

Item 1 – Cover Page**J.C. FLOWERS & Co. LLC**

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This brochure provides information about the qualifications and business practices of J.C. Flowers & Co. LLC. If you have any questions about the contents of this brochure, please contact us at (212) 404-6800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

J.C. Flowers & Co. LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Copies of this brochure may be requested by contacting Lauren Haag at (212) 404-6809. Additional information about J.C. Flowers & Co. LLC is also available on the SEC’s website at <https://adviserinfo.sec.gov/>.

Item 2 – Material Changes

This brochure contains several changes from the last firm brochure dated as of March 30, 2020, including, but not limited to: (i) additional information on fees, expenses, and compensation, (ii) updated and risk factors and (iii) additional information regarding conflicts of interest. In addition, JCF&Co (as defined below) routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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Item 4 – Advisory Business

- A. J.C. Flowers & Co. LLC (“JCF”, “JCF&Co” or the “Adviser”), a Delaware limited liability company, provides investment advisory services to various private investment vehicles and other clients (each, a “Fund” or a “Client” and collectively, the “Funds” or the “Clients”), including identifying, evaluating, structuring and negotiating prospective investments, managing portfolio companies post-acquisition and advising with respect to disposition opportunities. An affiliate of JCF&Co generally serves as the general partner (or similar managing body) of each Fund.

Interests in the Funds are only offered to qualified investors via private placement.

Mr. J. Christopher Flowers (“Mr. Flowers”) founded JCF&Co’s advisory business in 1998. Mr. Flowers is the Adviser’s sole owner.

- B. JCF&Co provides discretionary and non-discretionary investment advisory services that generally seek to generate long-term capital appreciation by making privately negotiated and open market investments in the equity and debt securities of financial services companies. Financial services companies generally include banks, insurance and reinsurance companies, asset management and brokerage houses, consumer and commercial finance businesses, mortgage originators and guarantors, and other companies and firms providing supporting technology or services for financial services companies.
- C. Each Fund has a set of specific guidelines which are set forth in the governing documents of the applicable Fund. These guidelines may provide for limits on the size, concentration, geography, type of security and/or terms of the Fund’s investments.
- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2020, JCF&Co managed approximately \$4,656,620,000 of regulatory assets under management on a discretionary basis, and approximately \$279,711,000 on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. JCF&Co’s fee and compensation arrangements vary among the Funds. The specific terms of such arrangements are established by JCF&Co, as modified by negotiations with investors in the applicable Fund, and as set forth in each Fund’s Investment Advisory Agreement and other governing documents, which are received by each investor prior to investment in such Fund.

As compensation for its services, JCF&Co typically receives a management fee (the “Management Fee”) from each Fund. Generally, prior to the earliest of (i) the expiration of a Fund’s commitment period, (ii) the date on which capital commitments have been fully drawn down and (iii) the date on which a management fee becomes payable by investors in a successor fund, the Management Fee is based on a percentage of the aggregate capital commitments of the Fund’s third party investors. Thereafter, the Management Fee is generally based on a lower percentage of the

aggregate invested capital of third party investors. The Management Fee is due and payable from each Fund four (4) times per calendar year, as provided in each Fund's Investment Advisory Agreement, as further described below. The terms of the Management Fee vary among the Funds, as well as among investors in the same Fund.

In addition to the Management Fee, in connection with the affairs of a Fund, JCF&Co, its affiliates (including JCF Securities (as defined below)) and their respective employees have received and are expected in the future to receive from actual or prospective portfolio companies, a Fund or their respective affiliates (i) monitoring fees, organization fees, set-up fees, financial advisory fees, transaction fees and other similar fees, either in cash or securities, (ii) cash and non-cash directors' fees and (iii) termination, break-up and topping fees. A Fund's Management Fee will be offset, or reduced, by all or a portion of such other fees, as provided in the governing documents of the applicable Fund. The Management Fee of certain Funds has in the past been, and may in the future be, further reduced, waived or rebated at the sole discretion of JCF&Co.

Investors that participate in co-investment opportunities ("co-investors") may be charged certain fees, including Management Fees, maintenance or administrative fees and one-time funding fees. However, not all co-investors will be charged the same fees, and some co-investors have in the past and may in the future be charged fees at more favorable rates. JCF&Co and its affiliates have in the past and may in the future waive or modify a co-investor's obligation to pay the fees at the time of admission of such investor to the co-investment vehicle. Specifically, JCF&Co expects fees to be waived or reduced for co-investors that are JCF&Co employees and other "friends and family" of the firm, as well as for co-investors that are deemed "strategic investors" (as described in Item 11 below). In addition, the governing documents of a Fund have in the past and may in the future provide that the investors in such Fund are not subject to the fees or carried interest on aggregate co-investment capital commitments alongside such Fund up to the amount of its capital commitment to such Fund. Fees may be payable to JCF&Co or an affiliate thereof, including JCF Securities.

JCF has a conflict of interest to the extent that it has an opportunity to earn a fee in connection with an acquisition or disposition or of a portfolio investment. However, JCF believes that the Management Fee offset provisions described above substantially mitigate this potential conflict.

Moreover, JCF and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds which will not be subject to the Management Fee offset or otherwise shared with the Funds or their limited partners. For example, airline travel or hotel stays incurred as Fund expenses typically may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to JCF and/or such personnel (and not the Funds or their limited partners) even though the cost of the underlying service is borne by the Funds. Furthermore, JCF&Co personnel may receive certain benefits from companies that are not portfolio companies or otherwise affiliated with JCF&Co (e.g., former affiliates of portfolio companies) for services provided by JCF&Co to the portfolio companies. For

example, JCF&Co employees are permitted to invest on a fee-free basis in pooled investment vehicles sponsored by a company that is a former affiliate of a current Fund portfolio company. Any such benefits will not benefit a Fund or the limited partners.

- B. The general partner of a Fund generally causes the Management Fee to be paid to JCF by or on behalf of a Fund by (i) requiring investors in the Fund to make capital contributions, (ii) withholding from investment proceeds that would otherwise be distributable to investors in the Fund or (iii) causing the Fund to borrow money.

Consistent with each Fund's governing documents, each Fund typically bears and is charged with the costs and expenses of its operations, including without limitation (i) fees and expenses of administrators, custodians, attorneys, accountants and other professionals (including audit and certification fees and the costs of preparing, printing and distributing financial and tax reports to investors); (ii) fees and expenses incurred in holding, developing, negotiating, structuring and disposing of actual portfolio investments, including, without limitation, any financing, legal, accounting, advisory, consulting and travel expenses, which include expenses for first class or equivalent travel and have in the past and may in the future include (a) the cost of non-commercial air travel (to the extent not subject to any reimbursement of such costs and expenses by portfolio investments or third parties); (b) premium meals and entertainment event expenses (including with portfolio company management, investment partners and service providers) and related costs and/or expenses incidental thereto; (c) the fees and expenses of senior advisors, industry experts and Operating Partners (as defined below) of the Adviser either directly or through a Fund's portfolio company; and (d) costs and expenses that also benefit the Fund's counterparties or consortium partners in a transaction, such as travel expenses; (iii) expenses, if any, incurred in connection with all legal and regulatory compliance obligations under U.S. federal, state, local, non-U.S. or other laws and regulations directly related to the making, holding or disposing of portfolio investments (whether such compliance obligations are imposed on the Adviser, the Fund's general partner, their affiliates, the Fund or any alternative investment structure), including, without limitation, the preparation and filing of (a) Form PF under the Investment Advisers Act of 1940, as amended (the "Adviser's Act"); (b) Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, Schedule 13G filings and other filings, in each case under the Securities Exchange Act of 1934, as amended; (c) filings required under the European Union's Alternative Investment Fund Management Directive; (d) TIC Form SLT filings; (e) any forms, schedules, filings, information or other documents necessary to avoid the imposition of withholding or other taxes pursuant to FATCA and FBAR; (f) CFTC Form 4.13(a)(3), CPO-PQR, CTA PR and NFA Form PQR filings; (g) filings under the Hart-Scott-Rodino Antitrust Improvements Act and other antitrust laws and regulations and (g) any other forms, schedules or other filings with governmental and self-regulatory agencies directly related to the making, holding or disposing of portfolio investments; (iv) fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any portfolio investment or otherwise facilitating the Fund's investment activities, including without limitation any travel and accommodation expenses related to such entity; the salary and benefits of any personnel

reasonably necessary for the maintenance of such entity; or other overhead expenses in connection therewith; (v) broken deal expenses, to the extent the general partner of the Fund or the Adviser do not elect to bear broken deal expenses; (vi) brokerage commissions, prime brokerage fees, registration fees and expenses, custodial expenses, other bank service fees and other investment costs, fees and expenses actually incurred in connection with actual portfolio investments; (vii) the costs and expenses of any lenders, investment banks and other financing sources, including interest on and fees and expenses arising out of all borrowings, including arranging and upsizing thereof and any related expenses or professional fees incurred in connection with any procedure reports for lenders or in connection with obtaining lines of credit, loan commitments and letters of credit for the account of the Fund, securing the same by mortgage, pledge, charge or other lien on any assets of the Fund or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of a portfolio investment or its acquisitions; (viii) the costs of any litigation, investigations, judgments, settlements, D&O liability or other insurance and indemnification expense permitted by the Fund's governing documents, and any other indemnification expense, extraordinary expense or liability relating to the affairs of the Fund (including the costs of any indemnity or contribution right granted to any placement agent or third-party finder); (ix) anti-money laundering and sanctions monitoring expenses, (x) expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provisions; (xi) expenses of liquidating the Fund; (xii) expenses related to pursuing remedies against defaulting limited partners and transfers of interests in the Fund; (xiii) communication expenses (including, without limitation, any software or online data portal); (xiv) all fees, expenses and settlements related to hedging, foreign exchange or currency transactions; (xv) the costs of any Fund meetings, including (1) travel, lodging and related expenses for out-of-town employees of the Adviser to attend such meetings and (2) annual meetings also attended by service providers and other third parties, including prospective investors (which costs will be allocated solely to the Fund and not to such third parties); (xvi) taxes (with certain exceptions), fees or other governmental charges levied against or payable by the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund; (xvii) the expenses of "intermediate entities" (which expenses shall be specially allocated to investors with an interest therein); (xviii) the expenses of any committee of investor representatives organized by the general partner, and any firm retained to determine the fair market value of unrealized portfolio investments; (xix) the expenses of any related "feeder fund"; (xx) the expenses of investor meetings, updates and reporting (including travel expenses, which include expenses for first class or equivalent travel and have in the past and may in the future include the cost of non-commercial air travel), (xxi) the expenses of enabling limited partner transfers, (xxii) expenses for meals and transportation for the Adviser's employees that work late or on weekends with respect to Fund-related matters and (xxiii) other expenses related to the general partner's execution of and compliance with the Fund's governing documentation, including side letters.

A Fund generally pays the out-of-pocket expenses incurred in connection with the organization of the Fund and the general partner up to a certain amount, as well as any placement fees associated

with the offering of the Fund's interests. However, 100% of all placement fees and organizational expenses above a certain amount, or "cap", are offset against, or reduce, the Management Fee on a dollar-for-dollar basis.

The governing documents of certain Funds provide that any services that are Fund expenses may be rendered by JCF&Co or any of its affiliates directly if such services are rendered on terms which are no less favorable to the Fund than the terms on which the Fund could obtain comparable services from an unaffiliated third party and, if applicable, the terms of such services are disclosed to the Fund's investor advisory committee. Although employees of JCF&Co had previously provided certain of these services to Funds without cost, beginning in 2018 JCF&Co changed this practice with respect to certain Funds. Following this change in practice, to the extent permitted by the Fund's governing documents, certain Funds compensate JCF&Co for legal, accounting and tax advisory services provided by employees of JCF&Co in accordance with the applicable Fund's governing documents, including, but not limited to: services related to developing, negotiating and structuring prospective or potential portfolio investments that are not ultimately made; performing the activities of any administrators, attorneys, accountants and other professionals (including the costs of financial and tax reports, including the costs of preparing, printing and distributing reports to partners); services related to holding, developing, negotiating, structuring and disposing of actual portfolio investments, including, without limitation, any legal, accounting and tax services in connection therewith; services related to Fund-related compliance obligations; services related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any portfolio investment or otherwise facilitate the Fund's investment activities; and services related to litigation relating to the affairs of the Fund. The allocation of compensation otherwise payable by JCF&Co to its employees who provide services to a Fund requires judgments as to methodology that JCF employs. Such methodologies can include (i) requiring personnel to record or allocate their historical time, (ii) approximating the proportion of certain personnel's time spent on the Fund, (iii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that JCF&Co believes represents a fair recoupment of expenses and market rate for such services or (iv) any other similar methodology determined by JCF&Co to be appropriate under the circumstances and consistent with the Fund's governing documents. Any such methodology (including the choice thereof) involves inherent conflicts and may not result in accurate attribution and allocation of expenses. JCF&Co has used, and expects to continue to use, the methodology which requires personnel to record their time spent on certain matters, which information will be utilized to allocate a portion of their salaries to the relevant Fund based on the percentage of total hours worked. These expenses will be borne by the relevant Fund and will not result in any offset to the Management Fee.

JCF&Co may engage and retain strategic advisers, consultants, senior advisers, industry experts, operating partners, joint venture and other partners and other similar professionals ("Operating Partners") who are expected, from time to time, to receive payments from, or allocations with respect to, portfolio companies (as well as from JCF&Co or a Fund). Operating Partners are not

considered JCF&Co personnel and are typically retained by JCF&Co pursuant to consulting agreements (certain of which may include obligations for Operating Partners to exclusively provide certain services to JCF&Co), although certain Operating Partners may be retained as employees. Operating Partners that work on matters relating to a Fund and/or portfolio companies will generally be expected to track their time and, based on the portion of time spent on such matters, all or a portion of the fees they receive from JCF&Co may be allocated to a Fund and/or portfolio companies. A Fund or portfolio companies are expected to bear all or a portion of the fees of these Operating Partners for their services. Operating Partners may serve on portfolio companies' boards of directors and may be asked to participate in investment committee and other JCF&Co firm meetings. Any such directors' fees or other remuneration received by Operating Partners may be retained by such persons and will not benefit such Fund or the limited partners of such Fund. Payments from, or allocations with respect to, portfolio companies and/or a Fund will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by JCF&Co, be deemed paid to or received by JCF&Co. These Operating Partners often have the right or may be offered the ability to co-invest alongside a Fund, including in those investments in which they are involved (and for which they may be entitled to receive performance-related incentive fees, which will reduce such Fund's returns and will not necessarily be subordinated to the return of such Fund's limited partners' capital contributions), or otherwise participate in equity plans for management of any such portfolio company, or invest directly in such Fund or vehicle(s) controlled by the Fund subject to reduced or waived management fees, and/or carried interest, including after termination of their engagement by or other status with JCF&Co (which generally would reduce the amount invested by a Fund in any portfolio investment). The nature of the relationship with each of the Operating Partners and the amount of time devoted or required to be devoted by them will vary considerably. The services provided by any Operating Partner generally may expand over time, including during the term of a Fund. In certain instances, JCF&Co may have a formal arrangement with an Operating Partner (which may or may not be terminable upon notice by either party), and in other cases the relationships may be more informal. In certain cases, Operating Partners may be JCF&Co employees or have attributes of JCF&Co "employees" (e.g., they may have dedicated offices at JCF&Co, receive administrative support from JCF&Co personnel, participate in general meetings and events for JCF&Co personnel or on JCF&Co matters as their primary or sole business activity, have JCF&Co-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for JCF&Co employees), even though they are not JCF&Co employees, affiliates or personnel for purposes of the applicable partnership agreement and the applicable investment advisory agreement, and their salary and related expenses are paid by a Fund as partnership expenses or by portfolio companies without any reduction or offset to management fees. Operating Partners may be compensated (including pursuant to retainers and expense reimbursement and, in any event, pursuant to negotiated arrangements which will not be confirmed as being comparable to the market rates for such services) by JCF&Co, the applicable Fund and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. Certain Operating Partners may be subject to contractual obligations to exclusively provide certain services to JCF&Co. Operating Partners, professionals

and/or other service providers may share office space with JCF&Co employees. Over time, certain existing and future employees of JCF&Co (including senior JCF&Co personnel) may transition to an Operating Partner role. Such a transition would have the effect of shifting the burden of the compensation of such employees from JCF&Co to a Fund and/or its portfolio companies. There can be no assurance that any of the Operating Partners, to the extent engaged, will continue to serve in such roles and/or continue their arrangements with JCF&Co, the applicable Fund and/or any portfolio companies throughout the term of such Fund. Operating Partners could have conflicts of interest between their work for a Fund and its portfolio companies, on the one hand, and themselves or other clients, on the other hand, and JCF&Co is limited in its ability to monitor and mitigate these conflicts.

JCF&Co will have a conflict of interest in allocating certain expenses among partners of a Fund as well as among such Fund, any parallel funds, co-investment vehicles, other Funds and JCF&Co. JCF&Co takes into account a variety of considerations when allocating expenses and uses methods that it believes are fair and reasonable. These methods vary depending on the type of expense, including, without limitation, allocations based on fee earning assets under management, net asset value, holdings percentages, number of positions held by a Fund, any parallel funds, co-investment vehicles and other Funds, number of other Funds in a particular strategy, whether the applicable Funds are discretionary or non-discretionary and relative volume without regard to the specific services provided to any JCF&Co vehicle or account, including the applicable Fund. Despite JCF&Co's good faith judgment to arrive at a fair and reasonable expense allocation methodology, the use of any particular methodology may lead a Fund to bear relatively more expense in certain instances and relatively less in other instances compared to what such Fund would have borne if a different methodology had been used. However, JCF&Co seeks to make allocations that are equitable on an overall basis in its good faith judgment. JCF&Co may make corrective allocations after the fact should it determine that such corrections are necessary or advisable.

Costs and expenses borne by a Fund may, in certain circumstances, include reimbursement of another Fund for costs and expenses (which may, for example, include those associated with research, due diligence, structuring, documentation and other work) related to an investment opportunity considered by such Fund where the other Fund ultimately makes the investment in the applicable portfolio company. Costs and expenses borne by a Fund may, in certain circumstances, include costs and expenses that also benefit a Fund's counterparties or consortium partners in a transaction, such as travel expenses.

Additionally, please see Item 6 below regarding "carried interest" that certain Funds pay.

- C. Typically, the annual Management Fee is payable by a Fund in four installments. In certain cases, subject to the preceding sentence, the Management Fee is calculated with respect to each of two semi-annual Management Fee periods. In other cases, the Management Fee is calculated with respect to four quarterly Management Fee periods. In the event JCF&Co does not provide services for the full Management Fee period, the Management Fee is typically required to be returned to

the investors in the applicable Fund. In general, the amount of fees returned is calculated based on the number days remaining in the applicable period.

- D. Neither JCF&Co nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. JCF Securities has in the past and expects to in the future to accept such compensation. For more information, see also Item 10.

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

JCF&Co's fee and compensation arrangements vary among the Funds and among investors in the same Fund. The specific terms of such arrangements are established by JCF&Co, as modified by negotiations with investors in the applicable Fund, and as set forth in each Fund's governing documents, which are received by each investor prior to investment in such Fund. Each Fund's general partner (including affiliates thereof, the "general partner") typically charges a performance-based fee (referred to as "carried interest"). Carried interest paid by a Fund is indirectly borne by investors in such Fund. Third party investors in all Funds are generally charged carried interest, although a general partner has in the past waived or reduced, and may in the future, in its sole discretion, waive or reduce an investor's obligation to pay carried interest.

Co-investors may be assessed a carried interest or another performance-based fee. However, not all co-investors will be assessed carried interest at the same rate, and some co-investors may obtain more favorable rates than others. JCF&Co and its affiliates have in the past and expects to in the future waive or modify a co-investor's obligation to pay carried interest at the time of admission of such investor to the co-investment vehicle. Specifically, JCF&Co expects carried interest to be waived or reduced for co-investors that are JCF&Co employees and other "friends and family" of the firm, as well as for co-investors that are deemed "strategic investors" (as described in Item 11 below). In addition, the governing documents of a Fund have in the past and may in the future provide that the investor in such Fund shall not be subject to the carried interest on aggregate co-investment capital commitments alongside such Fund up to the amount of its capital commitment to such Fund. Carried interest may be payable to JCF&Co or an affiliate thereof.

Additionally, the payment by some, but not all, Funds of carried interest or the payment of carried interest at varying rates may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying carried interest or Funds paying carried interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the governing documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements.

In addition, the carried interest may create an incentive for the general partner to make riskier or more speculative investments on behalf of a Fund than it would otherwise make in the absence of such

performance-based arrangement. However, the JCF investment team, including Mr. Flowers, has invested substantial amounts in the Funds, which should reduce this incentive.

Finally, if distributions are made in kind, the amount of any such distribution generally will be accounted for (including for purposes of calculating carried interest) at the fair market value of the distributed property as determined in accordance with procedures specified in each Fund's governing documents.

See Item 11 below for additional information relating to how conflicts of interests are generally addressed by JCF&Co.

Item 7 – Types of Clients

JCF's Clients are generally pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended. JCF's Clients also include vehicles controlled by the underlying investors. Investment advice is provided to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to the investors in such Fund. Investors in the Funds include high net worth individuals, pension plans, endowments, trusts, sovereign wealth funds, financial institutions and other U.S. and non-U.S. corporations.

In general, the minimum initial investment in a Fund is \$10 million, although lesser amounts may be accepted in the discretion of the general partner.

Item 8 – Methods of Analysis, Investment Strategies and Risk Factors

- A. JCF&Co's private equity investment strategy seeks to generate long-term capital appreciation by making privately negotiated and open market investments in the equity and debt securities of financial services companies. Financial services companies generally include banks, insurance and reinsurance companies, asset management and brokerage houses, consumer and commercial finance businesses, mortgage originators and guarantors, and other companies and firms providing supporting technology or services for financial services companies. Generally, the Funds acquire such securities with a view to holding them for the medium to long term.

Through its network of relationships across the global financial services industry, JCF&Co seeks to identify potential investments that meet the Funds' investment criteria. JCF's due diligence process is designed to enable its team to evaluate potential investments, including by assessing a potential portfolio company's strengths, weaknesses, and opportunities, developing a view on its value and prospective return, meeting the management team and identifying potential transactional issues. JCF's analysis typically focuses on the target company's (i) business model and competitive environment, (ii) financial structure and performance, (iii) business plan and opportunities for value creation, (iv) management team capabilities and (v) potential for attractive exit opportunities. JCF may seek to leverage the resources of its advisors and the skills of certain portfolio company employees to complement its due diligence process. JCF's investment analysis methods may include fundamental, technical gain/loss forecast models, cash-flow models, sensitivity analysis, charting, fundamental, technical and cyclical analysis.

An investment in a Fund involves a high degree of risk, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Fund and for which the Fund does not represent a complete investment program. There is no assurance any Fund will meet its investment objectives or otherwise be able to carry out its investment program successfully or that an investor will receive a return of its capital. In addition, there can be no assurance that any Fund will be able to generate returns for investors or that returns will be commensurate with the risks of the Fund's investments. A Fund investment should only be made by persons that can afford a loss of their entire investment.

- B. There are significant risks inherent in the strategy of investing in financial services companies. A Fund may lose all or a substantial portion of its investments. Certain of these risks are summarized below. However, prospective investors should carefully consider all of the risks related to investing in a Fund that are set forth in the private placement memorandum or other offering document for the applicable Fund.

Financial Services Industry Risks

Each Fund's portfolio investments are concentrated in the financial services industry. Concentration in a single industry may involve risks greater than those generally associated with more diversified funds, including disproportionate exposure to risks associated with the financial services industry and significant fluctuations in returns.

Financial services companies have asset and liability structures that are essentially monetary in nature and are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. A change in any of these factors could adversely impact the value of financial instruments held by and the balance sheets of financial services companies.

The profitability of the financial services industry may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Factors such as the liquidity of the global financial markets, the volatility of financial instruments, investor sentiment, and the availability and cost of credit may significantly affect the activity levels of customers with respect to size, number and timing of transactions. A change in any of these factors could lead to a decline in the volume of transactions that financial services companies execute for their customers and decrease their overall profitability.

The financial services industry is extremely competitive. Technological advances and the growth of e-commerce have made it possible for non-financial institutions to offer products and services

that have been traditionally offered by financial services institutions. It is expected that competitive conditions in the industry will continue to intensify.

Financial services companies operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, license suspension or termination of deposit insurance. In addition, in order to comply with banking laws, rules and regulations, a Fund may be required to invest in a manner that may not be as advantageous as the manner of making investments that are not subject to such laws, rules and regulations. Further, investments in financial services companies often require the approval of various regulatory bodies and there is no guarantee that such approvals will be obtained.

The financial services industry is highly dependent on communications and information systems and is exposed to many types of operational risks, including the risk of fraud or security breaches by employees or other parties, record keeping errors, errors resulting from faulty or “hacked” networks, devices or telecommunication systems, network failures or interruptions, and damage to network and telecommunication systems caused by internal or external events.

The disturbances in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of a Fund’s portfolio companies, its access to capital or leverage or its overall performance.

- C. There are significant risks and potential conflicts of interest inherent in investing in private pooled investment funds. Certain of these risks and potential conflicts of interest are summarized below. However, prospective investors should carefully consider all of the risks and potential conflicts of interest related to investing in a Fund that are set forth in the private placement memorandum or other offering document for the applicable Fund.

Investment Risks

No Assurance of Investment Return. There can be no assurance that any Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Fund participates. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment.

Role of JCF Professionals. The success of each Fund depends in part upon the skill and expertise of Mr. Flowers and JCF&Co’s investment professionals and, where applicable, Operating Partners and the management of portfolio companies. There can be no assurance that Mr. Flowers or any such other professionals will continue to be associated with JCF&Co throughout the life of any

Fund and a loss of the services of Mr. Flowers and other key personnel could impair JCF&Co's ability to provide services to a Fund.

Reliance on the General Partner and Adviser. The general partner and investment adviser of a Fund has exclusive responsibility for a Fund's activities, and, other than as may be set forth in a Fund's governing documents, investors will not be able to make investment or any other decisions concerning the management of a Fund.

Methods of Investment Analysis. JCF seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence and making an assessment regarding an investment, JCF relies on available resources, including information provided by the target of the investment and, in some circumstances, third-parties. As a result, the due diligence process may at times be subjective. Accordingly, JCF cannot be certain that due diligence investigations with respect to any investment opportunity reveals or highlights all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities.

Market Conditions and Financial Market Fluctuations. A lack of liquidity in the capital markets may make it significantly more difficult for sponsors like JCF&Co to obtain favorable financing for investments, and the financing that is available may be on much less favorable terms than had been prevailing in the past. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds looked to the public securities markets as a potential exit strategy and there can be no assurance that a Fund will be able to exit from its investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable to a Fund to sell these securities when JCF&Co believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of a Fund to buy, sell and partially dispose of their portfolio company investments. A Fund can be adversely affected to the extent that it seeks to dispose of any of its portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that JCF&Co believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted.

LIBOR and Other "IBOR" Rates. The interest rate used in connection with certain of the Funds' investments and borrowings by certain portfolio companies of the Funds may be based in whole or in part on LIBOR. In 2012, regulators in the U.S. and the U.K. alleged that certain banks,

including some banks serving on the panel for U.S. dollar LIBOR, engaged in manipulative acts in connection with their LIBOR submissions to the British Bankers Association and EURIBOR submissions to the European Banking Federation. Manipulation of the rate-setting process for an interest rate would raise the risk to the Funds of being adversely impacted if the Funds received or, as the case may be, made a payment based upon that rate and such manipulation of the rate resulted in, respectively, lower or, as the case may be, higher resets than would have occurred had there been no manipulation. In 2017, the head of the United Kingdom's Financial Conduct Authority (the "UK FCA") announced a desire to phase out the use of LIBOR by the end of 2021 and is currently reviewing alternatives and planning for a transition period to move away from the use of LIBOR. In 2018, regulators launched an initiative to phase out other "IBORs". On November 21, 2019, the UK FCA referenced a target of Q3 2020 to stop new lending using LIBOR set by the Sterling RFR Working Group (a group tasked to catalyze a broad-based transition to a risk free alternative to sterling LIBOR). There remains uncertainty regarding the future utilization of such rates and the nature of any replacement rate. While some instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate setting methodology, not all instruments may have such provisions and there are significant uncertainty regarding the effectiveness of any such alternative methodologies. As such, the potential effect of a transition away from such rates on the Funds or the financial instruments in which the Funds invest cannot yet be determined.

The process of replacing IBOR-based rates with a new risk free rate ("RFR") may result in higher volatility and lower liquidity in IBOR-based rates in any period before the IBOR-based rates are definitively discontinued. There can be no guarantee that the switch from IBOR-based rates to RFRs across different instruments and currencies will be coordinated or occur at the same time. Mismatches may therefore arise between different assets and liabilities creating unexpected gains and/or losses. The change from IBOR-based rates to RFRs may threaten the applicability of hedge accounting both on a historic and forward looking basis. The International Accounting Standards Board has stated that it will consult on and issue guidance, including around grandfathering of IBOR-referencing hedges. IBOR-based rates are conceptually different to overnight RFRs. There can be no guarantee that forward-looking RFR rates will be available for the same designated maturities as the current IBOR-based rates. Accordingly, the amount of any payment referencing an RFR may not be finally determined until the end of the relevant calculation period, rather than at the beginning, increasing the risk of administrative errors and funding shortfalls.

Business Continuity and Disaster Recovery. JCF's, the Funds' and their portfolio companies' business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages or unforeseen epidemic outbreaks. Although JCF has implemented various measures to manage risks relating to these types of events, there can be no assurances that all

contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Funds may be adversely affected.

Cyber Security Breaches and Identity Theft. Cyber security incidents and cyber-attacks have been occurring globally with more frequency and at a more severe level and will likely continue to increase in frequency in the future. Each Fund, its portfolio companies', and their service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information, including nonpublic personal information and material nonpublic information. Although JCF&Co has implemented, and the Funds' portfolio companies and their service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. In addition, JCF&Co, a Fund, and/or a portfolio company may have to make a significant investment to fix or replace such failed systems. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in JCF&Co's, a Fund's, and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to limited partners (and their beneficial owners), material nonpublic information in possession of and the intellectual property and trade secrets and other sensitive information of JCF&Co and/or portfolio companies. Such a failure could harm JCF&Co's, a Fund's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims, regulatory action or enforcement arising out of applicable privacy or other laws and adverse publicity and otherwise affect their business and financial performance. In addition, JCF&Co does not control the cyber security plans and systems put in place by third party service providers, and such third-party service providers may have limited indemnification obligations to JCF&Co, a Fund and/or a portfolio company, each of whom could be negatively impacted as a result.

Misconduct of JCF&Co Personnel or Third-Party Service Providers. There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry, and there is a risk that employee misconduct could occur with respect to a Fund. Misconduct by employees or by third-party service providers could cause significant losses to a Fund. Employee misconduct could include, among other things, (i) binding a Fund to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or

(ii) concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or (iii) otherwise charging (or seeking to charge) inappropriate expenses to a Fund or JCF&Co. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future activities. Furthermore, because of JCF&Co's diverse businesses and the regulatory regimes under which they operate, misdeeds by a JCF&Co entity (or its personnel) may result in foreclosing a Fund's ability to conduct its activities in the manner otherwise intended. It is not always possible to detect misconduct by employees or service providers, and the precautions JCF&Co takes to deter and prevent this activity may not be effective in all cases.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies. Before making portfolio investments, JCF will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each portfolio investment. Due diligence entails evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, credit rating agencies, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment, the costs of which will be borne by the Fund. Such involvement of third-party advisors or consultants presents a number of risks primarily relating to JCF's reduced control of the functions that are outsourced. In addition, if JCF is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, JCF relies on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that JCF carries out with respect to any investment opportunity may not reveal or highlight all relevant facts necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. Moreover, such an investigation will not necessarily result in the portfolio investment being successful. There can be no assurance that attempts to provide downside protection with respect to portfolio investments will achieve their desired effect and potential investors should regard an investment in the Funds as being speculative and having a high degree of risk.

There can be no assurance that the Funds will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the portfolio investments on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, the Funds may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of the Funds' securities and/ or instruments in such portfolio company. The Funds rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or

completeness. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Counterparty Risk. The Funds are exposed to the risk that third parties that may owe the Funds or their portfolio companies money, securities or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other financial intermediaries. These parties may default on their obligations to the Funds or their portfolio companies, due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have long-term obligations to make payments to the Funds or their portfolio companies, or executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Also, any practice of rehypothecation of securities of the Funds or their portfolio companies held by counterparties could result in the loss of such securities upon the bankruptcy, insolvency or failure of such counterparties.

Public Disclosure. Some of the interests in the Funds may be held by investors, such as public pension plans and listed investment vehicles, which are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to the Funds or their portfolio companies results from interests being held by public investors, the Funds may be adversely affected. JCF may, in order to prevent any such potential disclosure, withhold information otherwise to be provided to such public investors. Conversely, potential future regulatory changes applicable to investment advisors and/or the accounts they advise could result in JCF and/or the Funds becoming subject to additional disclosure requirements the specific nature of which is as yet uncertain.

Limited Access to Information. Investors' rights to information regarding the Funds are specified, and strictly limited, in the applicable partnership agreement. In particular, it is anticipated that JCF will obtain certain types of material information from portfolio investments that are not be disclosed to investors because such disclosure is prohibited for contractual, legal or similar obligations outside of JCF's control. Decisions by JCF to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its Interests may have difficulty in determining an appropriate price for such Interests. Decisions to withhold information also may make it difficult for investors to monitor JCF and its performance. Additionally, it is expected that investors who designate representatives to participate on the LP committee of a Fund may, by virtue of such participation, have more information about the Fund and portfolio investments in certain circumstances than other investors generally and may be disseminated information in advance of communication to other investors generally.

Non-U.S. Investments. Non-U.S. investments involve certain factors not typically associated with investing in the United States, including risks relating to (i) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (ii) certain economic and political risks, including potential exchange-control regulations and restrictions on non-U.S. investments and repatriation of capital, the risks associated with political, economic or social instability and the possibility of expropriation or confiscatory taxation; (iii) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and differences in government supervision and regulation; and (v) less developed laws regarding corporate governance, fiduciary duties and the protection of investors.

United Kingdom Relations with the European Union (“EU”). The UK formally left the EU on January 31, 2020. There followed an implementation period, during which EU law continued to apply in the UK and the UK maintained its EU single market access rights and EU customs union membership. The implementation period expired on December 31, 2020. Consequently, the UK has become a third country vis-à-vis the EU, without access to the single market or membership of the EU customs union.

On December 30, 2020, the UK and the EU signed a trade and cooperation agreement (the “TCA”) to govern their on-going relationship. The TCA was officially ratified by the UK Parliament on December 30, 2020, and is currently awaiting ratification by the EU Parliament and Council. The TCA has applied provisionally since January 1, 2021, pending the EU’s formal ratification. It is anticipated that further details of the relationship between the UK and the EU will continue to be negotiated even after formal ratification of the TCA.

Over time, UK regulated firms and other UK businesses may be adversely affected by the terms of the TCA (assuming it is formally ratified by the EU), as compared with the position prior to the expiry of the implementation period on December 31, 2020. For example, the TCA introduces new customs checks, as well as new restrictions on the provision of cross-border services and on the free movement of employees. These changes have the potential to materially impair the profitability of a business, and to require it to adapt or even relocate.

Although it is probable that any adverse effects flowing from the UK’s withdrawal from the EU will principally affect the UK (and those having an economic interest in, or connected to, the UK), given the size and global significance of the UK’s economy, unpredictability about the implications of its withdrawal from the EU, the EU (and countries outside the EU) is likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The consequences flowing from the withdrawal of the UK from the EU could therefore adversely affect the Funds and their portfolio companies. In addition, although it seems less likely now than at the time of the UK’s referendum, the withdrawal of the UK from the EU could have a further

destabilizing effect if any other member states were to consider withdrawing from the EU, presenting similar and/or additional potential risks and consequences to the Funds and their portfolio companies.

Following the UK's withdrawal from the EU, over time there is likely to be increased divergence between the UK and the EU on legal, political and economic matters. It is possible that this may affect the eligibility of the Funds for certain UK investors if such investors become subject to restrictions on their ability to invest in vehicles established outside the UK and/or managed by a manager situated outside the UK. As a consequence, UK investors may be forced to sell or otherwise dispose of interests in the Funds. Furthermore, investment in the Funds may become less attractive for certain UK investors, in the event of increased capital charges or capital requirements or different quota allocations for investors.

Investments in Highly Leveraged Companies; Use of Leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Investments may involve varying degrees of leverage, which could magnify the impact of circumstances such as unfavorable market or economic conditions, operating problems and other changes that affect the relevant portfolio company or its industry, resulting in a more pronounced effect of such circumstances on the profitability or prospects of such companies.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that a Fund will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital. In addition, if a Fund makes only a limited number of investments, the aggregate returns realized by the Fund's investors could be adversely affected in a material manner by the unfavorable performance of even one such investment.

Illiquid and Long-Term Investments. Investment in a Fund may require a long-term commitment with no certainty of return. Many of a Fund's investments are highly illiquid, and there can be no assurance that a Fund will be able to realize such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in in-kind distributions to the investors. Although investments occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such investment.

Controlling Interests. Because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund may often be considered to control, participate in the management of or influence the conduct of portfolio companies. Under certain circumstances such ownership or roles could be used by third parties as the basis for such parties to assert claims against the Fund or its affiliates whether or not there is any actual liability on such basis. If these liabilities were to arise, a Fund may suffer a significant loss.

Minority Investments. A Fund may invest in securities where it is not a lead or organizing investor. In such cases, a Fund may not be able to exert significant influence or protect its position in a portfolio company. A Fund will be significantly reliant on the existing management and board of directors of such portfolio companies and may be exposed to risks related to third party co-investors. For example, the board and/or third-party co-investors may include representation of other financial investors with whom a Fund is not affiliated or other third parties whose interests may be contrary to a Fund's investment objectives and may conflict with such Fund's interests.

Investments Longer than Term. A Fund may make investments which may not be advantageously disposed of prior to the date such Fund will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Limited Number of Investments. A Fund may participate in a limited number of investments and, as a consequence, the aggregate return of such Fund may be substantially adversely affected by the unfavorable performance of a single investment. In addition, other than as set forth in the applicable Fund's governing documents, investors have no assurance as to the degree of diversification of a Fund's investments.

Legal, Tax and Regulatory Changes. Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect such Fund. There is a material risk that regulatory agencies in the United States, Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including a Fund.

Financial Industry Regulation. The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), Basel III as well as future related legislation, may have an adverse effect on the private equity industry generally or on JCF or a Fund, specifically. There can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on JCF or otherwise impede a Fund's activities.

Financial services regulation has increased significantly in recent years, and may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or Congressional leadership. The current regulatory environment in the U.S. may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. Potential investors should note that any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on the Funds and their activities. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or the Funds or JCF, specifically. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Reform Act") was signed into law. Among other regulatory changes, the Reform Act amends

various sections of the Dodd-Frank Act, including by modifying the so-called “Volcker Rule” to exempt depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule’s current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by proposing new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds and family wealth management vehicles (the “Covered Fund Amendments”). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments therefore should expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act on the Funds and their activities remain uncertain and it remains unclear whether any particular other legislative or regulatory proposals will be enacted or adopted. In addition, it is not possible to determine the full extent of any impact on the Funds or any of their investments of any such potential financial reform legislation, or whether any such proposal will become law. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on, or otherwise impede, the Funds’ or JCF’s activities.

As a registered investment adviser under the Advisers Act, JCF and its affiliates are required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including, without limitation, the obligation of the Firm and its affiliates to make regulatory filings with respect to the Funds and its activities under the Advisers Act (including, without limitation, Form PF and Form ADV)). In addition, JCF is required to comply with a variety of regulatory reporting and compliance-related obligations under other applicable laws (including AIFMD, SFDR and CFTC). In light of the heightened regulatory environment in which the Funds and JCF operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Funds, JCF and their affiliates to comply with such regulatory reporting and compliance-related obligations. For example, Form PF requires that JCF report the regulatory assets under management of the Funds, and because the Funds will be required to bear the Funds’ share of expenses relating to compliance-related matters and regulatory filings, the Funds will bear the pro rata costs and expenses of initial and ongoing Form PF compliance, including costs and expenses of collecting and calculating data and the preparation of such reports and filings. Certain of these expenses are likely to be material, including on a cumulative basis over the life of the Funds. Additionally, the Funds have engaged and may in the future engage additional third-party service providers to perform some or a significant portion of the reporting and compliance-related matters and functions under the Funds’ supervision (including, without limitation, draft

preparation and the filing of Form PF), which could result in increased compliance costs and expenses borne by the Funds. Any further increases in the regulations applicable to private investment funds generally or the Funds and JCF in particular may result in increased expenses associated with the Funds' activities and additional resources of JCF being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for the limited partners and have an adverse effect on the ability of the Funds to effectively achieve their investment objectives.

JCF is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the U.S., are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against JCF or its personnel. Moreover, the SEC has specifically focused on the alternative investment industry. The SEC's list of examination priorities includes, among other things, alternative investment firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. JCF is regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which JCF routinely cooperates and, in the current environment, even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction, or the sanction imposed against JCF or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of sanctions could harm JCF or the Funds.

Force Majeure Risk. Investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to the Funds or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a portfolio company or the Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds may invest specifically. Additionally, a major governmental intervention into an industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Funds,

including if their investments in such portfolio companies are cancelled, unwound or acquired (which could be without what the Funds consider to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Funds and their investments. See also “—Public Health Risk” below.

Public Health Risk. Countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, a novel and highly contagious form of coronavirus (“COVID-19”), which, as of the date hereof, the World Health Organization has declared to constitute a global pandemic. The outbreak of COVID-19 has resulted in, among other events, unprecedented global travel restrictions and regional and country-wide quarantines, slowing and/or the complete idling of certain significant U.S. and global businesses and sectors and general economic and market turmoil and uncertainty. Further, key U.S. public health officials expect COVID-19 may continue to worsen in the near term with additional waves of infection across changes in seasons. The impacts on markets, business activity and the U.S. and global economy, as well as potential changes in U.S. economic and fiscal policies that may be adopted to address the pandemic and related externalities, are not yet fully identified or understood. In this regard, views and other forward looking statements expressed in the private placement memorandum or other offering document for the Funds are based upon assumptions that may no longer be valid. Any public health emergency or pandemic, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the future threat thereof, could negatively impact the Funds and their portfolio companies and could meaningfully affect each Fund’s ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on any Fund’s and portfolio company’s operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of the portfolio companies, a Fund’s ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and a Fund’s ability to achieve its investment objectives, all of which could result in significant losses to a Fund. Any such disruptions may continue for an extended period of time. In addition, the operations of the Funds, the portfolio companies, and JCF may be

significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and is expected to continue to be substantial.

In addition, in connection with the impacts of the current pandemic and any future such public health crisis, the Funds are expected to incur heightened legal expenses which could similarly have an adverse impact to their returns. For example, but not by limitation, the Funds or their portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Funds and/or their investments. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to the Funds or their portfolio companies in the form of economic harm, data loss or other negative outcomes.

Further, an extended period of remote work arrangements could strain the Funds' or their portfolio companies' business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair the Funds' or their portfolio companies' ability to manage their businesses.

Unregistered Securities. Notwithstanding that JCF&Co is registered as an investment adviser under the Advisers Act, and that the Funds may be considered similar in some ways to investment companies, the Funds are not required and do not intend to register as such under the Investment Company Act of 1940 and, accordingly, investors are not afforded the protections of such act.

Indemnification. Each Fund generally is required to indemnify its general partner, its investment adviser, their affiliates and each of their respective members, officers, directors, employees, consultants, advisors, senior advisors, stockholders, shareholders, partners and other persons who serve at the request of its general partner on behalf of the relevant Fund for liabilities incurred in connection with the affairs of such Fund. JCF typically engages placement agents and other similar finders and consultants in connection with the offering of interests in a Fund and, to the extent permitted by such Fund's governing agreements, causes such Fund to indemnify such agents, finder or consultants. Where applicable, members of an investment committee of investors unaffiliated with JCF&Co of such Fund will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the applicable Fund's governing documents. As a result of the provisions contained in the governing agreement of a Fund, investors in such Fund will in certain cases have a more limited right of action against the general partner than it would in the absence of such limitations.

Failure to Make Capital Contributions. If a limited partner fails to pay when due installments of its commitment to a Fund, and the capital contributions made by non-defaulting investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, a Fund may

be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investors).

Diverse Investor Group. Investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. As a consequence, conflicts of interest may arise in connection with decisions made by the general partner or investment adviser of a Fund, 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 limited partners' individual tax situations.

No Market for Interests; Restrictions on Transfers. Interests in the Funds have not been registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in the Funds and one is not expected to develop. An investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the general partner of the applicable Fund, which consent may be given or withheld in accordance with the governing documents of the applicable Fund. Withdrawals from the Funds are generally not permitted, and there most likely will be little or no near-term cash flow available to investors as a result of owning the interests. Investors must be prepared to bear the risks of owning interests in the Funds for an extended period of time.

Use of Leverage. Incurrence of indebtedness at the level of the applicable Fund (or entity through which it invests) may, among others, have the following consequences to the investors, including, but not limited to: (i) greater fluctuations in the net asset value of such Fund's assets; (ii) use of cash flow (including capital contributions) for debt service, distributions, or other purposes; (iii) to the extent that Fund revenues are required to meet principal payments, the partners may be allocated income (and therefore tax liability) in excess of cash distributed and (iv) in certain circumstances, a Fund may be required to dispose of investments at a loss or otherwise on unattractive terms in order to service its debt obligations or meet its debt covenants. There can be no assurance that the Fund will have sufficient cash flow to meet its debt service obligations. As a result, such Fund's exposure to foreclosure and other losses may be increased due to the illiquidity of its investments.

Borrowings are typically secured by assignment of the obligations of the investors to make capital contributions to the applicable Fund and a security interest in portfolio investments. The impact of such borrowing (net of associated costs) increases leverage and results in a higher reported internal rate of return for a Fund than would otherwise be the case had such Fund called capital from investors to fund such investment (in lieu of utilizing such leverage).

Cayman Islands Regulatory Oversight. Certain Funds established in the Cayman Islands may be required to register and be regulated as a private fund under the Private Funds Act (As Revised) (the “Private Funds Act”) of the Cayman Islands. Once registered, the Cayman Islands Monetary Authority (the “Authority”) will have supervisory and enforcement powers to ensure any such vehicle’s compliance with the Private Funds Act. The Authority may take certain actions if it is satisfied that a regulated private fund is or is likely to become unable to meet its obligations as they become due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on or is attempting to carry on business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include, *inter alia*, the power to require the substitution of the general partner of such vehicle, to appoint a person to advise such vehicle on the proper conduct of its affairs or to appoint a person to assume control of the affairs of such vehicle. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

Compliance with the AIFM Directive. The European Union Alternative Investment Fund Managers Directive: The European Union Alternative Investment Fund Managers Directive (the “Directive”) imposes requirements on non-European Economic Area (“EEA”) investment fund managers (“AIFMs”) which market alternative investment funds (“AIFs”) to professional investors within the EEA.

These requirements have the potential to adversely affect a Fund, including by (i) affecting the range of investment and realization strategies that the Fund is able to pursue, (ii) limiting the territories in which the Fund may seek investors, and (iii) materially adding to the costs associated with compliance, monitoring and reporting. Restrictions on early distributions or reductions in capital in respect of EEA-based portfolio companies (so-called “anti-asset-stripping” rules) may limit the use of certain investment and realization strategies, such as dividend recapitalizations and reorganizations by the Fund. Some member states do not currently allow the marketing of AIFs by non-EEA AIFMs. Some member states impose additional requirements which make it disproportionately burdensome to market a non-EEA AIF in that member state. Certain competitors may not be subject to the Directive’s requirements, with the result that the Fund may be at a relative disadvantage. Where JCF has marketed an AIF in a member state in compliance with the national private placement regime and that marketing has resulted in investors in that member state investing in the AIF, JCF’s ongoing compliance with the reporting and other requirements of that member state will continue at least until all of such investors dispose of their interests in the AIF. Compliance with these requirements may therefore result in significant additional costs for the Funds. In the future, it may be possible for non-EEA AIFMs to market an AIF within the EEA pursuant to a pan-European marketing “passport” instead of under national private placement regimes, provided that the AIFM complies with all relevant provisions of the Directive. If the applicable non-EEA investment fund manager sought to comply with the requirements needed to use the passport, this could have other adverse effects including, among

other things, increasing the regulatory burden and costs of operating and managing a Fund and its investments.

The implementation of the AIFMD could also expose JCF to disparate or conflicting regulatory requirements under the laws of the United States. The foregoing risks could adversely affect the Funds.

European Commission Action Plan on Financing Sustainable Growth. The European regulatory environment for alternative fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the “EU Action Plan”) to set out an EU strategy for sustainable finance. The EU Action Plan identified several legislative initiatives, including the Sustainable Finance Disclosure Regulation (the “SFDR”) which will apply beginning March 10, 2021. The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in AIFM’s processes and the provision of sustainability-related information with respect to AIFs, which may have an impact on certain of the Funds.

A Fund may be subject to the requirements of the SFDR, which include: (i) publishing information on its website about its policies on the integration of sustainability risks in its investment decision-making process, (ii) publishing on its website: (A) a detailed statement on its due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking into account its size, the nature and scale of their activities, or (B) clear reasons for why it does not do so, including, where relevant, information as to whether and when it intends to consider such adverse impacts, (iii) publishing on its website and including in its remuneration policies maintained in accordance with sectoral legislation, information on how remuneration policies are consistent with the integration of sustainability risks, and (iv) ensuring that marketing communications do not contradict the information disclosed pursuant to the SFDR. The SFDR also requires AIFMs to include sustainability related information in an AIF’s pre-contractual disclosures and periodic reports, and, depending on the strategy of its AIF(s), on websites.

If acting as a delegate undertaking portfolio management for an authorized AIFM, JCF may be subject to remuneration requirements. Any required changes to compensation structures and practices could make it harder for JCF to recruit and retain key personnel, thereby potentially affecting the Funds. The SFDR could also expose JCF to conflicting regulatory requirements in the United States.

The Funds will bear the costs and expenses of compliance with the SFDR and any other applicable legislation or regulations related to the EU Action Plan, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and report. It is difficult to predict the full extent of the impact of the SFDR and the EU Action Plan on the Funds and on JCF. JCF reserves the right to adopt such arrangements as it deems necessary or desirable to comply with

any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan.

European Union General Data Protection Regulation. On May 25, 2018, the EU General Data Protection Regulation (“GDPR”) replaced the existing data protection directive and, as a regulation, has direct effect in all EU member states. Although a number of the existing principles for the protection of personal data will remain, the GDPR is designed to harmonize data privacy laws across Europe and change the way organizations approach data privacy. The GDPR introduces new obligations and expands its territorial reach. It applies to (i) all organizations that process personal data of EU ‘data subjects’ in the context of an establishment in the EU (regardless of whether the processing takes place in the EU) and (ii) organizations outside the EU that offer goods or services to data subjects in the EU, or that monitor the behavior of EU data subjects. Personal data is information that can be used to identify a natural person, including a name, a photo, an email address, or a computer IP address. For those subject to it, compliance with the GDPR will require organizations to analyze and evaluate how they handle data in the ordinary course of their business. The introduction of the GDPR, and any resultant changes in EU member states’ national laws and regulations, may increase JCF’s compliance obligations and may necessitate the review and implementation of policies and processes relating to JCF’s collection and use of data. The costs of compliance with the GDPR and the potential for fines and penalties in the event of a breach may have an adverse impact on the Funds. More specifically, the GDPR requires organizations to demonstrate compliance and to provide much more detailed information to data subjects regarding processing and their rights. EU data subjects will need to be given full disclosure about how their personal data will be used and informed about their rights with respect to their data; consent, where permitted as a legal basis for processing, must be explicit and can be withdrawn at any time; companies must be in a position to give effect to the rights of data subjects, which means having the necessary systems and organization to identify, retrieve and, if appropriate, correct or delete personal data held on their global data systems. Penalties for non-compliance are material. The more serious breaches of GDPR could incur a fine of up to the greater of €20 million or 4% of global group turnover in the preceding year.

Data Protection. Prospective investors should note that personal data must be supplied in order for an investment in the Funds to be made and for that investment in the Funds to continue. Certain personal data must be supplied to enable the investment to be redeemed. If the required personal data is not provided, a prospective investor will not be able to invest or continue to invest in the Funds.

A Fund’s use of personal data is governed by the Cayman Islands Data Protection Law, 2017 and, in respect of EU data subjects, the EU General Data Protection Regulation (together, the “Data Protection Legislation”).

Under the Data Protection Legislation, individual data subjects have rights and the Funds, as data controllers, have obligations with respect to the processing of personal data by the Funds and their affiliates and delegates, including, but not limited to, their administrators. Breach of the

Data Protection Legislation by the Funds could lead to enforcement action. Each Fund's privacy notice provides information on the Fund's use of personal data under the Data Protection Legislation. A Fund's privacy notice is contained in the global commitment agreement and is made available to existing investors via routine investor communications.

If you are an individual prospective investor, the processing of personal data by and on behalf of the Funds is directly relevant to you. If you are an institutional investor that provides personal data on individuals connected to you for any reason in relation to your investment with us (for example, directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), this will be relevant for those individuals and you should transmit the privacy notice to such individuals or otherwise advise them of its content.

Terrorism Risk. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased instability in world financial markets and increased volatility in prices for commodities and could affect the Funds' financial results. Portfolio companies may involve significant strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near such assets would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage.

Investments in Which Another Fund Has a Different Principal Investment. A Fund may invest in companies or other entities in which funds, vehicles or accounts managed by JCF&Co (or JCF&Co or its personnel) have or are concurrently making a different principal investment (e.g., a different equity or debt investment) at the time of the Fund's investment, and investment funds that have been or may be formed by JCF&Co (including, e.g., a fund focusing on debt investments) or JCF&Co personnel may invest in companies or other entities in which the Fund has made an investment. In addition, after the Fund has made an investment in a portfolio company, a fund, vehicle or account managed by JCF&Co, or JCF&Co personnel may make a different principal investment (e.g., a different equity or debt investment) in such portfolio company. In such situations, the Fund and such other JCF&Co funds, vehicles or accounts or JCF&Co personnel, as applicable, may have conflicting interests (e.g., over the terms of their respective investments). If the portfolio company in which the Fund has a portfolio investment that is senior to, or of a different type than, the investment by such other funds, vehicles or accounts or JCF&Co personnel becomes distressed or defaults, JCF&Co may have conflicting loyalties between its duties to the Fund and to other funds, vehicles or accounts managed by it (or otherwise have a conflict of interest with respect to such other funds, vehicles or accounts or JCF&Co personnel). Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest. It is possible that in a bankruptcy proceeding the Fund's

interest may be subordinated or otherwise adversely affected by virtue of the involvement and actions of an affiliate of JCF&Co relating to its investment.

Hedging Policies/Risks. In connection with the acquisition, holding or disposition of certain portfolio investments, a Fund, on behalf of itself or any co-investment vehicles or any parallel Funds, may employ hedging techniques designed to reduce certain risks, including, among others, adverse movements in interest rates, securities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. JCF&Co may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments. There can be no assurance that any risk management procedure will be effective in reducing risks associated with the use of hedging techniques or that the use of such techniques by the Fund will not result in poorer overall performance for the Fund than if it had not utilized such techniques.

Currency and Exchange Rate Risks. A portion of a Fund's portfolio investments, and the income received by a Fund with respect to such portfolio investments, may be denominated primarily in currencies other than the currency in which contributions to and distributions from the Fund generally will be made. Accordingly, changes in currency exchange rates may adversely affect the value of the Fund's portfolio investments, interest and dividends received by the Fund, gains and losses realized on the sale of portfolio investments and the amount of distributions, if any, to be made by the Fund. In addition, the Fund will incur costs in converting investment proceeds from one currency to another.

OFAC and FCPA Considerations. Economic sanction laws in the United States and other jurisdictions may prohibit JCF, JCF's professionals and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may restrict a Fund's investment activities.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. JCF, the JCF professionals and the Funds are committed to complying with the U.S. Foreign Corrupt Practices Act (“FCPA”) and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Funds may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities and for portfolio companies to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. While JCF has developed and implemented policies and procedures designed to ensure strict compliance by JCF and its personnel with the FCPA and other applicable anti-corruption and anti-bribery laws, such policies and procedures may not be effective in all instances to prevent violations. In addition, notwithstanding JCF’s policies and procedures, affiliates of portfolio companies, particularly in cases where the Funds or another JCF sponsored fund or vehicle does not control such portfolio company, may engage in activities that could result in FCPA violations or violations of other applicable anti-corruption or anti-bribery laws. Any determination that JCF has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject JCF to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, reputational risk and a general loss of investor confidence, any one of which could adversely affect JCF’s business prospects and/or financial position, as well as a Fund’s ability to achieve its investment objective and/or conduct its operations.

Capital Calls and Use of Subscription Lines and Asset-Backed Facilities. JCF&Co may borrow for any purpose relating to the activities of a Fund under one or more revolving credit facilities (the collateral for which can be, for example, one or more assets of the Fund, i.e., asset-backed facilities, or the undrawn capital commitments of investors, i.e., subscription lines) prior to calling capital commitments. Capital calls, including those used to pay interest on subscription lines, asset-backed facilities and other indebtedness, may from time to time be “batched” together into larger, less frequent capital calls, with the Fund’s interim capital needs being satisfied by the Fund borrowing money from such credit facilities. In addition, the batching of capital calls may amplify the magnitude of potential defaults by limited partners as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on limited partners and/or limited partners facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of a subscription facility may impair a limited partner’s ability to transfer its interest in the applicable Fund as a result of restrictions imposed on such transfers by the lender. The Fund may hold any such portfolio investments without repayment of such borrowings for such time as deemed appropriate by JCF&Co and in accordance with the

Fund's governing documents, potentially including through disposition of such portfolio investment. The interest expense and other costs of any such borrowings will be Fund expenses and, accordingly, may decrease net returns of the Fund. Interest may accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions are actually made to the Fund. Accordingly, borrowings by the Fund may support the distribution of proceeds to limited partners and increase the potential carried interest, which in turn can give rise to conflicts of interest. In addition, calculations of reported net and gross internal rates of return and performance data with respect to the Fund are generally based on the payment date of capital contributions received from limited partners. As a result, use of such borrowings will affect the calculation and reporting of returns (either positively or negatively) to limited partners, including by potentially enhancing internal rates of return.

Valuation of Fund Interests and Investments. There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, JCF&Co will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and differs from the prices at which such securities may ultimately be sold. Because there is significant uncertainty as to the valuation of illiquid investments, the values of such investments may not necessarily reflect the values that could actually be realized by a Fund. Under certain conditions a Fund may be forced to sell investments at lower prices than it had expected to realize or defer, potentially for a considerable period of time, sales that it had planned to make. In addition, under limited circumstances, JCF&Co may not have access to all material information relevant to a valuation analysis with respect to an investment. As a result, the valuation of a Fund's portfolio investments, and as a result the valuation of the interests in the Fund themselves, may be based on imperfect information and is subject to inherent uncertainties. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by JCF&Co gives rise to conflicts of interest, valuations impact JCF&Co's track record and the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculation of management fees.

Item 9 – Disciplinary Information

JCF&Co does not have any disclosure applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

- A. An affiliate of JCF&Co, J.C. Flowers Securities Co. LLC ("JCF Securities"), is registered with the SEC as a limited purpose broker-dealer and is a member of the Financial Industry Regulatory Authority

("FINRA"). JCF Securities is authorized to provide investment and M&A advisory services to third party clients, as well as to conduct private placements of securities. JCF Securities expects to engage in such activities infrequently on an ad hoc basis. JCF Securities does not intend to hold funds or securities for, or owe money or securities to, clients generally. Certain of the Firm's management persons are registered representatives of JCF Securities. Certain fees described in Item 5 above are payable to JCF Securities.

- B. Neither JCF&Co nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. An affiliate of JCF&Co generally serves as the general partner (or similar managing body) of each Fund. For a description of potentially material conflicts of interest created by the relationship among JCF&Co and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

J.C. Flowers & Co. UK LLP ("JCF UK"), a subsidiary of JCF&Co, renders investment sub-advisory services to JCF&Co, primarily with respect to investment opportunities in Europe. JCF UK is registered with the UK Financial Conduct Authority pursuant to the United Kingdom's Financial Services Act 2012.

Because JCF&Co's investment strategy is focused on the financial services industry, the Funds have portfolio investments in various types of financial institutions, including but not limited to retail, commercial and investment banks and thrifts, asset management and brokerage houses, and insurance and reinsurance companies, some of which provide investment advisory services. Some of these investments may be deemed "controlled" investments. As a result, certain conflicts of interest with the Fund may arise; for example, as described in Item 11, investment opportunities that may be appropriate for the Funds may be allocated in whole or in part to such entities. However, JCF&Co does not believe such conflicts of interest to be material. In addition, JCF&Co has policies and procedures in place that are designed to mitigate these types of conflicts of interest, although there can be no assurances that such policies and procedures will be effective.

JCF&Co does not recommend, select or receive compensation directly or indirectly from other investment advisers for its Clients or have other business relationships with other investment advisers that are expected to create a material conflict of interest.

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

- A. JCF&Co has adopted a Code of Ethics (the "Code") that sets forth standards of business conduct for its employees. Pursuant to the Ethics Policy set forth in the Code, JCF&Co personnel are required to comply with applicable laws and regulations and make prompt reports of any actual or suspected violations of such laws by JCF&Co or its personnel. JCF&Co personnel who violate the Code may be subject to remedial actions, including, but not limited to, suspension or

dismissal. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of JCF's personnel. The Code requires that personnel pre-clear certain public and private personal securities transactions, report personal securities transactions on at least a quarterly basis and provide JCF&Co with a summary of personal securities holdings at least annually. The Code also addresses confidentiality and insider trading, and expressly prohibits personnel from disseminating material nonpublic information or using such information to inappropriately benefit any party through securities trading activities. Personnel are required to provide a written certification as to their compliance with the Code on an annual basis.

Copies of JCF's Code will be provided to any existing or prospective Client upon request.

- B. From time to time, consistent with a Fund's investment objectives and subject to satisfaction of the policies and procedures set forth in the Code, the Firm's compliance manual (the "Compliance Manual"), the Fund's governing documents and applicable law, JCF&Co has recommended, and may in the future recommend, that a Fund acquire or sell securities in which a JCF&Co related person has a pre-existing direct or indirect interest, and an affiliate of JCF has caused, and may in the future cause, the Fund to effect the recommended transaction. A potential conflict of interest could arise in that the interested JCF&Co related person could benefit from such a purchase or sale of the applicable security by a Fund. However, the Firm has policies and procedures designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions. Certain terms of the Funds' governing documents and the equity participation of JCF&Co related persons in the Funds further mitigate such conflicts.
- C. From time to time, subject to compliance with the policies and procedures set forth in the Code, the Compliance Manual, the Fund's governing documents and applicable law, a JCF&Co related person has acquired and sold, and may in the future acquire or sell securities of a company in which a Fund has a pre-existing direct or indirect interest. Such securities have in the past and could in the future be senior in the capital structure to the securities held by a Fund. A potential conflict of interest could arise in that the interested JCF&Co related person could benefit from the Fund's ownership of, or subsequent sale of, the applicable company or security. However, the Code and the Compliance Manual are designed to identify and manage conflicts of interest to the extent they arise in connection with the personal securities transactions and other investment activities of JCF&Co related persons. In particular, the Code requires that JCF related persons abide by policies and procedures, including a pre-clearance procedure, in connection with their personal securities trading activities, and such activities are monitored under the Code to ensure compliance with such policies and procedures.
- D. From time to time, in appropriate circumstances and subject to compliance with the policies and procedures set forth in the Code, the Compliance Manual and the Fund's governing documents, JCF&Co has established, and may in the future establish, certain investment vehicles through which JCF&Co personnel and other related persons or business associates may invest alongside a Fund in one or more investment opportunities. Such vehicles, referred to as "co-investment

vehicles,” generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the applicable Fund that is invested in that investment opportunity. Such co-investment vehicles are generally not required to pay management fees or carried interest (but in some cases do pay maintenance fees, administrative fees and one-time funding fees). The general partner may permit certain strategic investors (which may consist of third parties or limited partners) to invest in transactions in which the Funds invest if JCF&Co determines in good faith that their investment will provide business benefits to a Fund in sourcing, consummating, managing or exiting portfolio investments (including where an investor can invest or commit to invest a significant amount of capital in a short period of time). See “Allocation of Investment Opportunities” below for further information regarding allocation of co-investments.

JCF has in the past formed and may in the future form managed accounts to permit an investor to participate in investments pursued by a Fund. Investment opportunities will be allocated between a Fund and a managed account as provided in the governing documents of such Fund and managed account.

Other Potential Conflicts of Interest

JCF&Co and its related entities engage in a broad range of activities, including investment activities for their own accounts and for the accounts of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. Investors should be aware that in the ordinary course of conducting its activities, there will be occasions when the interests of a Fund will conflict with those of JCF&Co, other Funds and/or their respective affiliates. Certain potential conflicts of interest are summarized below or described elsewhere herein. However, prospective investors should carefully consider all of the potential conflicts of interest and other risks related to investing in a Fund that are set forth in the private placement memorandum or other offering document for the applicable Fund.

Carried Interest. As described in Item 6, carried interest may create an incentive for the general partner of a Fund to make riskier or more speculative investments on behalf of such Fund than would be the case in the absence of this arrangement.

Other Fees. As described in Item 5, JCF&Co and its related persons have received and may in the future receive, from prospective portfolio companies, actual portfolio companies, the Funds or their respective affiliates, certain fees, for example monitoring fees, organization fees, set-up fees, financial advisory fees, transaction fees and other similar fees, either in cash or securities, termination, break-up and topping fees, and cash and non-cash directors’ fees, including any such fees payable in the form of warrants, options, derivatives and other rights in respect of securities owned by the Funds and otherwise. Such fees will be in addition to any Management Fees or carried interest paid by the Funds to JCF&Co. This creates a conflict of interest between JCF&Co and its affiliates and the Funds and their investors because the amounts of these fees and reimbursements may be substantial and the Funds and their investors generally do not have an

interest in these fees and reimbursements. JCF&Co determines the amount of these fees and reimbursements in its own discretion, subject to the Fund partnership agreements, agreements with sellers, buyers, and negotiations with management teams, the board of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions. While the amount of fees paid to JCF&Co by the Funds and portfolio companies are disclosed to the LP committee, neither the LP committee nor the investors in a Fund are given the opportunity to review the agreements pursuant to which such fees are paid prior to their being finalized. Receipt of such fees will, in some circumstances, reduce the amount of Management Fees paid to JCF&Co and/or its affiliates by the applicable Fund as set forth in the applicable Fund's governing documents. The amount and nature of this reduction varies from Fund to Fund and is set forth in each Fund's Investment Advisory Agreement and/or other governing documents. As a general matter, the portion of fees received from portfolio companies that is allocable to capital invested by the applicable Fund (and not co-investors) will be applied to reduce the Management Fees of that Fund. As a general matter, the portion of fees received from portfolio companies that is allocable to capital invested by co-investment vehicles will be retained by JCF and will not be applied to reduce the Management Fees paid by a Fund (even if the governing agreements of such co-investment vehicles provide for lower or no management fees for the investors or participants therein). Maintenance fees, administrative fees and one-time funding fees received from co-investment vehicles will be retained by JCF (or an affiliate) and will not be applied to reduce the Management Fees paid by a Fund.

Allocation of Investment Opportunities. In connection with its investment activities, and subject to compliance with the policies and procedures set forth in Compliance Manual, JCF&Co has in the past and may in the future encounter situations in which it must determine how to allocate investment opportunities among various Clients and other persons, including but not limited to the Funds, portfolio companies of the Funds, co-investment vehicles that have been formed to invest side-by-side with one or more Funds (the investors in such co-investment vehicles may include employees, business associates and other "friends and family" of JCF or its personnel; individuals and entities that are also investors in one or more Funds ("JCF investors"); and/or individuals and entities that are not investors in any Funds ("non-LPs")) and investors whose co-investment JCF determines in good faith will provide business benefits to a Fund in sourcing, consummating, managing or exiting portfolio investments (including where an investor can invest or commit to invest a significant amount of capital in a short period of time) ("strategic investors"). In such circumstances, JCF will allocate such opportunities on a basis that JCF determines in good faith to be fair and equitable taking into account all factors JCF&Co deems relevant, including the applicable Investment Allocation Requirements (as defined below), the sourcing of the transaction, the nature of the investment in relation to the activities, investment focus, mandate or policies and target return profile or projected hold period of each applicable entity, the amounts of capital available for investment, confidentiality or other restrictions to which the firm is subject in being afforded access to such opportunity and other considerations deemed relevant by JCF in good faith. Specifically, JCF may allocate investment opportunities to a Fund or Client based on the anticipated targeted investment returns, Fund size and / or portfolio construction

based solely on JCF's expectations at the time such investments are made. However, there can be no assurances that the actual investment returns, Fund size and / or portfolio construction will be in line with such targets and such investments may as a result prove to have been suitable for another Fund. In the case where a strategic investor participates in a co-investment, such participation has in the past and may in the future reduce the amount available for co-investment by other investors, including limited partners in the Fund making the investment. In addition, JCF may seek to allocate a certain portion of a large investment to a Fund with the intention of raising co-investment to take up the remaining portion; however, there can be no assurances that the targeted amount of such co-investment funds will be raised, and the Fund may end up with a larger allocation than initially intended. Finally, JCF may enter into side letters or other similar agreements with investors in a Fund or managed account that include special rights with respect to co-investment (including the right to allocations of co-investment opportunities in excess of an investor's pro rata share based on capital commitments or other priority allocations of co-investment opportunities).

JCF&Co has in the past and may in the future offer co-investment opportunities with respect to certain Fund investments and is generally permitted to allocate any such opportunities to investors and / or third parties in its sole discretion, including for example, on the basis of the size of investor commitments to Funds. The allocation of co-investment opportunities may involve a benefit to JCF&Co including, without limitation, management fees, maintenance fees, administrative fees, one-time funding fees or carried interest from the co-investment opportunity, and capital commitments to Funds from investors who are granted such co-investment opportunities. JCF&Co is generally permitted to charge management fees, maintenance fees, administrative fees, one-time funding fees and/or carried interest in respect of co-investments. Any such fees are typically calculated solely with respect to each co-investment. For the avoidance of doubt, except as otherwise agreed by JCF&Co, investment in a Fund does not entitle investors to be presented with or otherwise participate in any co-investment opportunities.

The Funds are generally subject to investment allocation requirements (collectively, "Investment Allocation Requirements"), which may also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are set forth in the governing document pursuant to which the Fund was established (such as a Fund's limited partnership agreement or private placement memorandum), and may also be included in side letters. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow JCF discretion in making allocation decisions among the Funds, JCF will allocate opportunities in its sole discretion.

The appropriate allocation among the Funds, any managed accounts and co-investors of fees and expenses incurred in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by JCF and its affiliates in their good faith discretion, consistent with the policies and procedures of the Firm and the organizational

documents of the Funds, as applicable. Such “broken deal” expenses will generally not be allocated to managed accounts or co-investment vehicles and will be borne entirely by the applicable Fund unless the managed account or co-investment vehicle agrees to bear such “broken deal” expenses. If an investor in a Fund has been excused from or opted-out of a portfolio investment, JCF&Co generally expects to allocate expenses between such Fund and other Funds participating in the portfolio investment based on invested capital rather than committed capital, in accordance with the applicable Fund’s governing documents. There may be occasions when one Fund (the “Payor Fund”) pays an expense common to multiple funds (the “Allocated Funds”) (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, after the payment is made by the Payor Fund. While highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund.

In exercising its discretion to allocate investment opportunities and fees and expenses, JCF&Co is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, JCF may have an incentive to allocate investment opportunities to the Funds or investors from which the Firm or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

Material, Non-Public Information. By reason of their responsibilities in connection with their other activities, JCF&Co professionals may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be able to act upon any such information. Due to these restrictions, JCF&Co will not be able to initiate a transaction on behalf of a Fund that it otherwise might have initiated and will not be able to sell an investment that it otherwise might have sold.

Service Providers. Certain advisors and other service providers, or their affiliates, (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) to a Fund, JCF or their portfolio companies may also provide goods or services to or have business, personal, political, financial or other relationships with JCF, its affiliates, its employees and portfolio companies. Such advisors and service providers may be investors in a Fund, affiliates of JCF, affiliates of JCF employees or employees’ family members, sources of investment opportunities, investments of a Fund, or co-investors or counterparties therewith. These relationships may influence JCF in deciding whether to select or recommend such a service provider to perform services for a Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by the applicable Fund or portfolio company, as applicable).

In addition, JCF&Co has in the past and may in the future in its discretion, contract directly with, or recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with, a related person of JCF&Co or an affiliate (including but not limited to a portfolio company of a Fund). When making such a

recommendation, JCF&Co, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

In addition, JCF has engaged and expects to engage one or more advisors or service providers to perform certain functions in relation to the Funds, including but not limited to maintaining the books and records of the Funds calculations of carried interest, unpaid capital commitments, management fees, contributions and distributions, preparing contribution and distribution notices, maintaining an investor portal and posting to investors, assisting in the audit process, assisting with investor requests, preparing internal rate of return calculations and financial highlight ratios, preparing quarterly GAAP financial statements, providing domiciliation in foreign jurisdictions, preparing wire transfers, reconciling cash accounts, providing anti-money laundering and “know your client” services, and maintaining a database with investor information. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to JCF or its affiliates as compared to services provided to the Funds and their portfolio companies, which may result in more favorable rates or arrangements than those payable by the Funds or such portfolio companies.

Side Letters. The general partner of a Fund generally enters into side letters or other similar agreements with certain investors in connection with their admission to such Fund without the approval of any other investor. Such side letters or other similar agreements may alter and/or supplement the terms of the Fund’s governing documents in a manner that makes the terms applicable to such investors more favorable than those applicable to other investors. Such rights or terms in any such side letter may include, without limitation, (i) fee arrangements with respect to such investors; (ii) excuse rights applicable to particular investments or withdrawal rights from the Fund, including without limitation, as a result of an investor’s specific policies or certain violations of federal, state or non-U.S. laws, rules or regulations, such as so-called “pay-to-play” rules with respect to public pension plan investors, (which may materially increase the percentage interest of other investors in, and their contribution obligations, for future investments and expenses, and reduce the overall size of Fund); (iii) additional or modified reporting obligations of the applicable general partner; (iv) waiver of certain confidentiality obligations; (v) consent of the applicable general partner to certain transfers by such investor; (vi) special rights with respect to co-investment allocation and participation; (vii) rights or terms necessary in light of particular legal, public policy or regulatory characteristics of an investor; (viii) potential mandatory waivers of compensation as a result of certain violations of law with regard to public pension plan investors; (ix) additional obligations and restrictions of the general partner and the Fund with respect to the structuring of any particular investment in light of the legal, tax and regulatory considerations of particular investors; (x) agreements to assist with the taking or defending of tax positions; and (xi) certain obligations and restrictions on the general partner with respect to the exercise of its discretion on certain matters, including amendments, exercising default remedies and waiving confidentiality or terms. To the extent JCF&Co or a Fund incurs third-party expenses

in connection with compliance with a side letter provision, such expenses may be borne either by the limited partners that have the benefit of such provision or by all limited partners.

Except as otherwise agreed with an investor, the general partner of a Fund does not have an obligation to give investors notice of any side letters entered into. However, subject to confidentiality obligations, the general partner may, upon request, make available copies of all side letters or a compendium containing the provisions of any such side letters, which may be redacted of any identifying information. Such copies or compendium may be made available to an investor only after such investor has been admitted to such Fund.

Transactions with Investors. JCF&Co and its affiliates from time to time engage in transactions with prospective and actual investors that entail business benefits to such investors. Such transactions may be entered into prior to or coincident with an investor's admission to a Fund or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to one or more Funds and their respective portfolio companies, as well as benefits to the investors transacted with.

Principal Ownership Interests. From time to time, subject to satisfaction of the policies and procedures set forth in the Compliance Manual, JCF&Co may recommend that a Fund acquire or sell securities in which a JCF&Co related person has a pre-existing direct or indirect interest. In addition, a JCF&Co related person may acquire or sell securities that are recommended to a Fund or in which a Fund has a pre-existing direct or indirect interest. A potential conflict of interest could arise in that the interested JCF&Co related person could benefit from the Fund's actual or potential investment in, or sale of, the applicable security. Alternatively, the JCF&Co related person could benefit from an investment or divestiture opportunity that would otherwise have been available to the Fund. Finally, the Funds may incur expenses related to the developing, negotiating and structuring of prospective or potential portfolio investments that are not ultimately made (i.e., broken-deal expenses), which such expenses could be deemed to benefit the issuer and the interested JCF&Co related person. In addition, a Fund or JCF related person may make an investment in a portfolio company in which another Fund has or is concurrently making a different principal investment (e.g., a mezzanine or senior debt investment). In such situations, the various Funds may have conflicting interests (e.g., over the terms of, or actions taken with respect to, their respective investments). If the portfolio company in which one Fund or JCF related person has an equity investment and in which another Fund or JCF related person has a debt investment becomes distressed or defaults on its obligations under the debt investment, JCF would likely have conflicting loyalties between its duties to both Funds. In that regard, actions may be taken for one Fund or JCF related person that are adverse to the other party. JCF&Co has policies and procedures in place that are designed to mitigate these types of conflicts of interest, but there can be no assurances that such policies and procedures will be effective.

Asymmetrical Information. Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner's interests in a secondary transaction) or a co-investment

opportunity (see above) may ask different questions and request different information, JCF&Co may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Related Party Transactions. JCF&Co has contracted in the past, and may in the future, in its discretion, contract with a related person (including but not limited to a portfolio company of a Fund or an entity with which JCF or its affiliates or a member of their personnel has a relationship or from which JCF or its affiliates or their personnel otherwise derives financial or other benefit) to perform services in connection with its provision of services to the Funds. When engaging a related person to provide such services, JCF may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost. JCF&Co has in place policies that are designed to mitigate any conflicts of interest with respect to the above recommendations, but there can be no assurances that such policies and procedures will be effective.

JCF&Co has recommended in the past, and may in the future, in its discretion, recommend to a Fund or to a portfolio company thereof that it contract for services with (i) JCF or a related person (including but not limited to a portfolio company of a Fund), (ii) an entity with which JCF or its affiliates or a member of their personnel has a relationship or from which JCF or its affiliates or their personnel otherwise derives financial or other benefit or (iii) a JCF investor. When making such a recommendation, JCF may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by JCF, are reimbursed by a Fund and/or its portfolio companies, JCF may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Employees of JCF serve as directors of portfolio companies. Such employees are required to remit any remuneration they receive as directors to the applicable Funds, and each Fund's Management Fee will be offset, or reduced, by all or a portion of such other fees, as provided in the governing documents of the applicable Fund. Any exceptions are disclosed to the advisory committee of the applicable Fund.

JCF Securities. An affiliate of JCF, JCF Securities, is a broker-dealer registered with the SEC and a FINRA member. JCF Securities is authorized to provide investment and M&A advisory services to third-party clients (which may include the Funds), as well as to conduct private placements of securities.

JCF Securities has in the past and expects in the future to provide M&A advisory services to a Fund and / or its co-investment vehicles in connection with a portfolio investment or other transaction. In addition, JCF Securities may from time to time in the future participate in the syndication of opportunities to co-invest in portfolio investments alongside a Fund and third parties, and/or

provide advisory services to portfolio investments of a Fund. JCF Securities may also be involved in the public or private placement of securities and instruments issued by portfolio investments of a Fund. JCF Securities may also in some cases act as a broker in transactions on behalf of a Fund, and/or provide advisory services to a Fund or existing or potential portfolio investments of a Fund.

JCF Securities and other affiliates of JCF generally receives fees, commissions and other compensation in respect of the foregoing activities. JCF Securities may act as the placement agent for a Fund in respect of securities or instruments issued by a Fund. JCF uses JCF Securities as broker-dealer in any transaction only if such use is consistent with JCF's fiduciary duties. The relationship JCF has with JCF Securities may give rise to a conflict of interest between JCF and a Fund that has an interest in any portfolio investments or investment vehicles with respect to which JCF Securities provides services. In particular, JCF may have an incentive to seek to influence the decision by a portfolio investment's management to retain JCF Securities, or to otherwise transact with JCF Securities, instead of other unaffiliated broker-dealers or other service providers or counterparties that may be more appropriate or offer better terms. JCF could also have an incentive to structure portfolio investment transactions, including related co-investment opportunities, so that they require the use of a broker-dealer (and consequently provide an opportunity for JCF Securities to be retained by a portfolio investment or acquisition company established for the relevant transaction and generate fees, commissions or other compensation).

JCF generally will evaluate any such transactions on a case-by-case basis to address any such conflicts. Transactions involving a Fund and JCF Securities are also reviewed with regard to the appropriateness of the transaction and any fiduciary obligations. JCF Securities may have access to confidential and/or material non-public information regarding a Fund or its portfolio investments and, subject to applicable law, may use such information in connection with services provided by JCF Securities.

Resolution of Conflicts of Interest

In the case of all conflicts of interest which are not managed pursuant to a contractual obligation, policy or procedure, JCF&Co's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, JCF&Co considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth in the Funds' governing documents. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- A Fund will not make an investment unless JCF believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;

- Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds;
- Generally, each Fund has established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The Adviser may consult with the advisory committee as to certain material potential conflicts of interest. Where conflicts of interest are not presented to the advisory committee, the Adviser will be guided by its good faith discretion;
- Where the Adviser deems appropriate, unaffiliated third parties and professional advisors may be consulted to help resolve conflicts;
- Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and
- The Adviser will seek to treat its clients fairly and equitably.

Item 12 – Brokerage Practices

- A. JCF&Co has full discretionary authority in selecting broker-dealers for the Funds' transactions, as applicable. JCF&Co primarily invests in private securities and does not frequently engage in the high volume trading of public securities. In order to monitor best execution of the limited number of public securities transactions in which JCF&Co may engage, the CFO, in consultation with the CCO, will periodically review the Funds' engagements of broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Firm and each Fund.
1. JCF&Co does not have any soft dollar arrangements.
 2. In the private equity context, client referrals are not relevant to JCF&Co's selection or recommendation of broker-dealers.
 3. JCF&Co does not engage in directed brokerage arrangements.
- B. In the private equity context, aggregation of the purchase or sale of securities for multiple client accounts is generally not relevant.

Item 13 – Review of Accounts

- A. The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly JCF&Co's review of them is not directed toward a short-term decision to dispose of securities. JCF&Co's investment professionals monitor and review the Funds' portfolio investments on an ongoing basis, including, for example, by participating in board meetings and management calls, reviewing annual and interim financial statements, and making ad hoc on-site visits. Each Fund's financial accounts are maintained and monitored by a dedicated Fund controller under the supervision of JCF&Co's CFO and Director of Fund Reporting. In addition,

each Fund's financial statements are audited on an annual basis by an independent third-party accounting firm.

- B. Mr. Flowers, in conjunction with JCF's investment committee, regularly supervises and monitors the investment activities of each Fund.
- C. Audited financial statements are provided to investors in each Fund, generally within 120 days of the end of the Fund's fiscal year. Unaudited financial statements and investor-specific account statements are generally provided to investors in each Fund within 45-60 days of the end of such Fund's fiscal quarter.

Written reports describing each Fund's portfolio investments are generally provided to the applicable investors on a semi-annual or quarterly basis. In addition, Fund investors are typically, although not always, invited to participate in an annual investor meeting at which JCF&Co reports on the Fund's portfolio investments and performance. Finally, JCF&Co will hold investor update calls from time to time as it deems appropriate.

Investors may request, or have the right to obtain information relating to a Fund and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, JCF&Co generally will provide such investors with the information requested. Accordingly, such investors may possess information regarding the business and affairs of a Fund that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

Item 14 – Client Referrals and Other Compensation

- A. Other than the compensation described in Items 5, 6 and 8 of this Brochure, no one other than JCF&Co's Clients provide an economic benefit to JCF&Co for providing investment advice or other advisory services. In addition, JCF and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.
- B. Neither JCF&Co nor any of its related persons compensates any person who is not a supervised person for Client referrals. However, from time to time, in the context of organizing a Fund, JCF&Co generally compensates one or more placement agents for referrals of Fund investors, and JCF Securities may serve as such a placement agent. A prospective investor solicited by a placement agent or other third party will be advised of any such arrangement, including the receipt of fees.

Item 15 – Custody

JCF&Co has access to client accounts because its affiliates serve as the general partners of the Funds. Limited Partners will not receive statements from any custodians. Instead, the Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are

prepared in accordance with generally accepted accounting principles and distributed to each Limited Partner in accordance with the applicable Fund's governing agreements.

Item 16 – Investment Discretion

Typically, JCF&Co provides investment advice directly to the Funds on a discretionary basis and not individually to the investors in the Funds. An affiliate of JCF&Co, usually the general partner, accepts discretionary investment authority for each Fund. Generally, this discretion is subject only to the investment guidelines set forth in the Fund's governing agreements.

Item 17 – Voting Client Securities

- A. JCF&Co accepts authority to vote the securities held by the Funds. JCF's Proxy Voting Committee, which consists of several managing directors, generally seeks to ensure that public securities owned by a Fund are voted in accordance with the applicable Fund's best interests and in the interest of maximizing shareholder value. JCF&Co has also instituted a Proxy Voting Policy that is followed by the Proxy Voting Committee in order to identify and manage conflicts of interest. Generally, the CCO reviews all proxy materials of publicly-traded portfolio companies as well as proxy materials for any extraordinary shareholder votes related to private securities in order to identify potential conflicts of interest. If the CCO determines that JCF&Co or an individual Proxy Voting Committee member has a material conflict of interest (or potential conflict) with respect to any issues presented by the proxy, the Proxy Voting Committee will take steps to mitigate the conflict. Similarly, in the event that it is determined that refraining from voting is in the best interest of a Fund's limited partners, JCF will refrain accordingly. The steps to mitigate a potential conflict may include: consulting with legal counsel, disclosing the conflict to the Fund's investor advisory committee (as described in the Fund's governing documents) and requiring any conflicted individual to recuse him/herself from the determination as to how to vote the proxy.

Upon request, a Fund may obtain a copy of JCF's Proxy Voting Policy as well as information about how JCF&Co voted any proxies on the Fund's behalf.

- B. See Item 17.A above.

Item 18 – Financial Information

- A. JCF&Co does not require or solicit prepayment of client fees six months or more in advance.
- B. JCF&Co does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.
- C. JCF&Co has never been the subject of a bankruptcy petition.