



**GASC APF, L.P.**

**Part 2A of Form ADV**

**The Brochure**

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This brochure provides information about the qualifications and business practices of GASC APF, L.P., a relying adviser of General Atlantic Service Company, L.P. If you have any questions about the contents of this brochure, please contact us at 212-715-4000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about GASC APF, L.P. and General Atlantic Service Company, L.P. is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2. Material Changes

This brochure, dated March 31, 2021, serves as the annual amendment to GASC APF, L.P.’s Annual Brochure dated June 30, 2020. This brochure contains routine annual updates to the prior brochure.

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## Item 4. Advisory Business

### Background

GASC APF, L.P, a Delaware limited partnership (“**GASC APF**”) formed in 2020, is a relying adviser of General Atlantic Service Company, L.P.’s (“**GASC**”). GASC APF is owned by its general partner, GASC APF, LLC, a Delaware limited liability company (“**GASC APF GP**”), and its limited partner, GASC. GASC APF GP is wholly owned by GASC. GASC is owned by its general partner, GASC GP, LLC, a Delaware limited liability company (“**GASC GP**”), and its limited partners, which include certain Managing Directors, Operating Partners and other professionals of GASC. GASC GP is wholly owned by GASC MGP, LLC, a Delaware limited liability company (“**GASC MGP**”).

GASC MGP's Management Committee (formerly known as the Executive Committee) oversees, manages and controls the affairs and business of GASC MGP, and also GASC GP, GASC and GASC APF as a result of the fact that GASC MGP is the sole member of GASC GP, GASC GP is the sole general partner of GASC, and GASC is the sole member of GASC APF GP. GASC MGP's Management Committee is comprised of William E. Ford, Gabriel Caillaux, Andrew Crawford, Martin Escobari, Anton J. Levy, Sandeep Naik, Graves Tompkins, N. Robert Vorhoff and Eric Zhang. GASC MGP is owned by the members of the Management Committee. GASC is led on a day-to-day basis by its Chief Executive Officer William E. Ford, who is supported by Co-Presidents, Gabriel Caillaux, Martin Escobari and Anton Levy, who share responsibility for General Atlantic's global investment program. No person owns 25% or more of GASC.

As of March 1, 2021, GASC and its subsidiaries have 183 investment professionals (including Capital Partnering, Portfolio Management, GA Insights Group and Operations Group professionals) located across 14 offices (Amsterdam, Beijing, Greenwich, Hong Kong, Jakarta, London, Mexico City, Mumbai, Munich, New York, Palo Alto, São Paulo, Shanghai and Singapore).

GASC APF co-manages with GA's joint venture partner, Iron Park Capital Partners, L.P. ("**Iron Park**"), a new strategic credit strategy. GASC APF serves as a co-investment adviser, with Iron Park, to certain pooled investment vehicles, which may include funds-of-one (each, individually, a "**Credit Fund**" and, collectively, the "**Credit Funds**"). GASC APF expects to also co-advise, with Iron Park, one or more SMAs (as defined below) (collectively with the Credit Funds, the "**Credit Clients**" and each a "**Credit Client**").

GASC APF has approximately \$1.7 billion of assets under management as of December 31, 2020, which assets are co-managed on a discretionary basis with Iron Park. GASC APF's assets under management ("**AUM**") as of December 31, 2020 is the sum of: (i) the unaudited balance of unfunded commitments of the Credit Clients, net of investments closed on such Credit Clients' capital call credit facility but not yet called as of December 31, 2020; and (ii) the unrealized value of the Credit Clients' portfolio as of December 31, 2020 (based on the Co-Advisers' (as defined below) Valuation Policy). AUM does not include non-portfolio assets of the unaudited balance of unfunded commitments to, or invested by, General Atlantic's non-Credit Fund products.

GASC APF provides discretionary investment management services to each Credit Client pursuant to separate investment advisory agreements. Investment management services provided to each Credit Client are tailored to such Credit Client's specific investment strategy, objectives, limitations and restrictions, as set forth in each investment advisory agreement, private placement memorandum, limited partnership agreement and/or other Credit Client constituent document, as applicable (collectively, the "**Governing Fund Documents**"). While the Credit Clients generally seek to primarily make debt investments, investments are also expected to be in the form of, or include a component of, common equity, preferred equity or warrants, and are further described in the Governing Fund Documents. The investors in the Credit Funds are referred to herein, collectively, as the "**Credit Limited Partners**."

## Item 5. Fees and Compensation

As more fully described below, compensation received by GASC APF generally consists of management fees based on the value of the aggregate acquisition cost of investments not disposed of. The compensation received by the general partners of the Credit Funds (the “**Credit General Partners**”) generally consists of a performance-based carried interest distribution. All such compensation is shared on a 50-50 basis between GASC APF or another affiliate of GASC, and Iron Park or its affiliates. The specific payment terms and other conditions of the management fees and performance-based carried interest distribution are set forth in the Governing Fund Documents. Certain vehicles managed by GASC APF are not subject to any fees or other compensation, including one or more vehicles formed for employees of GASC (and their related entities and vehicles) to facilitate their participation in the Credit Funds. The fees and other compensation described herein are negotiable to the extent permitted under the Governing Fund Documents.

### Management Fees

The rate of the management fee (the “**Management Fees**”) that GASC APF and Iron Park (the “**Co-Advisers**”) charge to a Credit Client generally depends on the aggregate acquisition cost of investments that have not been disposed of. As of the date of this brochure, the maximum Management Fee rate payable by a Credit Client is 1.25% per year of such acquisition cost; lower rates apply to certain Credit Limited Partners (e.g., those who commit to the Credit Fund as part of its first closing). GASC APF and Iron Park share such Management Fees equally.

In addition, certain SMAs will be subject to a lower Management Fee rate than other Credit Clients.

The Management Fee will typically be reduced by an amount equal to 100% of the fee-bearing Credit Limited Partners’ proportionate share of any other fee income allocated to Credit Clients, including but not limited to, directors’ fees, origination fees, monitoring fees, transaction or closing fees, break-up fees, arrangement fees, structuring fees, consent fees, amendment fees, syndication fees, commitment fees or any similar fees (“**Fee Income**”) paid to either Co-Adviser, any Credit General Partner, the Co-Advisers or any of their respective partners, managers, members, shareholders, officers and employees in their respective capacities as such (“**Atlantic Park Persons**”), in respect of the Credit Funds’ investments. If any Atlantic Park Person receives any of the foregoing fees in a form other than cash, including in the form of options, warrants, stock or otherwise, then such fees will be valued in accordance with the Co-Advisers’ policy and the governing documents of the applicable Credit Fund which generally requires valuation upon the earlier of when converted to cash or when the applicable Credit General Partner otherwise determines to treat such compensation as fee income (which will be prior to termination of the Credit Fund, and in any event only to the extent such compensation has vested). Fee Income does not include: (A) any amount received by an Atlantic Park Person from a portfolio investment as payment for consulting, advisory, agency, loan agent or loan servicing or similar services provided to the applicable issuer or related to any portfolio investment in its ordinary course of business, or as compensation for services provided by such person as an employee of or in a similar capacity for the applicable portfolio investment; (B) any fees paid directly to Credit Clients in respect of such investments described in clause (A) above; (C) any offering, placement, syndication, underwriting, solicitation or similar fees, commissions or other transaction-based compensation

received by any Atlantic Park Person that is a registered broker-dealer (to the extent established), including activities related to Credit Clients or its portfolio investments or its prospective portfolio investments; (D) any salaries, consulting fees, directors fees, sourcing fees or other compensation of any nature paid by any portfolio investment to any individual who is not employed by any Co-Adviser or their affiliates (including, without limitation, industry executives, advisors, consultants, operating executives, senior operating advisors, subject matter experts or other persons acting in a similar capacity); and (E) certain fees received by a Co-Adviser or its affiliates in respect of any full or partial passive or controlling ownership interests in investment and/or operating structures and/or other similar entities or arrangements. To the extent that any other fund or any other entity or individual co-invests (or commits to co-invest) alongside a Credit Fund in any portfolio investment (or potential portfolio investment, including a transaction not consummated), any Fee Income will be allocated to such Credit Fund only to the extent of such Credit Fund's relative ownership (or anticipated ownership) of such investment or potential investment on a fully diluted basis.

### **Carried Interest**

The Credit General Partners, which will be owned by affiliates of GASC and affiliates of Iron Park on a 50-50 basis, are eligible to receive a performance-based allocation ("**Carried Interest**") determined as a percentage of net proceeds derived from the Credit Fund's investments. As of the date of this brochure, the Credit Clients are subject to a Carried Interest of up to 15% of profits on distributions derived from the disposition of investments (after a preferred return of 6% to the Credit Limited Partners followed by a catch-up of up to 15% of such distributed profits); a lower carried interest percentage and/or a higher preferred return apply to certain Credit Limited Partners. If the Carried Interest of a Credit Fund results in an over-distribution of the agreed upon amount of Carried Interest to a Credit General Partner, the Credit General Partner is subject to an after-tax "claw back" arrangement.

Certain SMAs will be subject to a lower Carried Interest percentage and/or a higher preferred return than other Credit Clients.

### **Expenses**

In addition to the Management Fees payable to the Co-Advisers, and the Carried Interest which may be received by the Credit General Partners, the Credit Limited Partners are generally responsible for the ongoing expenses of the Credit Fund. However, pursuant to the Governing Fund Documents, the Co-Advisers assume all overhead and administrative expenses of the Credit Funds incurred by the Credit General Partners or the Co-Advisers in connection with maintaining and operating their respective offices (including employees' salaries and benefits, insurance and payroll taxes, rent, utilities, supplies, secretarial expenses, stationery and charges for fixtures, furniture and equipment) to the extent not borne by an issuer or a Credit Fund.

#### *Organizational Expenses*

The Credit Funds will be responsible for their own start-up costs, as set forth in the Governing Fund Documents of the Credit Funds, including but not limited to, legal, accounting, filing and other out-of-pocket expense of capital raising and organizing the Credit Fund (collectively,

**“Organizational Expenses”**). Pursuant to the Governing Fund Documents of the Credit Funds, Organizational Expenses in excess of a threshold amount will generally reduce the Management Fees otherwise payable by the Credit Fund by an identical amount.

### *Credit Fund Expenses*

Except for the overhead and administrative expenses described above, which are borne by the Co-Advisers and the Credit General Partners, all other expenses of the Credit Funds, including all fees, costs, expenses, liabilities and obligations relating to the Credit Funds’ and/or their subsidiaries’ activities, investments and business (**“Credit Fund Expenses”**), are borne by the Credit Funds. Credit Fund Expenses generally include, without limitation, the following: (i) all fees, costs, expenses, liabilities and obligations attributable to sourcing, identifying, developing, diligencing, structuring (including expenses of entities established to hold Credit Clients’ investments), organizing, acquiring, originating, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of the investments or potential investments (including, loan fees, private placement fees, sales fees and commissions (including “soft dollar” arrangements), appraisal fees, research fees, bid/ask and/or dealer spreads and/or ticket charges, fees, costs and expenses (including fixed fees and performance-based fees and allocations) of any service providers, including persons providing tax or accounting services or service providers engaged in respect of any investments as well as any service provider that is engaged to service loans for Credit Clients and any agent in respect of any investment of Credit Clients (regardless of whether such service providers are affiliates of the Credit General Partner, any Co-Adviser or their respective affiliates), expenses of portfolio tracking facilities, debt service fees, origination fees, registration fees and expenses and related expenses and brokerage, finders’, custodial and other fees and expenses; fees, costs and expenses relating to short sales, and any and all fees, costs and expenses incurred in connection with distributions to the Credit Limited Partners and Credit General Partners; (ii) any and all fees, costs, expenses and other liabilities incurred in connection with the incurrence or repayment of leverage and indebtedness of the Credit Clients, including borrowings, dollar rolls, reverse purchase agreements, credit facilities (including subscription facilities), securitizations, margin financing and derivatives and swaps, and including any principal or interest on Credit Clients’ borrowings and indebtedness (including any fees, costs, and expenses incurred in obtaining lines of credit, loan commitments, and letters of credit for the account of Credit Clients in making, carrying, funding and/or otherwise resolving the guarantees (including interest or fees on money borrowed by a Credit Fund or the Co-Advisers or a Credit General Partner on behalf of a Credit Fund); (iii) legal, accounting, auditing, administration (including fund administration, shadow administration and loan administration and the fees, costs and expenses of Credit Clients’ third-party administrators), loan agency, valuation (including, and as applicable, any and all fees, costs and expenses associated with advisors, accountants, independent pricing services and third-party valuation consultants), custodian, depository (including costs and expenses related to appointments or changes of any depository appointed pursuant to the European Union Directive on Alternative Investment Fund Managers (2011/61/EU), as amended, and the rules and regulations promulgated thereunder (**“AIFMD”**)), any management fees and/or performance-based compensation of any third-party advisor or sponsor in connection with the Credit Fund’s direct or indirect purchase of securities issued by collateralized loan obligations, exchange-traded funds, closed-end funds, business development companies and other investment vehicles, costs and expenses related to appointments or changes of the Swiss representative and paying agent

(pursuant to the Swiss Collective Investment Schemes Act dated June 23, 2006 (as amended)) and any other persons for services required under applicable non-U.S. law or regulation in connection with the marketing or sale of interests in the Credit Fund, insurance (including directors and officers, errors and omissions and representation and warranty liability insurance, and all premiums and charges in connection with the maintenance thereof, regardless of whether any such insurance is held directly by Credit Clients or is a part of a larger insurance policy held in respect of either or both Co-Advisers), travel (including meals, communications and lodging and which may include private, business or first class airfare (with the cost of any private airfare borne by Credit Clients not to exceed the cost of first class commercial airfare on the same routes)), litigation and indemnification costs and expenses, judgments and settlements, consulting (including consulting and retainer fees paid to consultants performing investment initiatives and other similar consultants), costs and expenses of computer software and cybersecurity and research related and market data expenses including portfolio management systems (including, for the avoidance of doubt, costs and expenses related to such portfolio management systems that are already maintained by the Co-Advisers, to the extent such portfolio management systems are utilized by and for the benefit of Credit Clients) and news and quotation equipment, software and services, broker, finders', financing, appraisal (including the costs of any third-party valuation agents or pricing services), filing, printing, title, transfer, registration, loan agency services (including any third party service providers related to the foregoing) and other fees and expenses (including fees, costs and expenses associated with the preparation or distribution of the Credit Fund's financial statements, tax returns, tax estimates and Schedule K-1s or any other administrative, regulatory or other Credit Fund-related reporting or filing (including any filings, notifications, reports or other regulatory requirements contemplated by or arising under the AIFMD or any other similar law, rule or regulation (including any implementing law, rule or regulation relating thereto) (but typically excluding expenses and costs of any regulatory filings that are not related to the activities of the Credit Fund, which will be payable by the Credit General Partner and/or the Co-Advisers)); (iv) fees, costs and expenses of the advisory committee incurred in accordance with the Governing Fund Documents and of any third party monitor; (v) all fees, costs, expenses, liabilities and obligations incurred by the Credit Fund, the Credit General Partner or any other Co-Adviser person relating to investment and disposition opportunities for the Credit Fund not consummated (including legal, accounting, auditing, insurance, travel (including meals and lodging and which may include private, business or first class airfare (with the cost of any private airfare borne by the Credit Fund not to exceed the cost of first class commercial airfare on the same routes)), consulting, brokerage, finders', financing, appraisal (including the costs of any third-party valuation agents or pricing services), filing, printing, real estate title, survey, reverse breakup, termination and any other fees associated with terminating any proposed investment in which the Credit Fund does not actually invest, litigation, indemnification, judgments and settlements, if any, and other fees and expenses), and including for the avoidance of doubt fees, costs, expenses and liabilities related to investment and disposition opportunities that may have been offered to co-investors if such investment and disposition opportunity were consummated; (vi) all out-of-pocket fees, costs and expenses incurred by the Credit Fund, the Credit General Partner or any other Co-Adviser person in connection with the annual and other periodic (if any) meetings of the Credit Limited Partners and any other conference or meeting with any Limited Partner(s); (vii) the applicable Management Fee; (viii) any taxes, fees and other governmental charges levied against (or imposed on amounts payable to) the Credit Fund or any entity utilized by the Credit Fund to hold an investment (except to the extent that the Credit Fund is reimbursed therefor by a reimbursing partner or such tax, fee

or charge is treated as having been distributed to a Partner) including in connection with any tax audit, investigation or review of the Credit Fund, or any settlement thereof, all expenses related thereto, and any costs and expenses of or related to the tax representative; (ix) placement fees; (x) fees, costs and expenses that are classified as extraordinary expenses under GAAP (such as litigation, indemnification, judgments and settlements, if any); (xi) all fees, costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and final winding-up of the Credit Fund and any alternative investment vehicles; (xii) any regulatory-related fees or expenses related to the Credit Fund, including those arising pursuant to and for compliance with the AIFMD (but excluding expenses and costs of the initial notifications, filings and compliance required under the AIFMD) and including, for the avoidance of doubt, fees and expenses related to the preparation and filing of Forms PF by the Co-Advisers and any other registration or filing obligations not directly related to the Credit Fund; (xiii) all costs and expenses associated with operating a feeder fund that is formed and managed by the Co-Advisors or the Credit General Partner and invests all or substantially all of its assets in the Credit Fund to the extent not borne by such feeder fund, including all expenses associated with its management, operation, dissolution, winding-up, liquidation and termination and with preparing and distributing such feeder fund's financial statements, tax returns and feeder fund limited partner reports, but not including any income-based or similar taxes, fees or other governmental charges levied against such feeder fund; (xiv) any Organizational Expenses; (xv) unreimbursed costs and expenses incurred in connection with any transfer contemplated by the Governing Fund Documents (including the preparation of any form transfer agreement of the Credit Fund and related documentation); (xvi) expenses associated with portfolio and risk management; (xvii) expenses associated with organizing, maintaining and operating any subsidiary (including rent, salaries and ancillary costs of such entities, and fees, costs and expenses of service providers of such entities), alternative investment vehicle and/or co-investment vehicle (including any fees, costs and expenses incurred in connection with establishing co-investment vehicles in connection with proposed investments that are not consummated, to the extent not borne by such vehicles; (xviii) all expenses and costs attributable to amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Credit Fund, the Credit General Partner and related entities and any alternative investment vehicles as Co-Adviser considers to be necessary or desirable to comply with any applicable law, including the preparation, distribution and implementation thereof; (xix) all fees, costs and expenses of third-party registered office services; (xx) all costs and expenses associated with reporting and providing information to Credit Limited Partners as well as costs, fees and expenses attributable to investor-related services and the negotiation, entering into and administration of side letters and any most favored nations processes; (xxi) all fees, costs and expenses related to marketing and communications, including but not limited to trademark registration, maintaining a website and the cost and expenses of third-party public relations firms (regardless of whether such expenses are related to investments or related to the Credit Fund as a general matter); (xxii) any and all fees, costs and expenses incurred by Credit Clients, the Credit General Partner, any Co-Adviser or their respective affiliates or employees or any service provider for, or resulting from, any hedging transactions of the Credit Fund; (xxiii) costs and expenses reasonably incurred in connection with organizing, maintaining and operating any entity controlled by the Credit Fund through which the Credit Fund may make and hold investments, including rent, salaries and ancillary costs of such entities and costs and expenses of administrators of such entity; and (xxiv) any costs, fees and expenses associated with winding up and liquidating the Credit Fund, but not including ordinary overhead and administrative expenses



that are payable by the Credit General Partner and/or the Co-Advisers pursuant to the Governing Fund Documents of the Credit Fund.

To the extent any Organizational Expenses and/or Credit Fund Expenses are incurred for the benefit of more than one client of GASC or GASC APF, including Credit Clients, such expense will generally be borne by each benefiting client on a *pro rata* basis or in such other manner that the Credit General Partners and GASC APF determine in their discretion to be fair and equitable under the circumstances.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

### **Carried Interest**

As described above in “Item 5. Fees and Compensation”, the Credit General Partners are generally entitled to receive a performance-based carried interest with respect to the Credit Funds, which is based on net proceeds of investments above a performance threshold, as specified in the Credit Funds’ Governing Fund Documents. The Credit General Partners may at any time elect to defer, reduce or waive distribution of all or any portion of any cash distribution that otherwise would be made to the Credit General Partners on account of their Carried Interest (or return to the Credit Fund all or any portion of any cash distribution previously received by the Credit General Partner on account of its Carried Interest). Any such amount will either be retained by the applicable Credit Fund on the Credit General Partner’s behalf or distributed to the Credit Fund’s investors.

The existence of the Carried Interest with respect to the Credit Funds will create an incentive for GASC APF to make riskier or more speculative investments on behalf of the Credit Funds than it might otherwise make in the absence of such performance-based compensation. In addition, the terms of the Carried Interest in favor of the Credit General Partner could incentivize GASC APF to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors.

### **Side-by-Side Management**

The Co-Advisers expect to establish one or more funds-of-one, separately managed accounts or similar arrangements for certain investors that may invest alongside a Credit Fund (each, an “**SMA**”). In addition, each of the Co-Advisers and their respective affiliates, direct and indirect members, direct and indirect partners, members, managers and/or employees, do now and may in the future manage or co-manage one or more limited partnerships, pooled investment vehicles, single investor vehicles, collateralized loan obligations, business development companies, separately managed accounts, advisory clients, or any investment program effectuated through any of the foregoing (the “**Other Advisory Clients**”), some of which utilize the same, similar or different investment strategies, objectives and policies as the Credit Funds and/or which may invest in the same securities and/or issuers as the Credit Funds. The Co-Advisers and their relevant personnel will be free, in their sole discretion, to make recommendations to Other Advisory Clients, or effect transactions on behalf of SMAs or Other Advisory Clients, which may be the same as or different from those recommended or effected with respect to a Credit Fund, or offer certain investments to SMAs or Other Advisory Clients with or in addition to offering those investments to the Credit Funds.

Subject to the terms of the Governing Fund Documents, the Co-Advisers, the Credit General Partners and their respective affiliates are not restricted from forming (or allocating investment opportunities to) more Credit Clients and Other Advisory Clients, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Credit Clients and/or may involve substantial time and resources of the Credit General Partners and/or, one or both Co-Advisers. These activities could be viewed as creating a conflict of interest in that the time and effort of the Co-Advisers and each Co-Adviser's respective officers and employees will not be devoted exclusively to the business of the Credit Funds but will be allocated between the business of the Credit Funds, the SMAs and other business activities, including, without limitation, the management of the assets of the Other Advisory Clients. Additionally, each Co-Adviser, its respective affiliates and personnel are permitted to, and expect to, receive fees or other compensation from third parties in connection with these other business activities and such fees and compensation will generally be for the benefit of their own account and not for the Credit Funds, subject to the terms of the Governing Fund Documents.

The Co-Advisers and their respective affiliates have multiple advisory, transactional, financial and other interests that may conflict with those of the Credit Funds and the Credit Limited Partners. The Co-Advisers and their respective affiliates may, in the future, engage in additional activities that result in additional conflicts of interest not addressed below. Any such conflicts could have a material adverse effect on the Credit Funds and the Credit Limited Partners.

### **Allocation of Investment Opportunities**

Credit Clients may co-invest with each other or with any Other Advisory Client, including any SMA or Other Advisory Client whose purpose may include co-investing alongside a Credit Fund. With respect to each Co-Adviser, it is expected that investment opportunities that are consistent with the investment strategies of any Credit Clients and such Co-Adviser's Other Advisory Clients will be allocated among the Credit Clients and such Other Advisory Clients in such proportion as such Co-Adviser may deem to be fair and equitable.

GASC APF and Iron Park will, from time to time, be presented with investment opportunities that fall within the investment objectives of multiple Credit Clients. In addition, a Co-Adviser will, from time to time, be presented with investment opportunities that fall within the investment objectives of the Credit Clients and such Co-Adviser's Other Advisory Clients.

Each Co-Adviser has investment allocation guidelines for determining how investments are to be allocated among the Credit Clients and such Co-Adviser's Other Advisory Clients. Such guidelines may be updated from time to time. With respect to each Co-Adviser, it is expected that investment opportunities that are consistent with the investment strategies of the Credit Clients and such Co-Adviser's Other Advisory Clients will be allocated among the Credit Clients and such Other Advisory Clients in such proportion as such Co-Adviser may deem to be fair and equitable. Among other considerations in keeping with principles of fiduciary responsibility, a Co-Adviser may consider the following factors: (i) a fund's or account's objectives and investment limitations; (ii) the relative amounts of a fund's or account's capital available for new investments in the relevant strategy or asset class or based on other investment related characteristics; (iii) the terms, structure and availability of financing in respect of an investment; (iv) the diversification of a fund's or

account's overall holdings; (v) the size, liquidity and anticipated duration of the proposed investment; (vi) tax or legal issues; (vii) any contractual limitations in a fund's or account's governing documents; (viii) the proposed investment's target rate of return; and (ix) whether the expected returns of the proposed investment are primarily driven by equity or a credit instrument. A Co-Adviser may have business relationships with one or more investors in certain Other Advisory Clients that it is interested in strengthening or preserving. This could provide a Co-Adviser with an incentive to allocate more of an investment opportunity to certain Other Advisory Clients instead of to the Credit Clients.

Investment allocation decisions involve several discretionary determinations by the Co-Advisers, including (a) whether an investment opportunity is consistent with the investment strategies of the Credit Clients, (b) whether the Credit Clients should participate in such investment opportunity and (c) whether the Credit Clients should take up all of such of investment opportunity and, if not, what portion of such investment opportunity the Credit Clients should take up. In making such determinations, a Co-Adviser will be faced with certain potential conflicts of interest and there can be no assurance that these conflicts of interest will not influence such Co-Adviser's decision-making process, which could have the effect of causing the Credit Clients to receive a sub-optimal allocation or no allocation of certain investment opportunities. In allocating an investment opportunity among the Credit Clients and the Other Advisory Clients with differing fee, expense and compensation structures, a Co-Adviser may have an incentive to allocate investment opportunities to Other Advisory Clients from which such Co-Adviser may derive, directly or indirectly, a higher fee, returns or compensation. In particular, the SMAs, which are expected to comprise a substantial portion of the Credit Clients, will likely be subject to lower fees and carried interests than the Other Advisory Clients.

Because certain SMAs and Other Advisory Clients are expected to have veto or opt-out rights as it relates to the acquisition or disposition of investments, a Credit Client may, to the extent that such SMA(s) or Other Advisory Client(s) decline an investment opportunity, be allocated a larger portion of such investment opportunity than initially allocated to such Credit Client prior to such SMA(s) or Other Advisory Client(s) declining the investment opportunity.

Certain Credit Limited Partners, SMA investors and investors in Other Advisory Clients may refer investments opportunities to the Credit Clients that such Credit Limited Partners and other investors may participate in outside of the Credit Clients (in addition to their participation through the Credit Fund or such SMA or Other Advisory Client). The Co-Advisers may enter into agreements with such Credit Limited Partners and/or investors related to compensations arrangements (including waivers or reductions in management fees and/or performance-based compensation that would otherwise have been payable or allocable to the Co-Advisers or its affiliates) and may have a conflict of interest in deciding whether to offer such investment opportunity to the Credit Clients.

## **Item 7. Types of Clients**

As discussed in "Item 4. Advisory Business" above, GASC APF expects to provide investment advisory and management services to one or more pooled investment vehicles, funds-of-one, separately managed accounts or similar arrangements that invest primarily in credit products.

GASC APF also advises one or more vehicles formed for employees of GASC (and their related entities and vehicles) to facilitate their participation in the Credit Funds.

Investors participating in Credit Clients will include, but are not limited to, high net worth individuals, pooled investment vehicles, charitable organizations, insurance companies, family offices, endowments, foundations, trusts and estates, and other corporate entities, institutions and vehicles, sovereign wealth funds and state pension plans, and are required to meet certain suitability and net worth qualifications, such as being (i) an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended; (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Company Act**”); or (iii) a “knowledgeable employee” within the meaning of Rule 3c-5 of the Company Act, depending on the applicable eligibility requirements of the respective Credit Client.

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

### **Method of Analysis and Investment Strategies**

GASC APF focuses on investing in high quality companies with stressed capital structures and immediate funding needs. GASC APF will generally seek to invest in companies with proven and sustainable business models with large addressable markets. Such companies may be backed by a private equity sponsor, be publicly traded or privately held. GASC APF will not invest in upstream oil and gas companies. The Credit Funds will seek to invest in 20 to 30 companies but may invest in more or fewer companies depending on the opportunity set.

#### *Strategic Credit Strategy*

GASC APF’s investment objective is to achieve attractive valuations and risk-adjusted returns by providing near-term liquidity and satisfying needs for companies experiencing balance sheet stress while establishing downside protection. While the Credit Clients will generally seek to primarily make debt investments, investments are also expected to be in the form of, or include a component of, common equity, preferred equity or warrants, and is further described in the Governing Fund Documents.

GASC APF will be focused on companies with operations primarily in the U.S. and Europe, and will have a broad industry focus, targeting companies across sectors where General Atlantic has deep expertise (Technology, Financial Services, Consumer and Healthcare), and from time to time, may also invest in sectors in which members of the GASC APF team previously have focused, such as industrials. Investments will be highly structured and could have both debt and equity components – including secured debt claims, which provide downside protection and warrants and / or convertible structures to enhance returns. Rescue capital tends to be refinancing oriented but may also be used to finance acquisitions and / or growth. GASC APF believes that many investment opportunities will arise in the near term in several categories (including, among others, public companies with liquidity needs, sponsor-backed companies in distress, BDC and private lender-financed companies, fallen angel acquisitions, bank-led strategic loans and bridge loans). In addition, GASC APF believes that the current economic dislocation will provide other types of

investment opportunities for Credit Clients. The industry and geographic sectors that GASC APF focuses on may evolve over time to reflect increasing globalization and other emerging trends.

### *Investment and Valuation Process*

GASC APF seeks to apply the following criteria to identify attractive investment opportunities:

- High quality businesses with track records of profitability in normal market environments
- Proven and sustainable business models with recurring revenues and large addressable markets
- Stressed capital structures with funding needs created by economic shock
- Operate in sectors where General Atlantic and Iron Park have deep expertise
- Public, private and sponsor-owned companies

Before a new investment is made, GASC APF, together with Iron Park, will employ a rigorous investment due diligence process to evaluate all potential investment opportunities. The due diligence process will consist of a thorough business review of the industry, competitive landscape, products, customers, return on capital, existing capitalization and liquidity needs and the management of a company. This initial assessment will then be followed by a credit analysis, including asset valuation, financial analysis, cash flow analysis, legal and accounting review, and comparable credit and equity analyses. The GASC APF team, together with Iron Park, will also complete a detailed review of the company's capital structure, credit documents and related legal documents.

The Investment Committee of the Credit Funds (the “**Credit Investment Committee**”) will evaluate and approve all investments and disposition of investments made by the Credit Funds and will be responsible for final oversight of the portfolio and determining the overall diversification and risk tolerances of the Credit Funds. The Credit Investment Committee will review the investment pipeline to ensure it is consistent with the investment strategy of the Credit Funds. The Credit Investment Committee will typically meet weekly, but may meet more or less frequently depending on overall need. All actions taken by the Credit Investment Committee, including, for the avoidance of doubt, any decision to approve an investment or disposition, will require a unanimous vote of all Credit Investment Committee members. The Credit Investment Committee will be initially comprised of two representatives appointed by GASC APF and two representatives appointed by Iron Park.

The fair value of all investments of the Credit Funds or of property received by the Credit Funds in exchange for any of its investments will be determined by the relevant Credit General Partner in accordance with the Governing Fund Documents. With respect to a Credit Fund's investments for which there is no, or a limited, liquid market and the fair value of such investments may not be readily determinable, the valuation used by the Credit General Partner will be based on valuations performed by an independent valuation firm engaged by the Credit Fund. Where a Credit Fund engages an independent valuation firm, the analysis performed by the independent valuation firm

will be based upon (i) limited procedures that the Credit General Partner identified and requested the independent valuation firm to perform and (ii) data and assumptions provided to it by the Credit General Partner and received from third party sources, which the independent valuation firm relies upon as being accurate without independent verification. The Credit General Partner is ultimately and solely responsible for determining the fair value of the investments and for determining and implementing procedures and policies that are appropriate for the Credit Fund. All determinations of value by the Credit General Partner will be final and binding on all applicable Credit Limited Partners.

## **Risk of Loss**

An investment in a Credit Client involves various risks and investment considerations. There is a significant degree of risk relating to the types of investments contemplated by Credit Clients, and there can be no assurance that a Credit Client's investment objectives will be achieved. An investment in a Credit Client may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in a Credit Client. An investor must be prepared to bear capital losses, even a total loss of such investor's commitment. The following considerations do not constitute a complete list of all risks involved in connection with an investment in a Credit Client. The Governing Fund Documents applicable to each Credit Client typically include a more detailed summary of the material risks and the investment strategy for that Credit Client and should be read in conjunction with the risk factors identified below.

## **General Economic and Market Risks**

*General Economic Conditions and Recent Events.* Various sectors of the global financial markets have been experiencing an extended period of adverse conditions, including recent volatility as a result of the ongoing coronavirus pandemic. In recent years, market uncertainty globally has increased dramatically. These conditions have resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These volatile and often difficult global credit market conditions have episodically adversely affected the market values of equity, fixed-income and other securities and these circumstances may continue or even deteriorate further. Credit Clients' investments are expected to be sensitive to the performance of the overall global economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of Credit Clients and these or similar events may affect the ability of Credit Clients to execute their investment strategies.

*General Market Conditions.* The market for private debt generally, and the success of the Credit Clients' investment activities, will be affected by general economic and market conditions, as well as by changes in applicable laws, trade barriers, currency exchange controls, rates of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and national and international political and socioeconomic matters. These conditions and opportunities may include, among others, the continued demand for acquisition financing and the expansion of the leveraged buyout market. No assurance can be given that such conditions, trends or opportunities will arise or continue, as applicable, or that investments can be made on favorable terms, since this will depend

upon events and factors outside the control of the General Partner. These factors may affect the level and volatility of the terms and the liquidity of the investments, which could impair the Credit Clients' profitability or result in losses.

*Volatility of Credit Markets.* Significant risks for Credit Clients exist as a result of the potential for disruptions in the credit markets. Disruptions in the credit markets may reduce opportunities for Credit Clients to make investments. Any events that cause a deterioration in loan performance generally may affect the returns, if any, to the Credit Limited Partners or the ability of Credit Clients to return any or all of the Credit Limited Partners' capital contributions.

Negative macroeconomic conditions may adversely affect the credit rating (if any), performance and the realization value of Credit Clients' investments. It is possible that Credit Clients' investments will experience higher default rates and lower recovery rates than anticipated and that performance will be materially worse than expected.

The bankruptcy or insolvency of a major financial institution may have a material adverse effect on Credit Clients, particularly if such financial institution is the administrative agent of an investment or is otherwise the counterparty to a contract with Credit Clients (including a hedging-related contract). In addition, the bankruptcy, insolvency or financial distress of one or more additional financial institutions, or one or more sovereigns, could trigger additional disruptions in the global credit markets or the global economy which could have a material adverse effect on Credit Clients and their investments.

*Changes to the Regulatory Framework.* The Credit Clients' investment strategies are subject to numerous laws and regulations in many jurisdictions. In addition, the Co-Advisers and their affiliates invest or operate in multiple jurisdictions that are governed by a number of different legal systems and regulatory regimes, some of which are new and evolving. As a result, Credit Clients and the Co-Advisers are subject to a number of risks, including changing laws and regulations, developing interpretations of such laws and regulations, judicial decisions and scrutiny by regulators. Some of this evolution may result in scrutiny or claims against the Credit Clients, the Co-Advisers and their affiliates directly for actions taken or not taken by them or result in ambiguity or conflict among legal or regulatory schemes applicable to their businesses, all of which could adversely affect Credit Clients or the value of their investments. Thus, Credit Clients and the Co-Advisers face the risk of potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on Credit Clients, the Credit Limited Partners or the Co-Advisers and their affiliates of any such legal risk, litigation or regulatory action could be substantial and adverse.

*Cybersecurity.* The information technology systems of each of the Co-Advisers, Credit Clients, Credit Clients' service providers and/or the issuers in which Credit Clients invest 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 (including fires, tornadoes, floods, hurricanes and earthquakes). Although the Co-Advisers have implemented various measures designed to manage risks relating to these types of events, if such a system is compromised, becomes inoperable for an extended period of time or ceases to function properly, each the Co-Advisers, Credit Clients and/or such issuer may be required to spend time and/or incur

expenses seeking to fix or replace such system or otherwise remedy the effects of such issues. The failure of such a system and/or disaster recovery plan may cause significant interruptions in a Credit Client's and/or an issuer's operations and may result in a failure to maintain the security, confidentiality or privacy of sensitive data (including information relating to Credit Limited Partners and/or the beneficial owners of Credit Limited Partners). Such a failure could harm the reputation of the Co-Advisers, a Credit Client, an issuer in which a Credit Client has invested, a Credit Limited Partner or a beneficial owner, subject such persons to legal claims, or otherwise affect the business and financial performance of such persons.

In addition, there are increased risks relating to the reliance by the Co-Adviser and the Credit Clients' service providers on their respective computer programs and systems if personnel of such persons are required to work remotely for extended periods of time as a result of events such as the outbreak of infectious disease or other adverse public health developments or natural disasters, including an increased risk of cyber-attacks and unauthorized access to their computer systems. The foregoing could increase the risk of cybersecurity or business continuity related losses, all of which could have a material effect on Credit Clients.

The use of personal information by the Credit Clients and their portfolio companies is regulated by foreign, federal and state laws, as well as by certain third-party agreements. As privacy and information security laws and regulations change or as new laws are enacted, the Credit Clients and their portfolio companies may incur additional costs to ensure that they remain in compliance with those laws and regulations.

*Litigation.* In the ordinary course of its business, a Co-Adviser, a Credit Client or the issuers of a Credit Client's investments may be subject to litigation, or the threat of litigation, from time to time. Litigation proceedings or investigations associated with litigation or threatened litigation can be costly and time consuming, without certainty of the outcome or the scope of adverse effects of such outcomes. The outcome of such proceedings may materially adversely affect the value of an investment in a Credit Client and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of a Credit General Partner's and / or the members of the Credit Investment Committee's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

*Force Majeure Events.* Certain force majeure events (meaning those events beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, terrorism, labor strikes and outbreaks of infectious disease, pandemics or any other serious public health concerns) may adversely affect the ability of the Co-Advisers, their affiliates, Credit Clients, the issuers of investments, counterparties of the foregoing or other persons or entities to perform their respective obligations. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may cause a permanent loss of business, substantial litigation or significant penalties for regulatory or contractual non-compliance, though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The occurrence of a force majeure event may, directly or indirectly, have a material adverse effect on a Credit Client and/or any of its investments. Certain force majeure events (such as war or an outbreak of infectious disease) could have a broader negative impact on the world economy and international business activity generally, or otherwise



negatively impact any country related to a Credit Client's investments. Additionally, a major governmental intervention in an industry, including the nationalization of an industry or the assertion of control over one or more companies or assets, could result in a loss to a Credit Client, including if its investment is canceled, unwound or acquired (which could be without what the Credit Client considers to be adequate compensation). Any of the foregoing may therefore negatively affect the performance of a Credit Client and its investments. Losses resulting from any of the foregoing may either be uninsurable or only insurable at such high rates as to make such coverage impracticable. If any such a major uninsured loss were to occur with respect to any of a Credit Client's investments, the Credit Client could incur substantial losses.

The occurrence of an extreme event may result in (and, in the case of COVID-19, has already resulted in) the closure of offices, the implementation of global or regional work-from-home policies, and/or travel disruptions or restrictions. Any such actions may increase the Co-Advisers' and their respective affiliates' and service providers' dependency on technology systems, result in the rapid deployment of new and potentially less familiar technology or operations systems or lead to the utilization of existing systems in a significantly increased scope or unanticipated manner. If a significant number of the Co-Advisers' personnel were to be unavailable in the event of a disaster or other event, the Co-Advisers' ability to effectively conduct the Credit Clients' businesses could be severely compromised. All of the above could increase the risk of cybersecurity or business continuity related losses, all of which could have a material effect on Credit Clients.

## **Strategy Risks**

*Debt Investments, Generally.* Credit Clients will invest in senior secured loans and other debt and debt-related instruments senior to common equity and equity securities, which are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an obligor will default on the payment of principal and/or interest on a debt investment. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt investment may affect its credit risk. Credit risk may change over the life of an investment. Debt investments that are rated by rating agencies (potentially including any investments acquired by Credit Clients through syndicated debt markets) are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such investment. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt investment directly (particularly in the case of investments with adjustable rates) and indirectly (particularly in the case of fixed rate investments). In general, rising interest rates will negatively impact the price of a fixed rate debt investment and falling interest rates will have a positive effect on price. Adjustable rate investments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in investments with uncertain payment or prepayment schedules.

*Loan Origination.* Credit Clients intends to originate loans. Loan origination involves a number of particular risks that may not exist in the case of secondary debt purchases, including:

- when originating loans, the Co-Advisers will generally have to rely more on their own resources to conduct due diligence of the borrower, which will likely be more limited than the diligence conducted for a broadly syndicated transaction involving an underwriter;
- loan origination may involve additional regulatory risks given the requirement to hold a license for certain types of lending in some jurisdictions. The Co-Advisers will review and take advice on the loan origination regulations in each relevant country and seek to ensure that Credit Clients' investments are compliant with such regulations. However, the scope of these regulatory requirements (and certain permitted exemptions) vary from jurisdiction to jurisdiction and may change from time to time;
- the borrowers may in some circumstances be higher credit risks who could not obtain debt financing in the syndicated markets; and
- in addition, in originating loans, Credit Clients will compete with a broad spectrum of lenders, some of which may have greater financial resources than Credit Clients, and some of which may be willing to lend money on better terms (from a borrower's standpoint) than Credit Clients. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns to Credit Clients. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies, particularly companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Co-Advisers will correctly evaluate the value of the assets collateralizing these loans or the prospects for successful repayment or a successful reorganization or similar action.

*Loan Origination Regulation.* Credit Clients intend to engage in originating, lending and/or servicing loans, and may therefore be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state lender licensing requirements and other regulatory requirements in the conduct of its business as they pertain to such transactions. Credit Clients may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the Consumer Financial Protection Bureau and other applicable regulatory authorities. These state and federal regulatory programs are designed to protect borrowers.

*Loans to Private and Middle-Market Companies.* Credit Clients intend to make investments in the securities and/or other obligations of private and middle-market companies. Investing in private and middle-market companies involves risks that may not exist in the case of large, more established and/or publicly traded companies, including:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors, such as Credit Clients, dependent on any guarantees or collateral that they may have obtained;
- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render such companies more

vulnerable to competition and market conditions, as well as general economic downturns;

- there will not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;
- these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;
- these companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position; and
- these companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

In addition, the negotiation process of a private loan may stall or be abandoned for reasons other than the Co-Advisers' lack of interest in the investment itself. If this happens after a Credit Client has committed, such Credit Client may receive smaller allocations or no allocation, or may receive allocations on different terms than expected. Private loans may be illiquid, may require issuer or borrower consent to trade and may involve the Co-Advisers (on behalf of themselves and Credit Clients) obtaining material non-public information that restricts further trading in the issuers to which such material non-public information relates.

*Capital Structure Leverage.* Credit Clients' investments are expected to include transactions with businesses 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. Leverage often imposes restrictive financial and operating covenants on a business, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the condition of a company or its industry.

*Dynamic Investment Strategy.* The Co-Advisers may pursue additional investment strategies and may modify or depart from its initial investment strategy for Credit Clients, investment process and investment techniques as it determines appropriate. The Co-Advisers may pursue investments outside of the industries and sectors in which General Atlantic and Iron Park have previously made investments.

*Bank Debt Ratings.* The ratings that may be assigned by various credit rating agencies to loans or other debt instruments that may be acquired by Credit Clients reflect only the views of those agencies. Explanations of the significance of ratings should be obtained from such credit rating

agencies. No assurance can be given that ratings assigned will not be withdrawn or revised downward if, in the view of such credit rating agency, circumstances so warrant.

*Public Company Holdings.* Investments may include securities issued by publicly held companies, which may be sensitive to movements in the stock market and trends in the overall economy. Such investments may subject Credit Clients 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 Credit Clients to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' board members, including the members of the Credit Investment Committee and/or other representatives of the Co-Advisers or Credit Clients, and increased costs associated with each of the aforementioned risks.

*Prepayment Risk.* Loans are generally prepayable in whole or in part at any time at the option of the obligor at par plus accrued and unpaid interest thereon, and occasionally plus a prepayment premium. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans may experience a capital loss as a result of such a prepayment. When credit market conditions become more attractive to obligors, the rate of prepayment of Credit Clients' loans would be expected to increase as obligors refinance to take advantage of such improved conditions, which may negatively impact Credit Clients.

*Borrower Fraud.* Of paramount concern is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the investments or may adversely affect the ability of Credit Clients to perfect or effectuate a lien on any collateral securing the investment. Credit Clients will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investment decisions, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to Credit Clients may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. The due diligence process may occur on an expedited timeline and there can be no assurance that the Co-Advisers will have adequate time to detect potential fraud prior to the consummation of the investment.

*Breach of Covenant.* Credit Clients will generally seek to obtain structural, covenant and other contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect and potential investors should regard an investment in Credit Clients as being speculative and having a high degree of risk.

*Leveraged Loans, Generally.* Credit Clients' investments may comprise leveraged loans, which have significant liquidity and market value risks since they are not generally traded on organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. Historically the trading volume in loan markets has been small relative to high yield debt securities markets. In addition, leveraged loans have historically experienced greater default rates than has been the

case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on leveraged loans, and an increase in default levels could have a material adverse effect on Credit Clients.

*Nature of Investment in Senior Debt.* Credit Clients' investments may include first lien and second lien senior secured debt. Such debt may (i) include term loans and revolving loans, (ii) pay interest at a fixed or floating rate and (iii) be acquired by way of purchase or assignment in the primary and secondary markets. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the legal documentation with respect to the debt obligation, although its rights can be more restricted than those of the assigning institution.

The factors affecting an issuer's first and second lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. Second lien senior loans are also expected to be more illiquid than first lien senior secured loans for this reason. Moreover, there is less likelihood that Credit Clients will be able to sell participations in second lien loans that it originates or acquires, which would expose Credit Clients to higher risk with respect to the issuer.

*Mezzanine and Other Subordinated Investments.* Certain investments may comprise loans, securities and/or other instruments, or interests in pools of securities and/or other instruments that are subordinated or may be subordinated in right of payment and ranked junior to other securities and/or instruments issued by, or loans made to, obligors. Mezzanine and other subordinated debt investments involve a high degree of risk with no certainty of any return of capital. Although subordinated debt is senior to common stock and other equity securities in the capital structure, it may be subordinated to large amounts of senior debt and is often unsecured.

*Covenant-Lite Loans.* There may be instances in which a Credit Client's investments do not have maintenance financial covenants in the related loan documentation ("**Covenant-Lite Loans**"). An investment in a Covenant-Lite Loan may potentially hinder the ability to re-price credit risk associated with an issuer's performance and reduce the creditors' ability to restructure a non-performing loan and mitigate potential loss. These flexible covenants (or the absence of covenants) could cause obligors to experience a significant downturn in their results of operation without triggering any default that would permit holders of directly originated senior secured loans (such as Credit Clients) to accelerate indebtedness or negotiate terms and pricing. As a result, Credit Clients' exposure to losses may be increased, which could result in an adverse impact on Credit Clients' return to the investors.

*Concentration of Investments, Generally.* The Credit Clients may participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of any single investment. Limited Partners have no assurance as to the degree of diversification of Credit Client's investments, either by geographic region, asset type or sector. To the extent any Credit Client concentrates investments in a particular obligor, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic, political, regulatory and business conditions with respect thereto. Furthermore, with respect to the Credit Funds, to the extent that the capital raised is less than the Co-Advisers' target, a Credit Fund may be overweight

in certain investments made prior to the final closing of such Credit Fund and may acquire fewer investments than it would ordinarily target and thus be less diversified.

## **Item 9. Disciplinary Information**

GASC APF and its management persons have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's or a prospective client's evaluation of GASC APF's advisory business or the integrity of GASC APF or its management persons.

## **Item 10. Other Financial Industry Activities and Affiliations**

For purposes of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"), GASC exercises supervision and control over, and takes responsibility for the investment advice given by, GASC APF. GASC APF, together with Iron Park, organizes, sponsors and controls the investment activities of the Credit Funds, which are pooled investment vehicles otherwise controlled by the Credit General Partners. The Credit General Partners are under joint control by GASC APF and Iron Park, an unaffiliated investment adviser.

Outside of GASC APF's role as a co-investment adviser to the Credit Clients, GASC currently focuses on global growth equity and investing through General Atlantic LLC's ("GA LLC") Managed Account Program. GASC may in the future market, organize, sponsor or act as general partner or manager or as the primary source for transactions for one or more Other Advisory Clients having an investment focus that is not substantially similar to the investment focus of GA LLC's Managed Account Program, and may or may not be substantially similar to the Credit Clients' investment program. Such activities may raise conflicts of interest for which the resolution may not be currently determinable. Except as otherwise provided in the Governing Fund Documents, GASC and GASC APF are not restricted from establishing other funds or accounts, including those with objectives that are substantially similar to that of the Credit Clients.

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

### **Code of Ethics/Insider Trading**

GASC APF is subject to GASC's Code of Conduct, a copy of which will be made available to any Credit Limited Partner or prospective Credit Limited Partner upon request.

### **Participation or Interest in Client Transaction**

From time to time, securities or other obligations to be sold on behalf of an Other Advisory Client may be suitable for purchase by one or more Credit Clients and vice versa. In such circumstances, if GASC APF and/or any of its affiliates (including any affiliated broker dealer) determines, in good faith, that the transaction is in the best interest of a Credit Client and each participating Other Advisory Client, the securities or other obligations may be transferred between the Credit Client and such Other Advisory Client at the then-fair market value (a "cross trade"), except that GASC APF and/or any of its affiliates (including any affiliated broker-dealer) will not receive a commission (directly or indirectly) in connection with such cross trade.

Subject to the Governing Fund Documents, the applicable Credit General Partner may, in its discretion, select either the limited partner advisory committee of the applicable Credit Client or one or more persons, who will not be affiliated with GASC APF, Iron Park or the Credit General Partner (each, a “**Third-Party Monitor**”), to consider and, on behalf of the Credit Limited Partners and the Credit Client, approve or disapprove certain related-party transactions, certain other transactions and matters involving potential conflicts of interest that the Credit General Partner or GASC APF deems to be material and any approval or client consent that may be required under the Investment Advisers Act (including Section 206(3) thereof). Subject to applicable law, the limited partner advisory committee and/or the Third-Party Monitors may approve of any such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, the consummation of such transactions. The Credit Clients will be bound by the decisions of the limited partner advisory committee and/or such Third-Party Monitors. In addition, from time to time, a Credit Client may participate in a cross trade where it sells or buys a security or obligation that was originated by the Credit Client or another Other Advisory Client (as applicable). In the event of such a cross trade in respect of an originated investment, the price paid by the applicable Other Advisory Client in connection with such cross trade will be based on the then-fair market value of the applicable securities or obligations as determined by the GASC APF in accordance with its then-current valuation policy and procedures, and then, as the Credit General Partner determines to be appropriate in its discretion, will generally be reviewed by a third-party valuation consultant and confirmed to be reasonable. In addition, the price paid for any such cross trade in respect of an originated investment, as the Credit General Partner determines to be appropriate in its discretion, may be approved or disapproved by an independent client representative or similar person appointed to act on behalf of the applicable Other Advisory Client(s). The Credit General Partners, GASC APF and/or Iron Park will face a conflict of interest in the valuation of any securities or obligations that will be subject to such cross trades, given the potential impact of such valuations on the Management Fees, the Carried Interest distributions and the Credit Client’s performance results and (ii) the management fee, the performance-based compensation and the performance results of the other applicable Other Advisory Client(s). The foregoing also applies where one Credit Client buys from, or sells to, another Credit Client.

### **Transactions with Investors**

GASC APF and/or its subsidiaries may utilize research, custodial, insurance or other services from providers that are affiliated with Credit Limited Partners. In all such instances, these service agreements are generally negotiated at arm’s length, and GASC APF will not receive reduced or discounted fees and fee arrangements.

Managing Directors and employees of GASC and its affiliates may serve on the boards or committees of institutions of higher education, charitable organizations or non-profit or for-profit institutions or organizations that are Credit Limited Partners or affiliated with Credit Limited Partners. In all such instances, the investment in Credit Clients by the affiliated Limited Partner is made on the same terms applicable to other Credit Limited Partners.

A tax-exempt non-profit foundation that is an affiliate of GA LLC may make contributions, or match charitable contributions made by employees of GA LLC and its subsidiaries, to Credit Limited Partners (or their affiliates) that are charitable, educational or non-profit institutions or

organizations, as well as charitable events sponsored by Credit Limited Partners. Such contributions are made pursuant to the foundation's mission statement. Certain employees of GA LLC may spend some of their business time on matters related to the foundation.

### **Personal Investments**

Certain employees of GA LLC and its affiliates (including certain members of the GASC APF team) currently hold, and may in the future, acquire, hold or dispose of, personal investments in Other Advisory Clients, including Other Advisory Clients focused on credit investing. Such personal investments in such Other Advisory Clients may incentivize those employees to direct opportunities to such Other Advisory Clients instead of Credit Clients.

## **Item 12. Brokerage Practices**

### **Selecting or Recommending Broker-Dealers**

#### *Best Execution*

For the Credit Clients, GASC APF will generally jointly select broker-dealers with Iron Park. GASC APF's principal objective in selecting broker-dealers and entering trades is to obtain best execution for client transactions. GASC APF recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. To consider all of these factors, GASC APF will follow a process in an attempt to ensure that its employees are seeking to obtain the most favorable execution under the prevailing circumstances. GASC APF will evaluate the quality and cost of services received from broker-dealers on a periodic and systematic basis. In an effort to ensure that it is seeking to obtain the most favorable execution when placing trades on behalf of its clients, GASC APF will consider all of these factors. GASC APF may not always select a broker-dealer based on the best price, but may take a variety of factors into account, including market capitalization, whether the broker has international or local presence or its perceived ability to sell the stock easily. When necessary, GASC APF will address all conflicts of interest by disclosure or other appropriate action. GASC APF does not consider, in selecting or recommending broker-dealers, whether GASC APF or a related person receives client referrals from a broker-dealer or third party.

#### *Research and Other Soft Dollar Benefits*

GASC APF executes its investment transactions through various investment banks. As a client of such investment banks, GASC APF receives certain industry-standard research reports at no cost. GASC APF does not formally commit to invest any particular level of commissions to brokers who provide research services. Research work product may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to GASC APF in the performance of its investment advisory and management services. GASC APF does not consider, in selecting or recommending investment bankers or in executing client transactions, whether GASC APF or a related person receives additional benefits from an investment bank or third party.



## **Item 13. Review of Accounts**

The accounts of each Credit Client are maintained and supervised by investment professionals who are members or employees of GASC APF or its affiliates.

In addition to evaluating and approving investments, the Credit Investment Committee will also be responsible for overseeing and managing portfolio-level risk. The Credit Investment Committee expects that one meeting per month will be dedicated to portfolio risk management. This meeting will typically include a review of the portfolio and diversification, as well as a discussion of and resolution of investment or portfolio-level issues.

The Credit Funds deliver quarterly financial statements within ninety (90) days after the end of each of the first three (3) fiscal quarters of each fiscal year. The Credit Funds deliver audited financial statements on an annual basis, one hundred and twenty (120) days after the end of the applicable Credit Fund's fiscal year end (or as soon as commercially practicable thereafter). The audited financial statements are prepared in accordance with accounting principles generally accepted in the U.S.

Each Credit Limited Partner receives by June 30 of each year, or as soon as available, a relevant Schedule K-1 tax form.

## **Item 14. Client Referrals and Other Compensation**

Atlantic Park Persons may serve as directors of issuers in which the Credit Clients invest and receive Fee Income. 100% of such Fee Income allocable to the Credit Funds and the management fee-bearing Credit Limited Partners, net of any related expenses, are generally applied to reduce the Management Fees otherwise payable to GASC APF and Iron Park. To the extent the receipt of any such Fee Income results in an offset of the Management Fees, then such Fee Income will be allocated to the Credit Funds only to the extent of such Credit Fund's relative ownership (or anticipated ownership) of such investment or potential investment on a fully diluted basis. The amount of such Fee Income allocable to co-investors will not result in an offset of the management fee payable by the Credit Funds, even if the co-investors bear lower or no management fees, and in some cases may be retained by GASC APF pursuant to the terms of such vehicles. See "Item 5. Fees and Compensation – Management Fees."

## **Item 15. Custody**

Funds and securities of the Credit Funds are held by unaffiliated broker-dealers or banks, to the extent required. GASC APF has access to the Credit Funds' accounts because affiliates of GASC APF control, together with Iron Park, the Credit General Partners. The Credit Funds are subject to an annual audit. See "Item 13. Review of Accounts".

GASC APF generally will not act as custodian or otherwise take or retain possession, custody, title or ownership of holdings of Credit Clients that are separately managed accounts. In such cases, GASC APF will not be authorized to receive any Credit Client assets and, notwithstanding anything in the relevant investment advisory agreement, the custody agreement(s) and/or other constituent documents to the contrary (including any authority granted to GASC APF pursuant to

such documents), GASC APF intends to not be deemed to maintain custody of such Credit Client's assets, as the term "custody" is defined in Rule 206(4)-2 under the Advisers Act. However, GASC APF, together with Iron Park, may nonetheless be deemed to have access to such Credit Clients' custody accounts where authorized pursuant to an investment advisory agreement. For separately managed account Credit Clients for which GASC APF is deemed to have custody, a qualified independent accounting firm will conduct an annual surprise examination on the holdings over which GASC APF has custody, and such separately managed account Credit Clients will receive quarterly account statements from the custodians with regard to such holdings. Credit Clients that receive account statements directly from a custodian should carefully review these account statements.

## **Item 16. Investment Discretion**

GASC APF, together with Iron Park, provides investment advisory and management services to the Credit Clients.

GASC APF, Iron Park and the Credit General Partners, collectively, have complete discretionary authority with regard to the acquisition and disposition of investments, without obtaining specific consent from investors.

The services provided by GASC APF, together with Iron Park, include (i) assistance in connection with the identification, investigation and analysis of potential investments and the management and disposition of investments, (ii) administrative and accounting services, and (iii) such other services as may from time to time be required in connection with the management of the assets of the Credit Funds.

The investment, disposition, voting and other decisions of the Credit Funds with respect to the investments of the Credit Funds are the responsibilities of and made by GASC APF, together with Iron Park.

GASC APF, Iron Park and the Credit General Partners are authorized, without the approval of any Credit Limited Partners, to enter into side letters or similar written agreements with a Credit Limited Partner that have the effect of establishing rights or obligations under, or supplementing the terms of, the Governing Fund Documents. Rights and obligations that may be established and terms that may be established or supplemented include, without limitation, rights and terms relating to greater information reporting, the right of an investor to opt out of investments in issuers that such investor may be prohibited by law, regulation or internal policy from holding as a result of the primary business conducted by such issuer and the obligation of the Credit Fund to minimize certain adverse tax consequences to an investor in connection with the structuring of investments.

## **Item 17. Voting Client Securities**

GASC APF does not have the authority to vote securities held by the Credit Funds. Such authority to vote the proxies is held by the Credit General Partners, acting at the direction of the Credit Investment Committee. GASC APF, together with Iron Park, has developed a written policy and procedures governing proxies to which the Credit Investment Committee must adhere. In general, the policy requires the Credit Investment Committee to vote proxies in the interest of maximizing

shareholder value and promote sound corporate governance. To that end, the members of the Credit Investment Committee vote in a way that they believe, consistent with their fiduciary duties, will cause the value of the issue to increase the most or decline the least. Consideration is given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. GASC APF maintains a record of all proxy votes cast on behalf of the Credit Funds. The Credit Limited Partners may contact GASC APF for a copy of its policy and procedures or information with respect to a specific proxy vote.

The Credit General Partners are not required to vote every proxy, and there may be times when the Credit General Partners determine that refraining from voting is in the best interests of the Credit Limited Partners. This may occur where, for example, the Credit Investment Committee determines that the cost to the Credit Limited Partners of voting the proxy exceeds the expected benefit to the Credit Limited Partners.

GASC APF's proxy voting policy is only applicable to investments made by the Credit Clients in publicly listed securities.

## **Item 18. Financial Information**

GASC APF has never filed for bankruptcy and is not aware of any financial condition that is expected to adversely affect its ability to manage the Credit Clients.