain provisions of the Investment Company Act (which may provide certain regulatory safeguards to investors) will not be applicable. Neither the Carousel Funds nor their counsel can assure investors that it may not become subject to such regulation.

In addition, Section 13 of the Bank Holding Company Act of 1956, as amended (together with the rules, regulations and published guidance thereunder, the “Volcker Rule”), generally prohibits certain “banking entities” from engaging in proprietary trading, or from acquiring or retaining an ownership interest in, sponsoring or having certain relationships with “covered funds”, unless pursuant to an exclusion or exemption under the Volcker Rule. Each purchaser of the interests of a Carousel Fund must make its own determination as to whether it is subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain any such interests.

Investors in the interests of a Carousel Fund are responsible for analyzing their own regulatory position and none of the Carousel Funds or any of their affiliates makes any representation to any prospective investor or purchaser of such interests regarding the treatment of a Carousel Fund under the Volcker Rule, or to such investor's investment in the interests of a Carousel Fund on the date of issuance or at any time in the future.

Furthermore, the General Partner is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the National Association of Securities Dealers, Inc. (the "NASD") and is consequently not subject to the recordkeeping and specific business practice provisions of the Exchange Act and the rules of the NASD.

Where applicable, the General Partners operate pursuant to an exemption from registration with the U.S. Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator ("CPO") under CFTC Rule 4.13(a)(3), and, thus, (i) unlike a registered CPO, the General Partner is not required to deliver a disclosure document (as described in Part 4 of the CFTC's Rules) to participants in a Carousel Fund and (ii) this Memorandum is not required to be, and has not been, filed with the CFTC or the National Futures Association ("NFA"). Neither the CFTC nor the NFA pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC and the NFA have not reviewed or approved this brochure or any offering memorandum for a Carousel Fund.

Regulatory Status

Carousel Capital is registered as an investment adviser pursuant to the Advisers Act and, as such, is subject to the provisions of the Advisers Act. Failure to comply with the requirements imposed on Carousel Capital as a consequence of its current registrations or requirements that may be imposed as a result of future registrations may have a significant adverse effect on Carousel Capital's ability to perform its duties to the Carousel Capital Funds. Carousel Capital's ability to source and execute transactions for the Carousel Capital Funds may also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to Carousel Capital, any affiliate of Carousel Capital or any of their respective investment professionals.

General Tax Considerations

The Carousel Capital Funds are expected to be treated as partnerships for U.S. federal income tax purposes. Each investor, in determining its U.S. federal income tax liability, will take into account annually its allocable share of items of income, gain, loss, deduction and credit of a Carousel Capital Fund, without regard to whether it has received distributions from the Carousel Capital Fund. Accordingly, an investor's tax liability attributable to a Carousel Capital Fund could exceed the cash distributions from the Carousel Capital Fund in any year, and in such case, the investor would have to satisfy its tax liability arising from its investment in the Carousel Capital Fund from the investor's own funds. In addition, it is possible that a Carousel Capital Fund will not be

able to furnish the investors' Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. In such event, the investors will likely have to file requests for extension of time to file their U.S. tax returns. As is generally the case for similar private equity investments, an investment in a Carousel Capital Fund will give rise to a variety of complex U.S. federal income tax and other tax issues for investors. Certain of those issues may relate to special rules applicable to certain types of investors, such as tax-exempt investors, life insurance companies, banks, individuals, dealers in securities and non-U.S. persons. Prospective investors are urged to consult their own tax advisors regarding their specific tax situations, including any applicable U.S. federal, state, local and non-U.S. taxes and, in the case of prospective investors subject to special rules under U.S. federal tax laws, such as tax-exempt investors and non-U.S. investors, any special issues that an investment in a Carousel Capital Fund may raise for such investors.

Tax-Exempt and Non-U.S. Investors May Be Subject to U.S. Tax

Based on the experience of the prior funds, the General Partner anticipates that the Carousel Capital Funds will make investments that generate income that is taxable to certain tax-exempt investors as “unrelated business taxable income” (“UBTI”) under Section 512 of the Internal Revenue Code of 1986, as amended (the “Code”), and that is taxable to non-U.S. investors as “effectively connected with the conduct of a trade or business within the United States” under Section 871 and 882 of the Code (“ECI”). Such investments, if made, would give rise to U.S. tax reporting and payment obligations for tax-exempt and non-U.S. investors in the Carousel Capital Funds. The General Partner may make certain decisions, adopt certain investment or disposition structures or forgo certain actions in order to maximize pre-tax returns for investors, the result of which could be that tax-exempt investors recognize more UBTI or non-U.S. investors recognize more ECI than might be the case with other structures or decisions. The General Partner has no obligation to take any action to avoid or minimize the incurrence of UBTI by a tax-exempt investor or ECI by a non-U.S. investor.

State and Local Taxes

In addition to being taxed in its own state or locality of residence, an investor may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which a Carousel Capital Fund (or an entity in which a Carousel Capital Fund invests) operates. Prospective investors should consult their tax advisers regarding the state and local tax consequences of an investment in a Carousel Capital Fund.

Taxation in Other Jurisdictions

A Carousel Capital Fund may make investments in jurisdictions outside the United States. As a result, a Carousel Capital Fund or the investors may be subject to income or other tax in such jurisdictions. Additionally, withholding or other taxes could be imposed on income or gains of a Carousel Capital Fund from investments in such jurisdictions (although such taxes may be subject to reduction under applicable tax treaties). In such a case, it is possible that investors would be unable to claim (i) a credit against tax that may be owed in the United States or their respective local tax jurisdictions or (ii) a deduction

against income taxable in the United States or such local jurisdictions, with respect to any local tax incurred in a non-U.S. jurisdiction by a Carousel Capital Fund (or vehicles through which a Carousel Capital Fund invests). Prospective investors should consult their tax advisors regarding the non-U.S. tax consequences of an investment in a Carousel Capital Fund.

Recent and Expected Changes to Partnership Audit Procedures

Under recently-enacted legislation, the U.S. federal income tax rules for auditing partnerships changed significantly for partnership taxable years beginning after December 31, 2017. In general, with certain exceptions not expected to be applicable to the Carousel Capital Funds, any taxes, interest or penalties resulting from a tax audit may be imposed on a Carousel Capital Fund in the year such tax audit is finally resolved, unless the Carousel Capital Fund elects to pass through any such audit adjustments to those persons who were Partners during the taxable year to which the audit relates. As a result, tax liabilities relating to earlier years may result in taxes being indirectly imposed on investors in later years, including investors who acquired their Interests after the taxable year to which the adjustment relates. The new procedures may result in tax liabilities greater than the taxes that would have been imposed directly on an investor under current rules. In addition to applying to the Carousel Capital Funds, this legislation applies to flow-through vehicles in which the Carousel Capital Funds invest and to flow-through investors that invest in a Carousel Capital Fund. The application of the new legislation to “tiered” partnership arrangements is unclear in certain respects, and Partners may be adversely affected by this new legislation. Prospective investors should consult their own tax advisors regarding the potential consequences of these rules with respect to an investment in a Carousel Capital Fund.

Possible Legislative or Other Actions Affecting Tax Aspects

The present U.S. federal income tax treatment of an investment in a Carousel Capital Fund may be modified by legislative, judicial or administrative action at any time and any such action may affect investments and commitments previously made. The U.S. federal income tax rules are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting from time to time in the adoption of new Treasury regulations or changes to the existing regulations, revised interpretations of established concepts, as well as statutory changes. Any changes in the U.S. federal tax laws or interpretations thereof could adversely affect the tax treatment of an investment in a Carousel Capital Fund. The U.S. Congress often focuses on the U.S. federal income tax treatment of partnerships and investments by U.S. persons in non-U.S. partnerships, and there can be no assurance that legislation will not be enacted that has an unfavorable effect on an investor’s investment in the Fund.

Limited Partners Will Not Participate in Management of a Carousel Fund

Limited Partners will not have the right to participate in the management of a Carousel Fund or in decisions made by the General Partner on its behalf. As a result, Limited

Partners will have almost no control over their investments in a Carousel Fund or their prospects with respect thereto.

Unspecified Use of Proceeds

Prospective investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by a Carousel Fund and, accordingly, will be dependent upon the judgment and ability of the General Partner and the Manager in investing and managing the capital of such Carousel Fund. No assurance can be given that a Carousel Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of such Carousel Fund will be achieved.

Effect of Fees and Expenses on Returns

A Carousel Fund will pay the Management Fee and will bear all expenses related to its operations. Such fees are expected to reduce the actual returns to investors. Most of the fees and expenses will be paid regardless of whether a Carousel Fund produces positive investment returns. If a Carousel Fund does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by a Limited Partner to an amount less than the amount invested in the Carousel Fund by such Limited Partner.

Special Risks Associated with Offshore Investments

A Carousel Fund may invest a portion of its Commitments in portfolio companies that are headquartered and have their principal operations outside the United States. These investments may involve special risks not typically associated with investments in securities of U.S. issuers, including (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability, (b) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, the relatively greater price volatility and illiquidity of foreign securities markets, (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another, and (d) tax-related issues, including the possibility of withholding taxes, confiscatory foreign taxes, and double taxation of income earned overseas.

Difficulty in Valuing Investment Portfolio

The General Partner will value the portfolio investments from time to time at their fair market values. Partnership assets that are publicly traded securities for which market prices are readily available will be valued based on their trading prices, however, for almost every portfolio company, there will likely be no public market for its securities. Thus, portfolio valuation inherently is highly subjective and imprecise and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. In establishing the value of a Carousel Fund's investment portfolio, the General Partner may also consult with accounting firms, investment banks and other third parties when needed, to assist with the valuation of the Carousel Fund's

investments. The value set by the General Partner may not reflect the price at which a Carousel Fund could dispose of its interests in a particular portfolio company at any given time.

Global Economic Conditions; Market Dislocation

General global economic conditions may affect a Carousel Fund's activities. Interest rates, general levels of economic activity, fluctuations in the market price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the instability in the securities markets may increase the risks inherent in portfolio investments made by a Carousel Fund. To the extent a Carousel Fund's portfolio companies participate in such markets, the results of their operations may suffer. In addition, to the extent that marketplace events continue (or worsen), this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of a Carousel Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Carousel Fund could lose both invested capital in and anticipated profits from such portfolio companies.

In addition, current global economic conditions may materially and adversely affect (i) the ability of a Carousel Fund, its portfolio companies or their respective affiliates to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with a Carousel Fund or its affiliates, (iii) a Carousel Fund's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) consumer spending and demand for the products and services offered by a Carousel Fund's portfolio companies, (v) growth opportunity for a Carousel Fund's investments, (vi) a Carousel Fund's ability to exit its investments at desired times, on favorable terms, or at all, (vii) availability of reliable insurance on favorable terms or at all, and (viii) the ability of a Carousel Fund's investors to meet their obligations to a Carousel Fund in a timely manner or at all.

Brexit

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

The UK is no longer in the EU customs union and is outside of the EU single market. As a result, logistical disruption is expected whilst the UK and EU implement the new relationship under the TCA. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual

EU member state regulations and cooperation/recognition arrangements. The initial timeframe set to agree on a financial services cooperation framework may be subject to extension and a cooperation agreement on financial services is not guaranteed. The uncertainty surrounding the implementation of the TCA and the outcome of ongoing negotiations may have economic, tax, fiscal, legal, regulatory and other implications for the asset management industry, the broader European and global financial markets generally and for private funds, such as the Carousel Funds, and their investments. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU, including companies or assets held or considered for prospective investment by the Carousel Funds.

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

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

Anti-Corruption Laws

In recent years, regulators have placed an increased focus on the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act, the Canadian Corruption of Foreign Public Officials Act and other anticorruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which the Manager, the General Partners, the Carousel Funds and/or the portfolio companies may be subject (collectively, the “Anti-Corruption Laws”). Any determination that the Manager, the General Partner, a Carousel Fund and/or any portfolio company has violated any Anti-Corruption Law could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or securities litigation, any one of which could adversely affect the Manager, the General Partner, the Carousel Fund and/or the portfolio companies.

Cyber Security Breaches and Identity Theft

Information and technology systems of Carousel Capital, the Manager, the Carousel Funds and the portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the Manager, the Carousel Funds and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Manager's, the Carousel Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Manager, a Carousel Fund's or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance. Although Carousel Capital takes various measures and has made, and will continue to make, significant investments to ensure the integrity of information systems and to safeguard against such failures or security breaches, there can be no assurance that these measures and investments will provide adequate protection. Despite security measures, information technology networks may be vulnerable to attacks by third parties or breached due to employee error, malfeasance or other disruptions.

Natural Disasters, Terrorist Acts and Similar Dislocations

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

Disease and Epidemics

The impact of disease and epidemics may have a negative impact on our business, our funds and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses, and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and those of our funds or portfolio companies could be negatively affected if

personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the Adviser's business, the Funds and the portfolio investments. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. In December 2019, a novel strain of coronavirus surfaced in Wuhan, China and subsequently spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The speed and extent of the spread of the coronavirus, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. While governmental agencies and private sector participants will seek to mitigate the adverse effects of the coronavirus, which may include such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, and the medical community is seeking to develop vaccines and other treatment options, the efficacy of such measures is uncertain. The Firm's operations and business results, including with respect to any particular Fund or other client or any portfolio investment, could be materially adversely affected. The extent to which the coronavirus (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

Recent and Possible Legislative or Other Actions Affecting Applicable U.S. Securities Laws

The U.S. securities laws applicable to the Interests, the Carousel Funds, the General Partners or the Manager (including, without limitation, the Securities Act, the Investment Company Act, the Exchange Act and the Advisers Act) are constantly under review by persons involved in the legislative process and by the SEC, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. These laws may be modified by legislative, judicial or administrative action at any time. For example, the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act made several sweeping changes to the aforementioned U.S. securities laws. Also, the SEC recently amended the rules promulgated under the Advisers Act with respect to political contributions and payments by investment advisers to third parties in connection with the solicitation of government clients. These recent revisions to the U.S. securities laws and interpretations thereof and potential future revisions and interpretations could adversely affect the Interests, the Carousel Funds, the General Partners or the Manager and, in that regard, could require modifications to a Carousel Fund's intended investment program or increase the compliance costs of operating a Carousel Fund. Other jurisdictions are similarly reviewing their respective laws, regulations and policies with respect to private investment funds and their

investment advisers and any changes thereto may have an adverse effect on the Interests, the Carousel Funds, the General Partners or the Manager.

See also Item 6 and Item 11.

Item 9. Disciplinary Information

No material items exist as of this time.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various General Partners serve as general partners of the Carousel Funds, and Carousel Capital is the manager of each of the General Partners. Carousel Capital is affiliated with each of the other General Partners, each of which relies on Carousel Capital's investment adviser registration in accordance with SEC guidance under the Advisers Act. Together they operate as a single advisory business, are under common control and are subject to a unified code of ethics and compliance program adopted by Carousel Capital pursuant to the requirements of the Advisers Act. The investment committee of each Carousel Fund is comprised of the Partners of Carousel Capital.

The General Partner, Carousel Capital and their respective affiliates may encounter potential conflicts of interest in connection with the Carousel Funds interests, assets or activities (including certain conflicts of interest as among the interests of different Fund vehicles). On any issue involving conflicts of interest, the General Partners and their affiliates will be guided by their respective good faith judgment as to the Carousel Funds' best interests (although the best interests of different Carousel Fund vehicles may sometimes be inconsistent or in conflict with one another). In certain circumstances, the General Partners may present potential conflicts of interest to the board of advisors made up from representatives of certain investors in a Carousel Fund (the "Board of Advisors") for approval. Potential conflicts of interest are identified below and discussed in more detail in the applicable Fund's offering documents.

Carousel Fund Investment Opportunities and Co-Investment Opportunities

Carousel Capital may at any time manage more than one Carousel Fund which all have similar investment objectives. The General Partners allocate investment opportunities among the Carousel Funds in a manner they believe is fair and reasonable and consistent with their obligations to each such fund, including any requirements set forth in the applicable partnership agreements. Typically, the General Partner presents new investment opportunities suitable for the Carousel Funds to the Carousel Fund that is actively investing its capital. The General Partners and persons affiliated with them may engage in other investment activities on behalf of themselves and others, including pursuing investments that do not meet the investment objectives of or not otherwise pursued by the Carousel Funds, to the extent permitted by the applicable partnership agreements and Carousel Capital's policies and procedures.

The General Partners serve as investment managers to certain co-investment vehicles that invest alongside the Carousel Funds in certain portfolio companies and also, from time to time, may offer certain investors or other persons the opportunity to co-invest directly in a portfolio company. The General Partners have sole discretion in terms of offering such co-investment opportunities, and they may make an investment in, or otherwise participate in, any co-investment opportunity, either directly or through any vehicle formed to make a co-investment with a Carousel Fund. The General Partner or any of its affiliates may require such co-investors to bear a carried interest, management fee and other costs with respect to any co-investment.

Investors that participate in co-investments, whether directly or through a co-investment vehicle may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the Carousel Fund. In addition, co-investors' interests are not always aligned with the Carousel Funds' interests and, if third party investors co-invest directly into a portfolio company, the General Partner's ability to control or influence such third parties will likely be more limited than if the co-investors were participating in a vehicle managed by Carousel Capital. While co-investors typically bear their share of investment expenses related to consummated investments, if the potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will typically be borne entirely by the primary Carousel Fund or Funds allocated such investment rather than the co-investment vehicle or other co-investor. In addition, the Carousel Funds may co-invest with third parties through partnerships, joint ventures or other entities, which may have larger or controlling ownership interests in such portfolio companies than the Carousel Funds. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on such investment. Furthermore, a third-party co-investor may have economic or business interests or goals that are inconsistent with those of the Carousel Fund, or may be in a position to take (or block) action in a matter contrary to the Carousel Fund's investment objectives. In addition, the Carousel Fund may in certain circumstances be liable for the actions of its third-party co-investors. Investments made with third parties in joint ventures or other entities also may involve compensation arrangements including carried-interest and/or other fees payable to such third-party partners or co-investors, particularly in those circumstances where such third-party partners or co-investors include a management group. There can be no assurance that minority rights will be available or that such rights will provide sufficient protection of the Carousel Fund's interests

Portfolio Company Board Participation

It is expected that members of the investment team of the General Partners will serve as directors of certain of the portfolio companies, and as such, may have duties to persons other than the Carousel Funds. Although such positions in certain circumstances may be important to the Carousel Funds' investment strategy and may enhance the applicable General Partner's ability to manage investments, they may also have the effect of impairing the Carousel Funds' ability to sell the related securities when, and upon the

terms, it may otherwise desire, and may subject the applicable General Partner and/or the Carousel Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities law claims and other director-related claims.

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

Code of Ethics

Carousel Capital has adopted a Code of Ethics policy for its employees. The Policy describes employees' standard of conduct and fiduciary duties and limits personal trading by its employees and their immediate family/household members in a wide range of securities, including common and preferred stock, debt instruments, securities that are convertible or exchangeable for equity or debt securities, and derivative instruments. Employees must report every account that they or their immediate family member use for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear securities transactions in initial public offerings or private transactions and have copies of trade confirmations and periodic account statements sent by their broker to the compliance department. Controlled trading by employees and their immediate family/household members is prohibited in securities that appear on restricted lists and confidential watch lists.

A detailed summary of the Code of Ethics is available to limited partners and prospective limited partners during the investment due diligence process. A copy of the code may be obtained by contacting the Carousel Capital Compliance Department.

Related Person Investment

Carousel Capital employees or related persons may have personal conflicts of interest, such as when such person (a) buys or sells securities in which Carousel Capital or a related person has a material financial interest, (b) invests in the same securities that Carousel Capital or a related person is invested in, or (c) buys or sells securities at or about the same time that Carousel Capital or a related person buys or sells the same securities for Carousel Funds' own (or the related person's own) account, as well as related conflicts of interest. Please see "Code of Ethics" and Item 10 above.

To address these conflicts, Carousel Capital's Code of Ethics (discussed above) requires, among other items, that each Carousel Capital employee submit to the Chief Compliance Officer a report of his or her current holdings of covered securities, including securities holdings of any account which such employee manages or exercises (or shares) investment discretion, as well as holdings of his or her immediate family members. The employee must update this report annually.

The General Partners, Carousel Capital or their affiliates may receive customary break-up and topping fees, commitment fees, monitoring and directors' fees and transaction, financing, divestment and other similar fees from portfolio companies as compensation for financial advisory and similar services. The management fee provisions and the

arrangements relating to the allocation of such fees and certain fee offsets among Carousel Capital and the Carousel Funds may also create an incentive to seek out investments which would provide the opportunity to earn such fees and to make investments earlier during the term of the Carousel Fund than would be the case in the absence of such arrangements.

Item 12. Brokerage Practices

Although Carousel Capital does not generally utilize the services of broker-dealers for transaction related services, in the event it chooses to use a broker-dealer, Carousel Capital seeks to obtain best execution of transactions.

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of each Carousel Fund are continuously reviewed by a team of investment professionals. The team generally includes the Partners and other investment professionals of Carousel Capital. Carousel Capital closely monitors the portfolio companies of the Carousel Funds and generally maintains an ongoing oversight position in such portfolio companies.

Reporting

Investors in the Carousel Funds will typically receive, among other things, a copy of the audited financial statements of the relevant Carousel Fund within 120 days after the fiscal year end of such Carousel Fund. In addition, investors in each Carousel Fund will typically receive unaudited quarterly summary financial information regarding such Carousel Fund following the end of each financial quarter. Investors in the Carousel Funds also receive regular reporting updates through quarterly letters, investors meetings and other materials provided on the investor website.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to Carousel Capital by non-clients, including a description of related conflicts of interest, please see Item 5 above. In addition, Carousel Capital and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies.

Carousel Capital may, from time to time, engage a placement agent to solicit investors to subscribe for interests to a Carousel Fund. Typically, a placement agent will be paid a placement fee based upon the amount of capital commitments made to the Carousel Fund by investors that such placement agent introduces to the General Partner or the Carousel Fund. Any such placement fees and expenses are typically borne directly by the Carousel Fund but are subject to a 100% offset against the management fee otherwise payable by the applicable Carousel Fund. Furthermore, such placement agent or its affiliates may seek to do business with and earn fees or commissions from portfolio companies and affiliates of the General Partner (e.g., in connection with financing or investment banking

services, or lending or arranging credit). Accordingly, prospective investors should recognize that a placement agent's participation as a placement agent for a Carousel Fund may be influenced by its interest in such current or future fees and commissions.

Item 15. Custody

To the extent required by SEC rules, Carousel Capital maintains any client funds and securities with "qualified custodians."

For those clients for which Carousel Capital is deemed to have custody of client funds and securities within the meaning of the Advisers Act, such clients are audited annually and upon liquidation by an independent public accountant, registered with and subject to regular inspection by the PCAOB, and the clients (and investors therein) receive audited financial statements within 120 days of the end of each fiscal year (as do investors therein). Consequently, such clients (as well as investors therein) will not receive reports directly from Carousel Capital's "qualified custodian."

Item 16. Investment Discretion

Carousel Capital provides investment advisory services to each of the Carousel Funds pursuant to the Management Agreements. Investment advice is provided by Carousel Capital directly to the Carousel Funds on a discretionary basis, subject to the direction and control of the affiliated General Partner of such Carousel Fund, each of which is an affiliate of Carousel Capital. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Carousel Fund, and are set forth in the documentation received by each limited partner prior to investment in such Carousel Fund. As noted under Item 4, Carousel Capital may enter into side letters or similar agreements with certain Carousel Fund investors allowing such investors to be excused from participating in certain investments made by the applicable Carousel Fund.

Item 17. Voting Client Securities

Carousel Funds are not able to direct the vote of proxies made by their General Partner. The General Partners intend to vote proxies or similar corporate actions in the best interests of the applicable Carousel Fund, taking into account such factors as they deem relevant in its sole discretion.

Carousel Capital's proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, the vote is not improperly influenced by the conflict. In general, Carousel Capital believe its interests are aligned with the Carousel Funds interests, but in the event of an actual or potential conflict of interest, Carousel Capital may take a variety of actions, including consulting with the Board of Advisors of the applicable Carousel Fund.

A detailed summary of Carousel Capital's proxy voting policies and procedures are available to limited partners and prospective limited partners during the investment due diligence process.

Existing clients may obtain copies of relevant proxy logs, identifying how proxies were voted in connection with a Carousel Fund, and copies of proxy voting policies and procedures upon written request to: Carousel Capital, 201 N. Tryon Street, Suite 2450, Charlotte, NC 28202.

Item 18. Financial Information

Item 18 is not applicable to Carousel Capital.