

DARBY OVERSEAS PARTNERS, L.P.

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Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of Darby Overseas Partners, L.P. If you have any questions about the contents of this brochure, please contact us at (202) 872-0500.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Darby Overseas Partners, L.P. is a registered investment adviser. An investment adviser’s registration with the SEC does not imply a certain level of skill or training. Additional information about Darby Overseas Partners, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 -- Material Changes

The only material changes to this Brochure since the previous version of this Brochure, which was dated December 22, 2020, are the following:

- reduction in assets under management and geographic scope of Darby's business, reflecting the fact that Darby no longer manages certain investment funds in Europe and Latin America; and
- deletion of references to certain affiliated investment advisers, reflecting the fact that those advisers are no longer affiliated with Darby or no longer provide services to Darby funds.

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Item 4 – Advisory Business

For purposes of this brochure, “Darby” means Darby Overseas Partners, L.P., together (where the context permits) with certain of its affiliates that provide advisory services to the Funds (as defined below). Darby manages pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) (the “Funds”). As investment advisor to the Funds, Darby identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, the Funds.

Established in 1994 by former U.S. Treasury Secretary Nicholas F. Brady, Darby is considered a pioneer in emerging markets private equity and mezzanine investing, and is one of the few investment management firms with a comparably long track-record in the asset class. Since its inception, Darby has built a broad emerging markets private equity investment platform, with offices and local presence in the emerging markets regions of Latin America and Asia.

In 2003, Franklin Resources, Inc. [NYSE:BEN], a global investment organization operating as Franklin Templeton Investments (“Franklin Templeton”), acquired Darby to serve as its dedicated emerging markets private equity investment arm. Darby’s only general partner is Darby Overseas Investments, Ltd. (“DOIL”), and Darby’s only limited partner is Darby Holdings, Inc. (“Darby Holdings”). DOIL is directly wholly-owned by Darby Holdings, and Darby Holdings is directly wholly-owned by Franklin Resources, Inc.

The investment advisory services provided by Darby are tailored to the specific requirements of its clients. The investment guidelines and parameters for each Fund are specified in the advisory agreement or organizational documents of the applicable Fund, and the investment advice offered by Darby is limited to that which is specified therein.

Darby does not manage any client assets on a wrap fee basis.

As of the date of this Brochure, Darby manages approximately \$248,410,513 of client assets on a discretionary basis and \$155,784,142 of client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

For each Fund, Darby is paid a quarterly management fee by the Fund, generally payable in advance. Management fees are deducted from the assets of the Funds and are payable out of current cash flow, disposition proceeds, or drawdowns of the investors' unfunded capital commitments. Management fees paid by the Funds are indirectly borne by investors in such Funds. Upon termination of an advisory agreement, appropriate treatment will be given to all management fees collected in advance.

Darby does not have a fee schedule. The precise amount of, and the manner and calculation of, the management fees for each Fund are disclosed in the organizational and offering documents of the applicable Fund. The management fees are negotiated collectively with the investors of each Fund, and are subject to waiver or reduction by Darby. For example, Darby and certain of its employees and affiliates may invest in the Funds, and management fees assessed on such investments may be reduced or waived.

As described further in the section below entitled "Other Fees and Expenses," the management fee may be reduced or waived in some circumstances in connection with the receipt by Darby of various fees paid by actual or prospective portfolio companies.

Other Fees and Expenses

Generally, each Fund bears all legal and other expenses, including Darby's out-of-pocket expenses, incurred in its formation, up to a maximum amount set forth in its organizational documents. Organizational expenses in excess of that amount, if any, will be borne by Darby.

Generally, as set forth in the advisory agreements and organizational documents for the applicable Fund, a Fund will pay (i) legal, accounting, custodial, and third-party consulting fees for services rendered to or for the benefit of the Fund; (ii) third party out-of-pocket expenses incurred in connection with Fund investments and proposed investments, whether or not consummated, which are not paid or reimbursed by a portfolio company or other third party; and (iii) other operating and extraordinary expenses of the Fund.

To the extent provided in the advisory agreements and organizational documents of each Fund, Darby pays from its management fees certain of its operating expenses, including expenses on account of rent, utilities, employee compensation and other routine administrative expenses relating to the services that Darby provides to such Fund.

Although Darby does not generally utilize the services of third-party broker-dealers, in the event it chooses to use a broker-dealer in connection with an investment by a Fund, the Fund will incur brokerage and other transaction costs which will be borne by the investors in such Fund. For additional information regarding brokerage practices, please see Item 12 below.

In certain circumstances, Darby may perform management, advisory, transaction-related, financial advisory or other services for, and receive fees from, actual or prospective portfolio companies, including fees in connection with the purchase, monitoring or disposition of portfolio investments.

Although these fees are in addition to management fees paid by the Funds, Darby will in certain circumstances reduce management fees in connection with the receipt of these fees. The amount and manner of such reduction is set forth in the advisory agreement or organizational documents of the applicable Fund.

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors alongside another Fund, will be formed in connection with the consummation of a portfolio investment. In the event a co-investment vehicle is created, the investors in that co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will also generally bear its pro rata portion of expenses incurred in making, holding and divesting an investment.

If a proposed investment is not consummated, a co-investment vehicle generally will not have been formed, and the full amount of any expenses relating to the proposed but not consummated investment (“Dead Deal Costs”) would therefore be borne by one or more existing Funds selected by Darby as the proposed investor or investors in the proposed investment. Furthermore, even if a co-investment vehicle has been formed to make a proposed investment that is ultimately not consummated (or co-investors have otherwise committed to invest in the unconsummated proposed investment), some or all of the Dead Deal Costs will, under certain circumstances, be borne solely by one or more of the other applicable Funds selected by the Adviser as proposed investors in the proposed investment and not by the co-investment vehicle. Dead Deal Costs include, among other things, legal, accounting, advisory, consulting and other third-party expenses; any travel and travel-related and accommodation expenses; all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment; any break-up fees, reverse termination fees, termination or other similar fees; extraordinary expenses such as litigation costs and judgments and other expenses; and any deposits or down payments of cash or other property that are forfeited in connection with a proposed investment that is not consummated. Similarly, co-investment vehicles are not typically allocated any share of any break-up fees received in connection with an unconsummated investment.

From time to time, Darby will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or Darby on the other hand, or whether certain fees, costs and expenses should be allocated between or among Funds or other parties. Typically, certain expenses will be the obligation of one particular Fund and will be borne by that Fund; however, in some instances, expenses may be allocated among multiple Funds and entities. Darby will allocate fees and expenses incurred in the course of evaluating and making investments in accordance with each Fund’s governing documents. To the extent not addressed therein and to the extent it has the authority to do so, Darby will make these allocation determinations in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. In exercising its discretion to allocate investment opportunities and fees and expenses, Darby is faced with a

variety of potential conflicts of interest. For additional information regarding these potential conflicts, please see Item 11 below, under the caption “Conflicts of Interest.”

In addition, please see Item 6 below for information regarding Carried Interest (as defined below) that Darby may receive with respect to the Funds.

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

For each Fund, Darby is also generally entitled to receive a portion of the Fund’s net profits (the “Carried Interest”) that would otherwise be distributed to the Fund’s investors. Any such Carried Interest is indirectly borne by the investors in the Funds.

The precise amount of, and the manner of calculation of, the Carried Interest for each Fund is disclosed in the organizational and offering documents of such Fund. The Carried Interest provisions are negotiated collectively with the investors of each Fund, and are also subject to waiver or reduction by the general partner. For example, Darby and certain of its affiliates and employees may invest in the Funds, and the Carried Interest assessed on such investments may be reduced or waived.

For a discussion of conflicts of interest that may arise if Darby manages more than one Fund that could invest in the same security, see Item 11, below, under the caption “Conflicts of Interest.”

Item 7 – Types of Clients

Darby provides investment advisory services to the Funds. Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Darby does not currently provide investment advisory services to any other types of clients.

Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act and may include, among others, high net worth individuals, banks, pension plans, insurance companies, multilateral and bilateral development banks, university endowments, sovereign wealth funds, limited partnerships, and limited liability companies.

An investment in a Fund does not, in and of itself, create an advisory relationship between the investor in the Fund and Darby. Therefore, investors must consider whether a Fund meets their investment objectives and risk tolerance prior to making an investment in that Fund. While this brochure may be provided to, and include information relevant to, such investors, it is designed solely to provide information about Darby and should not be considered an offer of interests in any Fund.

The Funds do not have a minimum size, but Darby may elect not to form a Fund unless at least a minimum amount of investment commitments has been obtained for the Fund. In addition, minimum investment commitments may be established for investors in the Funds. Darby may in

its discretion permit investments below the minimum amounts set forth in the offering documents of the Funds.

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

Investment Strategies

The Funds make privately negotiated investments in unlisted companies in the emerging markets of Latin America and Asia.

Each Fund has a specific regional focus and investment strategy. Some pursue private equity investments, some pursue private debt instruments, and some pursue both. Several have a sectoral specialization in infrastructure or financial services, while others invest across a broad range of industry sectors.

Darby Funds that pursue a private equity strategy invest for long-term capital appreciation, through privately-negotiated transactions, in equity or equity-related securities of issuers in a defined geographic region. They pursue minority, shared control, and control investment opportunities where the Darby investment professionals see an opportunity to exert influence and apply a value-building strategy through board representation and shareholder rights. Investments may be in the form of common shares or structured as convertible preferred shares or subordinated debt instruments with equity “kickers” designed to achieve the Fund’s return objectives.

Darby Funds that pursue a private debt strategy invest for current income and capital appreciation, through privately negotiated transactions, in long-term loans (“Mezzanine Loans”) to companies in a specific geographic region. Mezzanine Loans may be secured or unsecured but are generally subordinated, and may be accompanied by equity participation rights such as options, warrants, convertibility, or synthetic equity participation rights. The Mezzanine Loans typically feature current income, an amortization schedule, covenants and collateral packages, which may provide downside protection for a Fund. The equity participation rights may provide an opportunity to participate in the issuer’s equity upside. Mezzanine Funds may also make direct private equity investments, subject to limitations specified in the documentation for each Fund.

Methods of Analysis

Darby identifies potential investment opportunities by using the network of contacts that Darby’s investment professionals have developed in the countries where they work. These contacts include domestic and international companies active in these countries, commercial and investment banks, other private fund managers and institutional investors, international organizations, corporate finance advisory firms, and others.

Once a potential investment is identified for a Fund, it is reviewed and analyzed by the investment professionals responsible for that Fund. If the investment appears to meet the Fund’s criteria, the Darby professionals typically develop a brief summary of anticipated terms of the transaction and

present it to the Fund's investment committee for approval. Prospective investments that pass the initial investment committee review then proceed to an intensive due diligence review (although in certain cases the due diligence review may occur before the investment is initially presented to the investment committee). Due diligence involves a comprehensive review of all aspects of a prospective investee's business and frequently uses specialized industry experts to review the market prospects and competitiveness of the proposed portfolio company or technical consultants to review the technical merits of a company or project. Legal due diligence is conducted by external counsel under supervision of Darby's in-house legal staff. Darby may also use auditing and accounting firms to provide a buyer's audit or an environmental consultant to conduct an environmental review (depending on the industry sector and perception of environmental risk). Other social and governance issues may also be considered, as appropriate. Following due diligence and negotiation of investment documentation, the Darby investment professionals typically return to the Fund's investment committee for a final approval (although there are instances where this process may be truncated into a single investment committee approval).

Risk Factors

Reliance on Darby and Key Personnel

Darby is the main decision maker with regard to Fund investments. The success of any Fund will therefore depend on, among other things, the ability of Darby to identify, select, develop, complete, and arrange the timely disposition of investments for the Fund.

Darby relies on the experience, relationships and expertise of key Darby investment professionals for these functions. Darby has adopted compensation policies that are designed to attract and retain these key professionals on a long-term basis. There can be no assurance, however, that these individuals will remain employed by Darby throughout the anticipated life of a Fund, or that Darby would be able to secure suitable replacements if they left. Furthermore, certain of these individuals may have substantial responsibilities outside the management of any particular Fund.

Reliance on Franklin Templeton

Darby is a subsidiary of Franklin Templeton, and there is no agreement that commits Franklin Templeton to devote, or cause Darby to devote, the amount of resources required in order for a Fund to achieve any specified level of success.

In addition, Franklin Templeton, through its affiliates, may from time to time invest in equity and other securities of companies which may compete with the portfolio companies of any Fund, and Franklin Templeton has no obligation to inform Darby of any such investments or offer any such investments to a Fund.

Identification of Appropriate Investments

The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in the countries where a Fund invests, and other factors outside

the control of the Fund. In addition, a Fund may find itself in competition with other funds and financial institutions that may be willing to provide capital on terms that are more favorable to the portfolio company than Darby believes appropriate in light of the risk of the investment. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, any Fund or that a Fund will be able to fully invest its capital commitments.

No Assurance of Investment Return

While the investments in which the Funds may invest offer the possibility of substantial returns, such investments also involve a high degree of financial risk. The performance of a Fund's investments will depend on the successful operation of the companies in which the Fund invests, prevailing interest rates, and other market conditions over which Darby and the Fund will have no control. Returns generated from a Fund's investments may not adequately compensate investors for the business and financial risks assumed, and an investor may lose all or a part of its investment in the Fund. In addition, because each Fund may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of that Fund.

Limited Liquidity of the Funds' Investments

There is no active secondary market for the securities and other instruments in which the Funds invest. There are a variety of methods by which such unlisted investments may be realized. However, for any given investment, there can be no guarantee that a realization can be achieved, and a Fund's investments may remain illiquid at the time it intends to terminate.

Long-Term Investments

It is anticipated that it will take a number of years for any Fund to invest its capital, and that individual investments made by the Fund may have terms of ten years or longer. Equity investments and equity options, warrants, and other equity-related securities, to the extent that they have value at all, will likely not have realizable value for a significant period of time. Accordingly, some Funds may not produce any significant returns from their portfolio of investments for a number of years.

Investments in Emerging Markets

Investments in emerging markets can carry risks additional to those inherent in similar investments in developed markets. For example, emerging markets may afford a lower level of legal protection to investors. Also, certain countries place controls on foreign ownership and apply accounting and auditing practices that do not conform to internationally accepted accounting principles, with the result that there is less publicly available information than in other countries. In addition, the court system and disclosure and enforcement processes and standards, and other protections that may be afforded to shareholders, creditors and other investors in emerging markets, if available, may differ significantly from those in other markets. If it becomes necessary to resort to and rely on such systems, processes, standards or protections for any of a Fund's investments, the Fund's performance could be adversely affected.

Economic Risks

Recent growth in many emerging market regions has been driven by exports, which are very much dependent on demand from the United States and other developed countries. These countries would be adversely affected in the event of any further deterioration in global economic conditions. Despite their underlying fundamental strengths and positive long-term prospects, a number of the countries in which the Funds invest are faced with serious economic challenges. They include in some instances, significant budget deficits, exchange rate volatility, high rates of unemployment, inflationary pressure, and illiquid and underdeveloped capital markets.

Political Risks

The Funds are exposed to the direct and indirect consequences of political, social and diplomatic changes in the countries where they invest. The political systems in many countries may be confronted with public dissatisfaction caused by high unemployment, disparity in income levels, political and diplomatic developments, social instability, or changes in government policies. In some emerging market countries, there is the possibility of nationalization, expropriation, confiscatory taxation, political instability, adverse governmental regulation, social instability, adverse diplomatic developments, terrorism, revolution and war that could substantially and adversely affect the financial condition or prospects of one or more companies in which a Fund may invest. Governments may also subject foreign investment to discriminatory treatment including restrictions on repatriation of capital, profits and capital gains due to political pressure. There can be no assurance that adverse political and economic developments will not adversely impact the investments of a Fund.

Inflation Risk

Some emerging market countries have historically experienced substantial rates of inflation. Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of certain emerging economies. International crude oil prices and interest rates will have an important influence on whether economic growth targets across the various emerging markets will be met, given their high dependency on energy imports and foreign capital inflows. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on local economies and negatively affect the medium-term economic outlook of many emerging market countries.

Legal and Regulatory Risks

Some countries in which the Funds invest have laws and regulations that limit or preclude direct foreign investment in the securities of domestic companies or the remittance of capital or distribution of income to foreign investors. Compliance with these laws and regulations may affect the ability of the Funds to complete investments in certain countries, or the terms on which such investments be completed. For example, prior government approval for foreign investments may be required in some countries, and the process of obtaining these approvals may require a significant expenditure of time and resources.

Exits of investments in some countries may also be limited by economic and political factors, or by conditions that are unfavorable for the sales of debt or equity of issuers in particular industries. In addition, a Fund may be legally or contractually prohibited from disposing of an investment at a time it might otherwise seek to do so.

The ability of an investor in equity or equity-linked securities or to exercise exit rights (through initial public offerings, sales, or puts, for example) will be subject to the prevailing corporate, banking, securities and foreign ownership limits and regulations in place at the time of a proposed exit. In addition, the ability of a mezzanine investor to acquire and enforce debt obligations of a portfolio company, or to take and enforce collateral for such obligations, is subject to legal and practical restrictions in some countries where the Funds operate.

Less Developed Capital Markets

The capital markets in many emerging markets are underdeveloped and illiquid in comparison to capital markets in more developed economies. Market capitalization and trading volumes are typically concentrated in a limited number of issuers and industries. As a consequence, prices in these markets are substantially more volatile, are more vulnerable to adverse events that affect the markets generally, and are subject to greater influence by the trading practices of large investors. The lack of a large liquid market for securities, inadequate information and insufficient regulation may result in listing of securities at prices that do not correspond to underlying values. As a result, a Fund may not be able to sell its portfolio investments at the price or time that it wishes. Additionally, a Fund may find it difficult to value its investments in portfolio companies.

Taxation

The tax systems in some emerging market countries are undergoing revision, and generally are subject to varying interpretations, frequent changes, and inconsistent enforcement at the national, regional, and local levels. In certain instances, new taxes and changed interpretations are given retroactive effect. Moreover, many of the countries where the Funds operate have not entered into tax treaties with the United States or other developed countries. No assurance can be given that investments of a Fund will not be subject to material local taxation.

Currency Risk

Funds that make cross-border investments will be subject to currency exchange rate risk and currency convertibility risk. Currency exchange rate risk exists if there is a currency mismatch between the income and payment obligations of a Fund's portfolio companies, or a currency mismatch between a Fund's operating currency and the operating currency of its portfolio companies. In the event of local currency depreciation against the dollar, the ability of a portfolio company or project that derives its income in local currency to service foreign-currency-denominated payment obligations will be negatively affected. Also, a Fund's equity investments, which are denominated in local currency, would generally reduce in value as a result of local currency depreciation. (By contrast, in the event of local currency appreciation, the ability of

portfolio companies or projects to service foreign-currency-denominated debts would be enhanced, and a Fund's equity investments generally would increase in value due to local currency appreciation.) In certain emerging market countries, foreign exchange controls are in effect. Therefore, the ability of portfolio companies to make payments to the Fund will be subject to the availability of foreign currency at the time of payment.

Commercial Risks

The portfolio companies in which the Funds invest will be subject to an array of commercial risks, many of which may be beyond the control of the Funds or the portfolio companies. Examples of commercial risks include, among others, market risks, management risks, financing risks, and technology risks. There can be no assurance that the portfolio companies in which the Fund invests will be able to respond adequately to some or all of these market risks. Inadequate provision for or inability to eliminate any such risks could adversely affect a Fund's performance.

Risks of Leverage

Some Funds use financial leverage to fund their investments in portfolio companies. A Fund's use of leverage creates special risks not associated with unleveraged funds having similar investment objectives and policies. The use of leverage in a Fund's investments is predicated on the cost of the Fund's debt normally being lower than the return earned by the Fund on its portfolio investments. The incremental returns deriving from the differential between cost of debt and returns of leveraged portfolio investments will accrue to the Fund. However, should this differential narrow, the incremental return will be reduced or turn negative. There can be no assurance that the return on a Fund's investment portfolio will equal or exceed the amount required to make the Fund's use of leverage economically feasible. The effect of leverage in the case of a loss of value of the Fund's portfolio would result in a greater decrease in value for investors in the Fund than if the Fund were not leveraged.

Minority Stake Investing

The investment mandates of many of the Funds permit them to invest in minority equity positions in portfolio companies. In these cases, the Funds generally will not control business, financial, management or other decision making in the portfolio companies in which they invest. Darby often seeks to negotiate shareholder agreements on behalf of the Funds with controlling shareholders of portfolio companies, or otherwise to participate actively in the management of portfolio companies that it does not control, but there can be no assurance that a Fund will be able to enter into shareholder agreements with every such portfolio company or to influence or affect the direction of any such portfolio company. Moreover, a Fund's ability to exit an illiquid investment in a portfolio company that it does not control may depend upon exit rights provided in agreements with controlling shareholders. In some emerging market jurisdictions, shareholder agreements may not be fully enforceable. Even in jurisdictions in which shareholder agreements are legally recognized, enforcement may be difficult, expensive and time-consuming. In many instances, timely enforcement may not be possible.

Subordination of Investments

Investments by the Funds often take the form of equity or subordinated debt, and in such cases they will be legally, contractually or structurally subordinated to the senior obligations of the portfolio company. Accordingly, adverse changes in the issuer's financial condition or in general economic conditions may impair the ability of a Fund to recover value after satisfaction of the rights of senior lenders or the holders of other senior securities.

Reporting Standards

Differences in accounting, auditing, and financial report standards, practices and disclosure and reporting requirements exist between countries where the Funds invest and those in Europe and the United States. The accounting, auditing, and financial reporting standards, practices and disclosure and reporting requirements may materially deviate from those that prevail, for example, under the International Accounting Standard (IAS) conventions. These differences may arise with valuation of properties and other assets, accounting for depreciation and amortization, deferred taxation, inventory obsolescence, foreign exchange transactions and contingent liabilities.

Market Dislocation

International market and economic conditions have been, and continue to be, disrupted and volatile in recent years. These conditions have had broad regional, national and global economic ramifications, and the impacts of these conditions are continuing to unfold. Such conditions could materially and adversely impact a Fund and its portfolio companies in a variety of ways, including, among others, (i) the ability of the portfolio companies to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments; (ii) demand for the products and services offered by portfolio companies; (iii) growth opportunities for the portfolio companies; (iv) a Fund's ability to exit its investments at desired times, on favorable terms or at all; and (v) the ability of a Fund's investors to meet their obligations to the Fund.

Item 9 – Disciplinary Information

No material items exist at this time.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Broker Dealer

Darby has engaged Franklin Templeton Financial Services Corporation, which is a registered broker-dealer ("FTFS") to assist in marketing interests in certain Funds to investors in the United States. FTFS does not provide any services to Darby related to the management or operation of the Funds.

Related General Partners

Darby organizes the Funds. For the Funds that are organized as limited partnerships, Darby also organizes and controls the general partner.

Related Investment Advisers

Darby is affiliated with the investment adviser listed below. In some cases, the adviser below provides services directly to a Fund, and Darby provides advisory services to the adviser. In other cases, the adviser below provides advisory services to Darby, which in turn provides advisory services to the relevant Fund.

Different affiliates provide different services. The services provided include but are not limited to research, investment recommendations, structuring advice and negotiation services, ongoing monitoring and reporting regarding portfolio companies, consulting with portfolio companies, preparing materials for investor reports, providing employees to serve as directors of portfolio companies, and providing employees to vote proxies at portfolio company shareholder meetings. Darby personnel resident outside the United States are generally employees of the adviser below.

- Darby Administração de Investimentos Ltda., organized in Brazil

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

Code of Ethics and Personal Trading

Darby has adopted a Code of Ethics that applies to all Darby employees. Among other things, it provides that employees are expected to perform their work with honesty, truthfulness and integrity, and to comply with the general principles set forth in the Code of Ethics. It also requires employees to comply with federal securities law and other applicable laws and to conduct themselves so as to avoid any real or apparent conflict of interest. Employees are required to report their personal securities transactions and holdings to Darby for review. Darby will provide a copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

As a general matter, Darby does not cause its Funds to buy or sell any securities in which Darby has a material financial interest. If any such case arose, however, the Funds' organizational documents set forth procedures to address potential conflicts of interest. These procedures generally require Darby to present any transaction that may involve a conflict of interest to an "advisory committee" consisting of representatives of the investors in the affected Fund. Unless the transaction has been reviewed and approved by the advisory committee, it cannot be executed. The same procedure would apply in any case involving a potential transaction between two Funds.

Conflicts of Interest

Instances may arise where the interests of Darby and its affiliates may potentially or actually conflict with the interests of a Fund. In addition, as a diversified financial services organization, Franklin Templeton and its affiliates engage in a broad spectrum of activities including financial, advisory, investment and other activities where their interests may conflict with the interests of a Fund. The organizational documents of the Funds generally provide that certain transactions by a Fund where Darby may have a conflict of interest are subject to review and approval by the Fund's advisory committee, consisting of representatives of the investors in the Fund.

Information about certain other potential conflicts of interest is set forth below.

Effect of Carried Interest

The existence of Carried Interest may create an incentive for Darby to make more speculative investments on behalf of any given Fund, or to take, or not to take, certain actions with respect to underperforming or non-performing portfolio investments, than it would otherwise make in the absence of such performance-based compensation.

Effect of Potential Fees

Portfolio companies or potential portfolio companies of certain Funds may pay Darby front-end fees, commitment fees, supervision fees, or other fees in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions.

Allocation of Investment Professional Time

The Darby investment professionals working on a given Fund may also devote a portion of their time to the affairs of Darby or other Funds. Accordingly, conflicts of interest may arise in allocating time, services or functions of these investment professionals. In resolving any such conflicts, Darby seeks to comply with its obligations to the investors in each Fund, and to treat each Fund in a fair and equitable manner.

Allocation of Investment Opportunities

The Funds typically have clear mandates based on strategy, currency, industry sector and geography. Most potential investment opportunities fit within the investment mandate of only one Fund. In some cases, however, the mandates of two or more Funds may overlap, to a greater or lesser extent.

In cases where the governing documents or agreements for a Fund give it priority over other Funds with respect to certain investments, Darby's policy is to comply with those documents or agreements. In other cases, Darby seeks to allocate the investment opportunities in a fair and equitable manner.

Advisory and Other Relationships

Franklin Templeton or its affiliates (other than Darby) may provide investment advisory services and other services to clients and receive fees therefor in connection with transactions in which those clients may have interests that conflict with those of a Fund. Franklin Templeton or its affiliates (other than Darby) may also give advice to clients that may cause them to take actions adverse to a Fund's investments. In addition, Franklin Templeton or such affiliates (other than Darby) may have relationships with clients seeking to invest in an existing Fund portfolio company or clients that compete with an existing Fund portfolio company.

Further, although it is not expected, it is possible that Franklin Templeton or its affiliates (other than Darby) could create investment vehicles in the future that may compete with a Fund for investment opportunities. Franklin Templeton or its affiliates (other than Darby) will have no obligation to forego or share such investment opportunities with any Fund, and investments made by Franklin Templeton or its affiliates (other than Darby) in such opportunities could preclude a Fund from investing in such opportunities.

In connection with its advisory business, Franklin Templeton and its affiliates may come into possession of information that could limit the ability of the Fund to engage in potential transactions. The Fund's activities may be constrained as a result of Darby's perceived access to such information. Franklin Templeton and its affiliates may have long-term relationships with certain corporations or their senior management. In determining whether to invest in a particular transaction on behalf of a Fund, Darby will consider those relationships, and there could be transactions that a Fund would not undertake in view of such relationships.

Material, Non-Public Information

By reason of its responsibilities in connection with its other activities, Darby may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Diverse Investor Group

The investors in any Fund may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of different investors may relate or arise from, among other things, the nature or domicile of the investors, the nature of investments made by the Fund, whether a particular investor participates as a co-investor, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by Darby, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, Darby will consider the investment and tax

objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Allocation of Co-Investment Opportunities

Darby will, from time to time, offer co-investment opportunities to invest alongside a Fund to investors in that Fund or to third parties but is under no obligation to do so. Co-investment opportunities will be allocated as required by the governing documents of the relevant Fund, and otherwise as determined by Darby in its sole discretion. Any allocations among investors in a Fund will at times not correspond to their pro rata interests in that Fund. In determining such allocations, Darby may take into account any facts or circumstances it deems appropriate, including the size of the prospective co-investor's investment in the Fund; Darby's evaluation of the financial resources, sophistication, experience and expertise (with respect to the execution of co-investment transactions generally and with respect to the geographic location or business activities of the applicable investment) of the potential co-investor; perception of past experiences and relationships with the prospective co-investor; whether or not such person has co-invested previously and the ability of any such co-investor to respond promptly and appropriately to potential investment opportunities; perception of the legal, regulatory, reporting, public relations, competitive, confidentiality or other issues that may arise with respect to the prospective co-investor; and any strategic value or other benefit to Darby, the applicable Fund, or their respective affiliates resulting from offering such co-investment opportunity to the prospective co-investor. Additionally, Darby will at times grant certain investors (or their affiliates) in a Fund a priority right and/or preferential fee terms to participate in co-investment opportunities. The existence of such priority co-investment rights and/or preferential fee terms may result in other investors receiving fewer or no co-investment opportunities. Because co-investors may not be identified and/or may not agree to invest until relatively late in the investment process, or for other reasons, co-investors may not bear their proportionate share of investment-related expenses (including "broken deal" expenses).

Allocation of Fees and Expenses

A conflict of interest will, from time to time, arise with respect to Darby's determination of whether certain costs or expenses (or portions thereof) that are incurred are expenses for which a Fund is responsible or are expenses that should be borne by another Fund or Darby or its affiliates. For example, Darby will have an incentive to allocate expenses to a Fund that does not pay incentive compensation and to classify expenses as borne by a Fund as opposed to Darby. This conflict of interest is diminished by the terms of the relevant Fund's documentation, which generally states which fees and expenses may be charged to the Fund versus paid for by Darby or its affiliates. In addition, Darby seeks to allocate shared expenses in a fair and reasonable manner over time among its Funds consistent with applicable agreements and policies and procedures. Nonetheless, because such allocations require judgments as to methodology that Darby makes in good faith but in its sole discretion, the portion of an expense that Darby allocates to a Fund will not necessarily reflect the relative benefit derived by that Fund in each instance.

Gifts, Entertainment and Intangible and Other Benefits

Darby and its personnel receive certain gifts, entertainment and intangible and/or other benefits arising or resulting from their activities on behalf of Funds. For example, to the extent permitted by Darby's Gift & Entertainment Policy, Darby and its personnel and/or other affiliates will, in certain instances, receive meals, tickets to events (such as sports or the theater), or similar benefits of reasonable value and discounts on products and services provided by service providers to the Funds and/or companies in which the Funds are invested, as applicable. In addition, airline travel or hotel stays incurred as Fund operating expenses sometimes result in "miles" or "points" or credit in loyalty/status programs. Such gifts, entertainment and other benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Darby and/or such personnel (and not the Funds and/or their investments).

Conflicts Related to Valuation of Investments

Darby will, from time to time, value securities or assets in Funds or provide assistance in connection with such valuation, which at times creates an incentive to influence the valuation of certain investments. For example, Darby could be incentivized to employ valuation methodologies or take other actions that: (i) improve a Fund's track record, (ii) minimize losses from investments that have experienced a permanent impairment that must be returned prior to receiving Carried Interest, or (iii) increase fees payable to Darby or its affiliates. Similarly, Darby will at times be incentivized to hold onto investments that have poor prospects for improvement in order to receive ongoing fees in the interim and, potentially, additional compensation (for example, Carried Interest) if such asset's value appreciates in the future. To address these conflicts of interest, Darby has implemented procedures that are reasonably designed to determine the fair value of investments in good faith, without consideration of Darby's pecuniary, investment or other interests and in accordance with applicable law. For many Funds, for example, the valuation of portfolio investments is subject to annual review and approval by an advisory committee of Fund investors.

Item 12 – Brokerage Practices

Due to the nature of the investments the Funds make, Darby does not generally use the services of broker-dealers for investment transactions. However, in the event that Darby chooses to use a broker-dealer to execute a transaction, it will seek to obtain "best execution" for those transactions (that is, the most favorable price and execution).

If more than one Fund is purchasing or selling the same security using a broker-dealer, Darby may aggregate (or bunch) the orders of such Funds as it deems appropriate and in accordance with each Fund's governing documents and in the best interests of each Fund.

Item 13 – Review of Accounts

The portfolio investments of each Fund are reviewed and monitored by a team of Darby investment professionals. The team generally includes Managing Directors and other Darby investment professionals. Darby closely monitors the portfolio companies of the Funds and generally maintains an oversight position in such companies (including, in many cases, representation on the board of directors of such companies).

Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund. In addition, investors typically receive unaudited quarterly summary financial information regarding such Fund following the end of each financial quarter. Investors also receive letters and other communications from the Darby investment team responsible for their Funds.

Item 14 – Client Referrals and Other Compensation

In marketing interests in the Funds to investors outside the United States, Darby sometimes works in cooperation with other Franklin Templeton affiliates. In some cases, these affiliates may specifically compensate their employees for introducing investors to Darby and raising capital for the Funds.

In addition, Darby may from time to time enter into agreements with third party placement agents that are engaged to market interests in the Funds. These agreements typically provide for the placement agent to be paid a fee calculated by reference to the amount of capital that it raises for a Fund. Third party placement agents are also typically reimbursed for certain expenses they may incur in connection with Fund marketing.

Item 15 – Custody

With respect to most Funds, Darby is deemed to have custody of the Funds' cash and securities by virtue of its relationship with the general partner of the Funds. Each investor in a Fund for which Darby is deemed to have custody receives the Fund's audited financial statements within 120 days of the end of the Fund's fiscal year.

Item 16 – Investment Discretion

Darby has the discretion to determine, without consent of the Funds or the investors in the Funds, the particular securities or instruments to be bought or sold for the Funds. This discretion is subject to certain limitations and restrictions as to diversification and type of investments, all as set forth in the Funds' organizational documents. In addition, Darby's authority to buy or sell investments is typically subject to the approval of an investment committee. In most cases, Darby personnel comprise all or a majority of the members, but some of the committees include members who are not affiliated with Darby and are not under Darby's control.

Item 17 – Voting Client Securities

Darby will vote client securities as part of its authority to manage the Funds. When voting securities for the Funds, Darby's primary objective is to make voting decisions in the best interests of the Funds. In voting client securities, Darby intends to enhance, preserve or protect the economic value of the Funds' investments, as applicable.

Darby has a duty to vote the Funds' securities, except in cases in which Darby believes that the cost of doing so would exceed the expected benefits to the Funds. This may be particularly true in the case of non-U.S. entities. In some cases, voting securities may involve a number of logistical problems that may have a detrimental effect on Darby's ability to vote such securities. Accordingly, Darby may elect not to attempt to vote if Darby believes that the cost associated with exercising its vote outweighs the benefit Darby believes its Funds would derive by voting on a proposal.

In exercising its voting discretion, Darby will seek to avoid any direct or indirect conflicts of interest presented by the voting decision. If any substantive matter or foreseeable result of the matter to be voted on presents a conflict or potential conflict of interest involving Darby or an affiliate, or any issuer of a security for which Darby or an affiliate acts as a sponsor, advisor, or manager, or any person with whom Darby or an affiliate has a material contract or business relationship, Darby will make a written disclosure of the conflict to the advisory committee of the applicable Fund or take such other action to address the conflict of interest as may be required by the partnership agreement or other governing documents of the applicable Fund.

Darby clients may obtain information about how Darby voted with respect to their securities by contacting Darby's Chief Compliance Officer.

Item 18 – Financial Information

This item is not applicable to Darby.