

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**

LOVELL MINNICK PARTNERS LLC

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March 31, 2021

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Lovell Minnick Partners LLC (“Lovell Minnick Partners”). If you have any questions about the contents of this Brochure, please contact us at (610) 995-9660. 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.

Lovell Minnick Partners is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply any specific level of skill or training.

Additional information regarding Lovell Minnick Partners is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Lovell Minnick Partners filed its most recent Brochure on March 27, 2020. This annual amendment updates the description of the business practices of Lovell Minnick Partners and its affiliates.

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Lovell Minnick Partners LLC Brochure

Item 4 Advisory Business

Lovell Minnick Partners, the registered investment adviser, is a Delaware limited liability company. Lovell Minnick Partners and its affiliated investment advisers provide “investment supervisory services” to their clients, which consist of private investment-related funds. Lovell Minnick Partners is controlled by its sole member, Lovell Minnick Holdings LLC (“**Lovell Minnick Holdings**” and together with Lovell Minnick Partners, its affiliates and its predecessors, “**Lovell Minnick**”), which is managed by its sole manager, Lovell Minnick Partners Inc., and owned by its ten Partners, being Jeffrey D. Lovell, James E. Minnick, Steven C. Pierson, Robert M. Belke, John D. Cochran, Spencer P. Hoffman, W. Bradford Armstrong, Jason S. Barg, Trevor C. Rich and Jennings J. Newcom. Lovell Minnick Partners Inc. is, in turn, managed by a Board of Directors composed of Messrs. Lovell, Minnick and Newcom. Mr. Lovell, through his interest in Lovell Minnick Holdings, is the principal owner of Lovell Minnick Partners. Lovell Minnick Partners was organized in November 2003, as the successor to a private investment advisory business formed by Messrs. Lovell and Minnick in 1999.

The following are the affiliated advisers of Lovell Minnick Partners (each, a “**General Partner**,” and collectively, the “**General Partners**,” and collectively, together with Lovell Minnick Partners, each, a “**Manager**,” and collectively, the “**Managers**”):

General Partners

- Lovell Minnick Equity Advisors III LP (“**Lovell Minnick III GP**”)
- Lovell Minnick Equity Advisors IV LP (“**Lovell Minnick IV GP**”)
- Lovell Minnick Equity Advisors V LP (“**Lovell Minnick V GP**”)

Each General Partner listed above is subject to the Advisers Act pursuant to Lovell Minnick Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which are under common control with and operate as a single advisory business together with Lovell Minnick Partners.

The Managers’ clients include the following (each, a “**Partnership**,” and collectively the “**Partnerships**,” and collectively, together with any private investment fund to which Lovell Minnick Partners or its affiliates now or in the future provides investment advisory services, including the Co-Investment Aggregators and the Parallel Co-Investment Entities, each, a “**Fund**,” and collectively, the “**Funds**”):

- Lovell Minnick Equity Partners III LP
- Lovell Minnick Equity Partners III-A LP
- Lovell Minnick Equity Partners IV LP
- Lovell Minnick Equity Partners IV-A LP

- Lovell Minnick Equity Partners V LP
- Lovell Minnick Equity Partners V-A LP

The General Partners listed above each serve as the general partner to one or more Funds and have the authority to make all investment decisions for the Funds to which they provide advisory services. In addition to the Funds listed above, the General Partners currently also manage and have decisional authority with respect to the following Funds, which were formed to facilitate arrangements with certain co-investors by aggregating investments in an underlying portfolio company made by one or more Partnerships and such co-investors, which may include certain limited partners of one or more of the Partnerships or a co-investing Fund: (a) LM Matthews Holdings III LLC and LM Matthews Holdings III-A LLC, (b) LM LSQ Investors LLC, (c) LM Tortoise Investment Holdings IV Co-Investment LLC, (d) LM SRS Holdings LP and (e) LM Freeway Co-Investment LP (each such Fund, together with any Funds formed in the future to facilitate aggregate Partnership and co-investor investments, each, a **“Co-Investment Aggregator,”** and collectively, the **“Co-Investment Aggregators”**). Further, the General Partners reserve the right, from time to time, to form, advise and manage other Funds which are co-investment vehicles not used to aggregate investments by a Partnership and a Partnership’s investors, currently being LM Tortoise Holdings Co-Investment LLC (such Fund, together with similar entities formed in the future by the General Partners, each, a **“Parallel Co-Investment Entity,”** and collectively, the **“Parallel Co-Investment Entities”**).

The Funds are private equity funds and invest through negotiated transactions in existing or newly formed operating entities, generally referred to herein as **“portfolio companies.”** The Managers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, monitoring and managing investments and achieving dispositions for such investments. Investments are made predominantly in privately held companies, although investments in publicly traded companies are permitted. From time to time, Lovell Minnick’s and/or its affiliate’s senior partners or senior personnel serve on each portfolio company’s board of directors or other primary governing body, or otherwise have the ability to (a) regularly obtain information from or (b) influence organizational control or management of, portfolio companies. Lovell Minnick does not directly participate in the provision of products or services by its portfolio companies.

The Managers’ advisory services to the Funds are further described in each Fund’s (a) private placement memorandum and (b) limited partnership agreement or other governing document (a **“Partnership Agreement”**), as well as below under “Methods of Analysis, Investment Strategies and Risk of Loss” and “Investment Discretion.” Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed upon circumstances pursuant to the relevant Partnership Agreement or applicable Side Letter (as defined below); for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between the Managers and any investor. The Funds or the Managers have entered into side letters or other similar agreements (**“Side Letters”**) with specific limited partners that have the effect of establishing rights under or altering or supplementing a Fund’s Partnership Agreement or that investor’s subscription agreement, which may include provisions relating to the Management Fee

(as defined below) and distributions, other economic terms or fee structures, excuse rights, information rights, or transfer rights, among others.

Additionally, from time to time and as permitted by the relevant Partnership Agreement or other governing document, the Managers expect to provide (or agree to provide) co-investment opportunities (including opportunities to participate in Co-Investment Aggregators or Parallel Co-Investment Entities) to certain investors or other persons, including other private equity sponsors. Such co-investments generally involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Partnership making the investment.

As of December 31, 2020, Lovell Minnick Partners managed \$2,801,846,777 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Each Partnership's General Partner receives an annual management fee (the "**Management Fee**") and a carried interest in connection with the provision of advisory services to its clients. The precise amount of, and the manner of calculation of, the Management Fee differs among the various Partnerships, depending upon where it is in the life of that particular Fund. In addition, Funds may have Management Fees calculated on varying formulas, such as the size of the particular investor's commitment, but only if and to the extent permitted by that Fund's Partnership Agreement, applicable Side Letters or other governing documents. Co-Investment Aggregators do not pay a separate Management Fee, carried interest or transaction fees, but Parallel Co-Investment Entities may, in specific cases, pay fees for the advisory services provided by the applicable General Partner, which may include an advisory fee payable upon the consummation of the investment in, and/or the disposition of, the underlying portfolio company, or at such other times as agreed by the investors in the Parallel Co-Investment Entity and/or carried interest, in each case in accordance with such Parallel Co-Investment Entity's Partnership Agreement. Any such compensation received from Parallel Co-Investment Entities does not offset or reduce the Management Fee paid by any other Partnership.

The General Partners or their affiliates receive additional compensation in connection with management and other services performed for certain portfolio companies of the Funds formed prior to Lovell Minnick Equity Partners IV LP and Lovell Minnick Equity Partners IV-A LP, and such additional compensation offsets in whole or in part the Management Fees otherwise payable to the applicable General Partner to the extent provided by such Fund's Partnership Agreement. The Partnership Agreements for (a) Lovell Minnick Equity Partners IV LP, (b) Lovell Minnick Equity Partners IV-A LP, (c) Lovell Minnick Equity Partners V LP and (d) Lovell Minnick Equity Partners V-A LP permit the General Partners and/or their affiliates to receive such compensation as well, but the General Partners do not expect to take such compensation from those Funds.

Investors in the Funds also bear certain expenses described below and in each Fund's specific Partnership Agreement or other governing document.

With respect to each Fund (other than a Parallel Co-Investment Entity) that pays a Management Fee, such fee is initially equal to a fixed percentage of aggregate investor capital commitments to

the Fund (“**Commitments**”). An investor participating in a closing after the initial closing of a Fund is required to bear its share of the Management Fee already paid by the earlier partners in the Fund, plus interest, as provided in that Fund’s Partnership Agreement. Such Management Fee is reduced upon the expiration of the investment period for the particular Fund or earlier upon the occurrence of certain other events as described in the applicable Partnership Agreement. The Management Fee generally will be payable until all portfolio investments are distributed or until a General Partner’s relationship with the applicable Fund is terminated for other reasons (as described in the applicable Partnership Agreement). Installments of the Management Fee payable for any period other than a full Management Fee period are adjusted on a *pro rata* basis according to the actual number of days in such period. Where the relevant Partnership Agreement calculates Management Fees based on the amount of Commitments or the amount of investment contributions, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Partnership Agreement.

The Management Fee is typically payable by a Fund to the applicable General Partner either semi-annually in arrears, quarterly in advance, or partially in advance and partially in arrears for each Management Fee period, as described in the applicable Partnership Agreement. In some cases, the General Partners reserve the right, but are not required, to reduce the Management Fee in their sole discretion where the term of a Fund is extended pursuant to the Partnership Agreement or where a particular subsequent Fund is formed. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors in the relevant Fund. Where a Parallel Co-Investment Entity pays to the General Partner an advisory fee, such advisory fee may be payable upon the occurrence of certain events, such as when a Portfolio Company is acquired and/or disposed, or at such other times as set forth in the Partnership Agreement of such Parallel Co-Investment Entity.

Lovell Minnick and/or its affiliates generally have discretion over whether to charge transaction fees or other fees to a portfolio company and, if so, the fee rate or amount of such fees (“**Supplemental Fees**”), including, without limitation: directors’ fees, consulting fees, advisory fees earned with respect to any Fund investment, any transaction fees and monitoring fees with respect to any Fund investment, and any break-up fees with respect to Fund transactions not completed (in each case as specified in the applicable Partnership Agreement). The receipt of such fees gives rise to potential conflicts of interest between the Funds, on the one hand, and Lovell Minnick and/or its affiliates, on the other hand. A Fund’s Partnership Agreement generally will provide that any such fees received by Lovell Minnick and/or its affiliates and attributable to a Fund’s investment in a portfolio company will be credited against the Management Fee in a specified percentage. Such fees may be substantial. Funds that do not charge Management Fees do not share in any offsets. The remaining amount of the aforementioned fees will be retained by the applicable General Partner without offset against the Management Fee. To the extent that such an offset credit would reduce the Management Fee for a given management fee period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (e.g., where an adverse tax consequence potentially will result).

As a matter of practice, Lovell Minnick is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors (including Co-Investment Aggregators), as well as other fees relating to the structuring and administration of co-investment arrangements. The

receipt of such fee will not reduce the Management Fee payable by any Fund(s) that have also invested in any such portfolio company investment or potential investment. Accordingly, a Fund that pays a Management Fee will only benefit through the offset to the Management Fee described above with respect to its allocable portion on a fully diluted basis of any such Supplemental Fee and not the portion of any fee allocable to any co-investors or potential co-investors (which could include a Co-Investment Aggregator or other co-investment vehicle managed by Lovell Minnick, third parties, portfolio company management or employees and/or other) investing in such portfolio company, which have the potential to be significant. Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated. Additionally, as further described below and in the Partnership Agreements, it is Lovell Minnick's practice to use or retain Lovell Minnick Advisors (as defined below) to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Lovell Minnick Advisors generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Lovell Minnick also will not offset compensation received from outside sources, such as residual employee boards seats at entities that are no longer Fund portfolio companies.

Additionally, as further described herein and in the Partnership Agreements, Lovell Minnick reserves the right, from time to time, to appoint certain persons (referred to as “**Lovell Minnick Advisors**”) to Lovell Minnick's Advisory Council. Lovell Minnick Advisors, who will also be referred to as members of Lovell Minnick's Advisory Council or as operating partners are paid consultants to Lovell Minnick, but are not employees of Lovell Minnick. The Lovell Minnick Advisors generally provide services to (or with respect to) Lovell Minnick, one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest, which services may include, without limitation, the following activities:

- Assist in the development of strategies and investment theses with respect to specific industry sectors or subsectors;
- Identify business and investment opportunities and provide other sourcing assistance;
- Perform due diligence on potential investment transactions;
- Assist with the negotiation and execution of investment transactions;
- Provide guidance on industry developments;
- Assist in the development of portfolio company strategy vision, development and deployment;
- Assist with the recruitment of management to portfolio companies;
- Advise with respect to specific functional areas affecting a Fund's portfolio companies, such as sales, marketing, technology, human resources, risk, legal, “ESG” investing (environmental, social and governance), acquisition integration/rationalization and/or other operations advice and services and similar services; and
- Advise with respect to such other matters as the General Partners, the Funds and/or the Funds' portfolio companies may request.

Lovell Minnick will typically pay the Lovell Minnick Advisors a monthly, quarterly or annual retainer. Depending on the nature of the services, the Lovell Minnick Advisors will also receive compensation, including, but not limited to, cash fees, discretionary bonuses (whether or not based

on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration and expense reimbursements directly from Lovell Minnick and/or the Funds or their affiliates (including portfolio companies), guaranteed minimums or other compensation for services provided by such persons to them in accordance with each Fund's specific Partnership Agreement or other governing document. As an example, the Lovell Minnick Advisors may receive finder's fees, diligence fees and similar fees in connection with any consummated investment opportunities that they source or with respect to which they provide diligence or other assistance. These fees will be paid by the portfolio company resulting from such investment opportunities. In addition, Lovell Minnick Advisors may serve as members of the boards of portfolio companies, as operating executives of portfolio companies or direct services providers to portfolio companies in their functional area of expertise, and in connection therewith will receive various forms of compensation (including, without limitation, cash or incentive equity awards) directly from the portfolio company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the relevant Fund's investment, and the relevant Fund typically will bear the costs of all Lovell Minnick Advisor compensation as well as fees, costs and expenses of structuring Lovell Minnick Advisor arrangements. The Funds indirectly bear a portion of the payments by portfolio companies due to their ownership of such portfolio companies. Such compensation and expense reimbursement are not covered by the Management Fee, and accordingly do not reduce or offset the Management Fee payable by the related Fund. In addition, Lovell Minnick Advisors are sometimes offered the opportunity to invest directly in portfolio companies, generally on the same terms as the Funds. The use of Lovell Minnick Advisors subjects the General Partners to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

As described in the Partnership Agreement of certain Funds, the applicable General Partner reserves the right to waive all or a portion of Management Fee payments for a corresponding interest in such Fund's profits, and the waived portion of such Management Fee is available to reduce the amount of capital contributions the General Partner would otherwise be required to contribute to the Fund. When waived Management Fees are used to reduce the General Partner's capital contribution, the limited partners of that Fund are required to make a *pro rata* contribution, according to how they would have funded the waived Management Fee, to fund the contribution that would otherwise be required of the General Partner. Such contributions are treated as a deemed capital contribution by the General Partner in respect of the General Partner's Commitment. Reductions to Management Fees due to such waivers are taken into account before applying the offsets described above. The amount of such waived or reduced Management Fees may be significant. Due to waived or reduced Management Fees by Lovell Minnick and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

In addition to the Management Fee, each Fund's Partnership Agreement generally provides for that Fund's General Partner to receive a carried interest in the Fund of up to 20% of all realized profits, after payment of an 8% compounded annual preferred return to the Fund limited partners and after a related General Partner catch-up (as more fully described in each Fund's Partnership Agreement). Carried interest distributed to a General Partner is subject to a potential giveback at the end of, and in the case of certain Funds, during the life of the applicable Fund, if the General Partner has

received cumulative distributions to the time of determination in excess of those permitted by the applicable Partnership Agreement, based on the actual performance of the particular Fund. Co-Investment Aggregators are not charged a carried interest. In some instances, Parallel Co-Investment Entities may be charged a carried interest in accordance with the terms of any such Parallel Co-Investment Entity's Partnership Agreement.

The existence of performance-based compensation has the potential to create an incentive for Lovell Minnick to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Lovell Minnick generally considers performance-based compensation to create a positive alignment of its interests with those of its investors.

The General Partners and/or their affiliates are permitted to exempt specified investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including the General Partner and any other investor designated by the General Partner. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by Lovell Minnick and/or its affiliates, or through other Funds which co-invest with a Fund.

The Funds generally invest on a long-term basis, although the timing of an investment realization may be opportunistic and therefore unpredictable. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the applicable Fund. Investors generally are not permitted to withdraw or redeem interests in a Fund.

In certain circumstances, the Managers also receive compensation, which can include an advisory fee, structured as further detailed in Item 5 above, and/or carried interest, for management and other services performed in connection with Parallel Co-Investment Entities that are formed to co-invest in portfolio companies alongside the Funds. The Managers have wide latitude to structure and negotiate any such parallel services, as well as the amount and manner of payment of any related compensation by such Parallel Co-Investment Entities or their investors. Any such compensation received by the Managers does not offset or reduce the Management Fee paid by any other Fund. The receipt of compensation, including performance-based compensation, in connection with such co-investments may create an incentive for the Managers to allocate investment opportunities to co-investors. However, any such allocation will be done in a manner consistent with the Managers' existing investment allocations and co-investment policies and Partnership Agreements for the relevant Fund or other vehicle.

Partners and others within Lovell Minnick receive a portion of the Management Fee through salaries and other compensation and consulting fee arrangements and participate in carried interest or other compensation received by Lovell Minnick or its affiliates.

As described in the applicable Partnership Agreement, each Fund will reimburse the applicable General Partner for that Fund's organizational and start-up expenses up to a specified amount, including legal, travel, accounting, printing, consulting, capital raising, meal and entertainment, regulatory compliance (including the initial registrations, filings and compliance contemplated by the European Union Alternative Investment Fund Managers Directive (2011/61/EU) (together

with Commission Delegated Regulation (EU) No 231/2013, as well as any similar or supplementary law, rule or regulation, including any equivalent or similar law, rule or regulation to be implemented in the United Kingdom as a result of its withdrawal from the European Union, or subordinate legislation thereto, as implemented in any relevant jurisdiction, the “AIFMD”)), any administrative or other filings, and other organizational expenses. The applicable General Partner will bear the cost (which it reserves the right to offset against the Management Fee) of all organizational expenses in excess of such amount, if any, and of any placement fees payable to any placement agent in connection with the formation of the Partnership. Co-Investment Aggregators and Parallel Co-Investment Entities each pay their own expenses, including organizational and start-up expenses (see below in this Item 5 for information concerning Broken Deal Expenses, as defined below).

In addition to the Management Fee and carried interest payable to the applicable General Partner, a Fund will bear all other fees, costs, expenses, liabilities, and obligations relating to the Fund’s and/or its subsidiaries’ and intermediate entities’ activities, investments, and business that are not reimbursed by portfolio companies or applied to reduce Management Fees. As specified in each relevant Partnership Agreement, such amounts generally will include all fees, costs, expenses, liabilities, and obligations relating or attributable to: (i) activities with respect to the sourcing, evaluating, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund’s portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence and deal-sourcing software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), including extraordinary expenses, such as break-up or topping fee or other liabilities or obligations incurred for transactions or projects that are not consummated (expenses related to transactions not consummated, “**Broken Deal Expenses**”), whether or not such activities are successful and whether or not such activities were undertaken prior to the initial closing date; (ii) indebtedness of, or guarantees made by, the Fund, the relevant General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker and similar services (including amounts paid to Lovell Minnick Advisors); (v) brokerage, sale, custodial, depository (including a depository appointed pursuant to the AIFMD), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) and the implementation thereof), trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with compliance with anti-money laundering laws and regulations and any third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including expenses relating to hiring consultants (*e.g.*, headhunter fees, background checks or relocation

expenses), consulting and retainer fees and salaries and other compensation paid to the Lovell Minnick Advisors, operating partners, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies, and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) insurance (including directors and officers liability, fidelity bond, cyber-security, portfolio company management liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs or commissions) and any consultants or other advisors utilized in the procurement, review and analysis of insurance policies; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, mailing, courier, marketing and publicity (including, without limitation, the public relations costs associated with transaction publicity); (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings, compliance or reports contemplated by the AIFMD), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the Fund limited partners (the “**Limited Partners**” and, together with the relevant General Partner, the “**Partners**”); (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the relevant Partnership Agreement, or otherwise approved by the relevant General Partner in its sole discretion, activities or proceedings of the relevant Limited Partner Advisory Board (the “**Advisory Board**”) (including any costs and expenses incurred by representatives of the General Partner, the Advisory Board members, permitted observers and other Persons in attending or otherwise participating in meetings of the Advisory Board); (xv) indemnification obligations (including legal and any other fees, costs and expenses incurred in connection with indemnifying any Partner or other person pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto any judgment, other award or settlement entered into in connection therewith; (xvii) any annual Limited Partner meeting or other periodic, if any, meetings of the Limited Partners and any other conference, meeting or webcast with any Limited Partner(s); (xviii) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any past or anticipated structuring or restructuring of any Fund; (xix) the termination, liquidation, winding up or dissolution of the Fund and any legal entities owned directly or indirectly by the Fund, including portfolio companies and related

entities; (xx) defaults by Partners in the payment of any capital contributions to the extent not borne by the defaulting Limited Partners; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, and any alternative investment vehicle of the Fund and, to the extent relating to any of the foregoing Persons and/or its activities, the constituent documents of the General Partner and related entities, in each case including the preparation, distribution and implementation thereof; (xxii) complying with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider fees, costs and expenses related thereto, any regulatory expenses of the General Partner incurred in connection with the operation of the Fund and any costs and expenses related to any environmental, social or governance or other investment considerations and policies of the General Partner and/or the Fund; (xxiii) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxiv) any third-party experts, including independent appraisers, engaged by the General Partner or its affiliates in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same entity as one or more funds or other entities sponsored by the General Partner or its affiliates; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Limited Partner; (xxvi) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a Partner or such tax, fee or charge is treated as having been distributed to the Partners pursuant to the Partnership Agreement); (xxvii) distributions to the Partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxviii) unreimbursed costs or expenses and unpaid fees or other compensation of the Lovell Minnick Advisors, other consultants and operating partners or other persons engaged by such persons; (xxix) compliance or regulatory matters related to the Fund, except as set forth in the Partnership Agreement; (xxx) any travel (including, where appropriate as determined by the General Partner, the cost of using or chartering private aircraft or other private air travel at a cost not to exceed the cost of corresponding first class commercial airfare, other air travel, car or ride sharing services and other modes of transportation), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxi) any excess organizational expenses; (xxxii) any placement fees; (xxxiii) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board; (xxxiv) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the General Partner at any trade conference, including any applicable registration fees and exhibition, sponsorship or other presentation fees, costs and expenses; (xxxv) travel and lodging costs for advisory committee members at meetings; (xxxvi) software development costs or other technology-related expenses relating to other items listed as "Partnership Expenses" or otherwise; (xxxvii) the costs of hosting or attending conferences, training programs, meetings or other events for portfolio companies, their executives and/or their personnel; (xxxviii) costs of conferences (including related travel, lodging and/or meals) relating to specific investment opportunities and/or the relevant industries or strategies in which the Funds invest; and (xxxix) closing dinners, social and entertainment costs and/or after-hour meals and transportation.

The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of Lovell Minnick, the Lovell Minnick Advisors, other consultants and operating partners.

As a general matter, Broken Deal Expenses are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. Subject to a Fund's Partnership Agreement and except as otherwise described herein, Lovell Minnick or the related General Partner pays all ordinary administrative and overhead expenses incurred by it or its affiliates in connection with maintaining and operating the adviser's own general business operations (including employees' salaries, rent, certain consulting fees and equipment expenses). Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the relevant Partnership Agreement, such interests are permitted to be issued to Lovell Minnick and its personnel. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto. Additionally, subject to the relevant Partnership Agreement, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors (including Co-Investment Aggregators and Parallel Co-Investment Entities) to invest in portfolio companies alongside one or more Funds, subject to Lovell Minnick's related policies and the relevant Partnership Agreement(s) and/or Side Letter(s) to the extent applicable. Once operational, such vehicle generally will pay all expenses applicable to its formation and operation, as well as their allocable portion of investment amounts and related expenses incurred in connection with the investment. Such allocations generally are made *pro rata* based on the amount invested by each Fund, Co-Investment Aggregator and/or Parallel Co-Investment Entity in the underlying portfolio company. If a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgement of the General Partner, ultimately is not consummated and no Parallel Co-Investment Entity became operational prior to that time, then, unless otherwise provided in agreements with potential co-investors, all Broken Deal Expenses relating to such unconsummated transaction will be borne entirely by the Partnership(s) that were to participate in the subject investment, and not by any prospective co-investment entity or co-investor that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken Deal Expenses. To the extent

a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in Item 12 below.

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

As discussed in Item 5 (“Fees and Compensation”) above, the General Partners are in most cases entitled to receive a carried interest allocation on realized profits in the Funds. The Co-Investment Aggregators are not charged a carried interest. As described above, in some cases, Parallel Co-Investment Entities may pay a carried interest. The Managers believe such arrangements do not pose a conflict of interest because Co-Investment Aggregators and Parallel Co-Investment Entities invest at substantially the same time and on substantially the same terms as the Funds and dispose of such investments in a similar manner.

Additionally, to the extent that Lovell Minnick has Funds with varying carried interest terms and/or Lovell Minnick personnel are assigned varying percentages of carried interest from the Funds, Lovell Minnick and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. The Managers seek to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Partnership Agreement, as well as other factors that do not include the amount of performance-based compensation received by the Managers or any personnel.

See Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss,” for discussion of potential conflicts of interest.

Item 7 Types of Clients

The Managers provide investment advice solely to their Fund clients, and references throughout this Brochure to “clients” and to Lovell Minnick’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds are investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Investors participating in the Funds generally include, but are not limited to, individuals, banks or thrift institutions, insurance companies and other investment entities, including funds of funds, family offices, state and private pension and profit-sharing plans, trusts, foundations, charitable organizations, other corporations or business entities and, directly or indirectly, principals or other employees of and advisors to Lovell Minnick and its affiliates and members of their families, Lovell Minnick Advisors or other service providers retained by Lovell Minnick, as well as executives of portfolio companies.

The Funds generally have a minimum investment amount of \$5 million for third-party investors, although individual Commitments of lesser amounts are permitted to be accepted at the discretion of the applicable General Partner.

Investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and are required to be “qualified purchasers,” which may include “knowledgeable employees” as defined under the Investment Company Act.

The General Partners have complete and sole discretion with respect to each Fund investment to determine whether or not there will be co-investors, whether some or all of the Limited Partners of the applicable investing Fund will be invited to participate as co-investors, and the allocation of co-investment opportunities among participants. The General Partners reserve the right to consider various factors in determining which investors are invited to invest in a particular co-investment, including, but not limited to, the minimum and maximum investment size sought, the ability of the investor to fund the investment on a timely basis, historically expressed interest in co-investments, ability to participate in anticipated follow-on investments and for strategic or other reasons.

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

General

The Managers seek to generate returns for their investors over an intermediate investment horizon through mid-market buyout and growth equity investments in financial and business services companies and related technology companies.

The Managers seek to achieve the Funds’ goals by investing in companies that Lovell Minnick believes have meaningful growth potential and where the management teams are committed to increasing equity value through a variety of methods including internal investment, acquisitions, prudent use of leverage and expense rationalization.

The following is a summary of the investment strategies and methods of analysis generally employed by the Managers on behalf of the Funds and a summary of certain risks involved with the Managers’ investment strategy and an investment in the Funds. More detailed descriptions of the Funds’ investment strategies and methods of analysis and risks are included in the applicable private placement memorandum for each Fund. There can be no assurance that the Managers will achieve the investment objectives of the Funds, and a loss of investment is possible.

Investment and Operating Strategy

The Managers seek to capitalize on opportunities by:

- Providing capital and industry knowledge in support of buyouts, recapitalizations and business expansions;
- Applying their experienced advice to evaluate and fund new product and service offerings, technology enhancement or marketing initiatives;
- Leveraging their market intelligence of acquisition targets to consummate acquisitions and capital investment on attractive terms; and
- Using their operational experience to enhance firms’ profitability, making them more attractive to strategic and financial buyers or that can become public companies.

All decisions with respect to Fund investments are made by the related General Partner, including which entities will receive investment allocations, the timing and amount of investments, all aspects of Fund oversight of investments, and the timing and terms of investment realizations.

Types of Investments

On behalf of the Funds, the Managers make equity investments in each portfolio company. Investments of greater or lesser amounts are at the discretion of the applicable General Partner.

The specific Partnership Agreement of each Fund establishes diversification requirements that limit total Fund investment in a particular portfolio company. The Managers invest in the following types of transactions, among others:

- Divestitures by financial institutions and other owners;
- Management or other buyouts of private or public companies;
- Growth capital investments to support acquisitions and other expansion initiatives; and
- Recapitalizations where interests can be purchased from retiring or inactive shareholders.

Risks of Investment

Fund investors risk losing their investment in their Fund based largely on the investment strategy pursued by that Fund's General Partner. Although the following risk factors are generally applicable to the Funds, investors should also refer to a Fund's private placement memorandum for risk factors specific to their Fund. The risks involved with Lovell Minnick's investment strategy and an investment in a Fund include, but are not limited to:

1. *Business Risks.* A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results with respect to any specified period are difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.
2. *Future and Past Performance.* At no time is the performance of the Manager's prior investments necessarily indicative of a Fund's future results. While the Managers intend for the Funds to make investments that have returns commensurate with the investment risks undertaken, there can be no assurance that any targeted rate of return will be achieved. With respect to any given investment, loss of invested equity is possible.
3. *Investment in Junior Securities.* The Funds invest in equity securities which may be among the most junior securities in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there is no collateral to protect such an investment once made.
4. *Concentration of Investments.* The Funds participate in a limited number of investments, all within financial and business services, and related technology companies. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a

few holdings or of a particular industry could substantially affect its aggregate return. Furthermore, the smaller the amount of committed capital raised by a particular Fund and the larger the amount invested in a particular portfolio company, the fewer portfolio companies it will have, and thus its investment risks will be less diversified.

5. *Lack of Sufficient Investment Opportunities.* The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, regardless of the extent to which Commitments of the Limited Partners are invested (or drawn down to be invested), the Limited Partners will be required to bear Management Fees during a Fund's investment period based on the entire amount of such Limited Partners' capital commitments or capital contributions and other expenses as set forth in the relevant Partnership Agreement.
6. *Dynamic Investment Strategy.* While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant Partnership Agreement. A General Partner is permitted to pursue investments outside of the industries and sectors in which Lovell Minnick has previously made investments or has internal operational experience.
7. *Illiquidity.* An investment in a Fund is illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner) may exceed its periodic income, thereby requiring that the excess expenses be paid from the Fund's capital, including, without limitation, unfunded or callable Commitments.
8. *Leveraged Investments.* A Fund is permitted to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from that particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times, it may be difficult to obtain or maintain the desired degree of leverage.

The use of leverage often also imposes restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's

investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and/or magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund invests generally will not be rated by a credit rating agency.

The Fund is also permitted to borrow money (including through a Commitments-backed credit facility or other short-term credit arrangement) or guaranty of indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. A Fund is permitted to incur leverage on a joint and several basis with one or more other Funds and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which exclude bridge financing investments.

9. *Restricted Nature of Investment Positions.* Generally, there may be no readily available market for a substantial number of each Fund's investments, which will make such investments more difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the relevant Partnership Agreement, including the value used to determine the amount of carried interest available to Lovell Minnick with respect to such investment.

10. Reliance on Portfolio Company Management. Although each General Partner will monitor the performance of its Fund's investments, it is the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although a Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able to successfully operate a company in accordance with the Fund's objectives.
11. Need for Follow-On Investments. Following its initial investment in a given portfolio company, for various reasons, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make follow-on investments or that any Fund will have sufficient funds to make all or any of such investments that become available.

Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for the Fund to increase its participation in a successful operation.

12. Non-U.S. Investments. A Fund is generally permitted to invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil or cross-border disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

13. Director Liability. A Fund generally obtains the right to appoint one or more representatives to the boards of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. It is the Managers' intention to require every portfolio company to obtain director liability insurance. However, it is possible that portfolio companies may not obtain insurance with respect to such liability, or that the insurance that portfolio companies do obtain may be insufficient to adequately protect

officers and directors from such liability at any given time, which may, subject to its applicable governing documents, require a Fund to indemnify the applicable directors.

14. *Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon portfolio companies in which a Fund makes investments.
15. *Public Health Emergencies; COVID-19.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization formally declared in March 2020 to constitute a global “pandemic.” This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and Lovell Minnick may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

16. Market Conditions. Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates, tax rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the Funds' portfolio companies. A Fund's performance can be affected by deterioration in public markets and by market events, such as the onset of a credit crisis or the downgrading of the

credit ratings within the United States, which, among other things, can impact public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. The value of any publicly traded securities held by a Fund may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.

17. *Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* Any deterioration of the global credit markets may make it more difficult for investment funds such as the Funds to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, could dramatically reduce investor demand for high yield debt and senior bank debt, which in turn could lead some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A Fund's ability to generate attractive investment returns will be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.
18. *Liability Insurance.* Lovell Minnick has obtained a customary professional liability insurance policy that covers Lovell Minnick and its employees and agents, the General Partners, each Fund, and the members of the various Advisory Boards. While Lovell Minnick and the other insured entities each pay a portion of the aggregate insurance premium, it is possible that one or more of the insureds could experience claims that exhaust all of the coverage such that there would be no coverage remaining available to the other insureds.
19. *Conflicting Investor Interests.* Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Potential conflicts of interest are expected to arise from time to time in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, or one Fund than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the relevant Fund(s) and its partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

The General Partners may be presented with opportunities to seek financing and other services in connection with a Fund's investments from certain Limited Partners or their affiliates that are engaged in the lending business or other businesses, respectively. This has the potential to subject the relevant General Partner to conflicts of interest, because although the General Partner selects lending and other service providers that it believes are

aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the Fund, the General Partner may have an incentive to pursue financing opportunities with certain Limited Partners because of its financial or other business interest, including a Limited Partner's historical or potential future relationship with the General Partner and Fund investments made or to be made by a Limited Partner.

20. *Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which the Managers, the Funds and the portfolio companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage application generally heightens these risks. Any of such circumstances could subject a portfolio company, or the related Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Managers or one of their service providers holding their financial or investor data, the Managers, their affiliates or the Funds may also be at risk of loss.

21. *Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "**Privacy Laws**") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Lovell Minnick, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Lovell Minnick, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, as amended, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data,

potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Lovell Minnick, the General Partners, the Funds and/or their portfolio companies.

22. Limited Access to Information. Limited Partners' rights to information regarding a Fund, the relevant General Partner or Lovell Minnick generally will be specified, and in many cases strictly limited, by the relevant Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to Limited Partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Lovell Minnick's control. Decisions by Lovell Minnick or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor Lovell Minnick and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Lovell Minnick reserves the right to withhold certain information from investors subject to such laws for reasons relating to Lovell Minnick's public reputation, business strategy or other reasons.

23. Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Lovell Minnick and its affiliates, as well as in connection with officerships or directorships of Lovell Minnick personnel, Lovell Minnick frequently comes into possession of confidential or material, non-public information. When Lovell Minnick and its affiliates have access to material, non-public information that may be relevant to an investment decision to be made by a Fund, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Lovell Minnick's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Lovell Minnick or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other

governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Lovell Minnick's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Lovell Minnick or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

24. Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, a General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. 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 may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partners gives rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.
25. Co-Investments. A General Partners reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest are expected to arise from time to time in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which are permitted to be made to one or more persons for any number of reasons as determined by the relevant General Partner in its sole discretion, may not be in the best interests of the Fund as a whole or any individual Limited Partner.

In exercising its sole discretion in connection with such co-investment opportunities, a General Partner reserves the right to consider some or all of a wide range of factors, including, without limitation, the investor's expression of interest to co-invest contained in such investor's side letter arrangement, the size of the co-investment opportunity and the

practicality of dividing it up among multiple investors, the size of the investor's current capital commitment, the ability of the investor to make future follow-on investments, the minimum and maximum size of the co-investment sought by the investor and the investor's expressed investment criteria (such as preferred industries, geographies, etc.), and the ability of the investor to act quickly and the ability of the investor to add strategic value to the particular portfolio company. Although a General Partner reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by such General Partner in identifying co-investors. A Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-investor may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-investor.

26. Subscription Lines. A Fund generally is permitted to enter into, and has generally entered into, a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors. In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's Limited Partners and the terms of the relevant Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for Limited Partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated

for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement frequently will contain other terms that restrict the activities of a Fund and the Limited Partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a Limited Partner's interest in the Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Limited Partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The General Partners are authorized to use Fund-level borrowing to pay Management Fees and to reimburse Lovell Minnick for expenses incurred on behalf of the Funds. A Fund is also permitted to utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

27. United Kingdom ("UK") Exit from the European Union (the "EU"). On March 29, 2017, the UK formally notified the European Council of its intention to leave the EU. The UK formally left the EU on January 31, 2020, and entered a transition period that ended on December 31, 2020. On December 24, 2020, the UK government and the EU Commission provisionally agreed to a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period.

Although provisionally agreed, the terms of UK's ongoing and future relationship with the EU are still uncertain, including the extent to which UK businesses will have access to the EU single market and the extent to which EU businesses will have access to the UK market. There is also risk of significant disruption to trade between the UK and the EU, particularly as new trade arrangements are in the process of being ratified and implemented.

There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses, including Lovell Minnick and Fund portfolio companies, as applicable. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Conflicts of Interest

Lovell Minnick and its related entities and personnel engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, management and other services to Funds, SPACs and portfolio companies. Lovell Minnick will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Lovell Minnick conducting its activities, the interests of a Fund likely will conflict with the interests of Lovell Minnick, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Lovell Minnick will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Boards of the participating Funds.

Without limitation, the Managers and Lovell Minnick's principals currently manage a number of Funds that are similar to each other, and each of the Funds has made and is expected in the future to make investments that are similar to investments made by other Funds. The Managers' investment staff expect to continue to manage and monitor such Funds and investments, and expect to direct certain relevant investment opportunities or resources to those investments. Lovell Minnick personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. Lovell Minnick's principals and Lovell Minnick's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Lovell Minnick principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. In addition, the Partnership Agreements of the respective Funds allow new Funds to be formed in certain situations even though prior Funds are still active. This could create potential conflicts of interest in determining the allocation of investment opportunities between or among Funds, or between or among portfolio companies within the Funds. Such allocation will be made in the sole discretion of the Managers, subject to the terms of applicable Partnership Agreements and the Managers' internal allocation policy. During the investment period of a Fund, the Managers pursue all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions as described in the applicable Partnership Agreement (such as when a Fund has reached certain levels of investment or when a particular opportunity does not meet the criteria for that Fund) and the Managers' internal

allocation policy. In such cases, the investment may be made by a subsequent Fund. Lovell Minnick allocates such potential investments according to its then existing internal allocation policy and in appropriate circumstances will seek guidance from the Advisory Board of each affected Fund. In addition, the significant investment of the principals of the Managers in such Funds, as well as the Managers' interest in the carried interest of such Funds, operate to align, to a significant degree, the interest of the Managers with the interest of the Limited Partners in such Fund. However, this alignment is mitigated to some degree because the Managers have similar economic interests in all other Funds and investments as well, and receive Management Fees and carried interests relating to such interests. Such other Funds, and investments that the Managers may control, may compete with a Fund or the companies acquired by a Fund. Following the investment period of a Fund, the Managers reserve the right to, and likely will, focus on new investment activities on new opportunities and areas unrelated to such Fund's investments. Unless restricted by the relevant Partnership Agreement, Lovell Minnick personnel are permitted to serve on boards or act in other roles unaffiliated with Lovell Minnick, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, and, except to the extent provided for in the relevant Partnership Agreement, no such compensation received by any Lovell Minnick personnel will offset or otherwise reduce the Management Fee.

From time to time, the Managers will be presented with investment opportunities that would be suitable not only for a given Fund, but also for other private Funds and other investment vehicles operated by the Managers. In determining which investment vehicles should participate in such investment opportunities, the Managers and their affiliates in some cases will be subject to conflicts of interest among the investors in such investment vehicles. The Managers resolve such conflicts of interest in light of their obligations to investors in each Fund and other private Funds, and attempt to allocate investment opportunities among the Funds and such other private Funds in a manner that they believe is fair and equitable to the Funds over time and consistent with the Managers' obligations to each such Fund, including as set forth in the applicable Partnership Agreements and the Managers' then existing investment allocation policy, seeking guidance from the relevant Advisory Boards in the sole discretion of and when deemed appropriate by, the relevant Manager(s). There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such cross-fund investment conflict not existed.

The Managers serve or expect to serve as investment managers to Parallel Co-Investment Entities that invest with or alongside the Funds in certain portfolio companies. Third party investors are permitted to invest directly in a particular portfolio company. The Managers have sole discretion to select co-investment participants. Generally, the Managers will select which investors or other persons are permitted to co-invest based on various factors, including (but not limited to) the sophistication of the investor, the ability of the investor to add strategic value to the particular portfolio company, the ability of the investor to fund and complete the investment on a timely basis, the investor's expression of interest to co-invest contained in such investor's side letter arrangement, the ability of the investor to meet timing, and investment-size criteria and any other reason for including such investor. In circumstances where an entire investment could be made by a Fund, a Manager still reserves the right to allocate a portion of such investment to one or more co-invest vehicles in accordance with such Fund's Partnership Agreement and the Managers' allocation policy if a Manager believes that the full investment would unreasonably

limit the diversification of the applicable Fund or its ability to make follow-on or future platform investments, or that a particular co-investor would add value to the Fund or the investment. The Managers reserve the right to take into consideration a variety of factors in making such determinations. Decisions regarding whether and to whom to offer co-investment opportunities are permitted to be made by the Managers and their related persons in consultation with other participants in the relevant transactions, such as a lender co-sponsor. Co-investment opportunities typically will be offered to some and not to other Limited Partners in a Fund, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Limited Partners that participate in co-investments may be in a position to obtain different terms, and additional information regarding the applicable portfolio company, that may not generally be available to Limited Partners in other Funds. When and to the extent that employees and related persons of Lovell Minnick and its affiliates make capital investments in or alongside certain Funds, Lovell Minnick and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment, particularly where certain Funds are intended to invest in different types of securities in a single portfolio company. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Lovell Minnick in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Lovell Minnick expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

The Managers' allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While the Managers will allocate investment opportunities in a manner that they believe is fair and equitable to their clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which the Managers expects to be subject, discussed herein, did not exist.

In certain cases, the Managers will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more

secondary transferees of interests in a Fund. In such cases, the Managers will not receive compensation for identifying such transferees, and will use their discretion to select such transferees based on suitability and other factors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Because a General Partner's carried interest is based on a percentage of realized profits of each respective Fund, it creates an incentive for the General Partner to cause the applicable Fund to make riskier or more speculative investments, or to exit such investment earlier, than would otherwise be the case. However, the Managers believe that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align the interests of the Managers with that of the Funds. In addition, the Managers do not allocate investment opportunities based on the potential to receive carried interest.

Since a General Partner is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it is expected to have a potential conflict of interest in connection with approving transactions or setting such compensation. The Managers believe this conflict may be mitigated to an extent by offsetting the Management Fee by a specified percentage of such Supplemental Fees and by a General Partner's interest in the carried interest of a Fund.

As a result of the Funds' controlling interests in portfolio companies, Lovell Minnick and/or its affiliates typically have the right to appoint all or some board members to such portfolio companies (including current or former Lovell Minnick personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Lovell Minnick and/or its affiliates (which may include other portfolio companies of the Funds). Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Lovell Minnick.

Lovell Minnick and/or its affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Lovell Minnick and/or its affiliates; conversely, current or former personnel or executives of Lovell Minnick and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by Lovell Minnick. Additionally, Lovell Minnick, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions or other service providers and other market participants, some of which will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Lovell Minnick and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Lovell Minnick entities) to Lovell Minnick personnel and their estate planning vehicles. Lovell Minnick expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or

more Funds, will provide Lovell Minnick information about markets and industries in which Lovell Minnick operates (or is contemplating operations) or will provide other services that are beneficial to Lovell Minnick or one or more other Funds. Lovell Minnick expects to be subject to a potential conflict of interest in making such recommendations, in that Lovell Minnick has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies. In addition, portfolio companies from time to time pay fees to third party consultants (including Lovell Minnick Advisors and other consultants introduced or arranged by Lovell Minnick and/or its affiliates that provide services to the Funds or one or more Fund portfolio companies), and such fees do not offset the Management Fee as described herein.

Additionally, a portfolio company (or a Fund in connection with a portfolio company investment) typically will reimburse Lovell Minnick or service providers (including Lovell Minnick Advisors and other consultants) retained at Lovell Minnick's discretion for expenses (including, without limitation, travel expenses) incurred by Lovell Minnick or such service providers in connection with performance of services for such portfolio company. This subjects Lovell Minnick and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements or may bear such expenses directly, and such amounts over time is expected to be substantial. Lovell Minnick determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Lovell Minnick or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third-party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest. Employees of and consultants to the Managers may serve as directors or officers of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio company and their respective shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that may be in the best interests of the portfolio company may not be in the best interests of the Funds, and vice versa. Accordingly, in these situations, there will be certain potential conflicts of interests between an individual's duties as an employee of the Managers and an individual's duties as a director of such portfolio company.

Lovell Minnick Advisors are expected, from time to time, to have a limited partnership or profit interest in a Fund or a General Partner. Although the Managers intend to utilize Lovell Minnick Advisors with a view to adding specialized knowledge, capability and experience to benefit portfolio company operations, and to reducing costs to portfolio companies (and, ultimately, the relevant Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. In addition, the Managers intend to utilize only Lovell Minnick Advisors which they believe provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, the Managers reserve the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by the Managers, or co-investors or co-investment vehicles. Such transactions may arise

in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company owned by another Fund. Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Partnership Agreements or otherwise in the sole discretion of the Managers, the Managers reserve the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's Advisory Board) to such transactions. In certain circumstances, the Managers reserve the right to determine that the willingness of a third party to make an investment on the same terms as the investing Fund demonstrates the fairness to the Fund of the relevant transaction under then-current market conditions. The Managers intend that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although the Managers generally structure Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such cases, the Managers intend to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements or Side Letters of the Funds, the Managers will allocate fees and expenses in a manner that they believe is fair and equitable to their clients under the circumstances over time and considering such factors as they deem relevant, but in their sole discretion. In exercising such discretion, the Managers may be faced with a variety of potential conflicts of interest. As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles (including Co-Investment Aggregators and/or Parallel Co-Investment Entities) eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by the Managers or their affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Lovell Minnick. The Funds generally have varying expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

Except to the extent prohibited by the relevant Partnership Agreement, Lovell Minnick and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which has the potential to overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the relevant Partnership Agreement and anti-"assignment" provisions of the Advisers Act, Lovell Minnick and its personnel are also permitted to offer, restructure and monetize interests in Lovell Minnick.

Lovell Minnick and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by the Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more Limited Partners being excused or excluded from, or regulatory or other factors limiting their participation in, investments, the aggregate returns realized by participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

In connection with its services to the Funds and their investments, Lovell Minnick and its personnel have in the past and expect, from time to time in the future, to receive certain tangible, intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds or portfolio companies, including benefits provided from service providers. For example, in the course of Lovell Minnick's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Lovell Minnick and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Lovell Minnick Information**"). In many cases, Lovell Minnick Information will include tools, procedures and resources developed by Lovell Minnick to organize or systematize Lovell Minnick Information for ongoing or future use. Although Lovell Minnick expects its Funds and their portfolio companies generally to benefit from Lovell Minnick's possession of Lovell Minnick Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which Lovell Minnick Information was originally received or derived. Lovell Minnick Information will be the sole intellectual property of Lovell Minnick and solely for the use of Lovell Minnick. Lovell Minnick reserves the right to use, share, license, sell or monetize Lovell Minnick Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. For example, airline travel, hotel stays and other expenses incurred as Fund expenses or that are reimbursable from portfolio companies may result in cash-back incentives, "miles," "points" or other forms of credit in loyalty/status programs to Lovell Minnick and/or its

personnel. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the exclusive benefit Lovell Minnick and/or such personnel and will not be subject to any Fund's Management Fee offset arrangements described above or otherwise shared with the Funds, their investors and/or portfolio companies.

Any of these situations subjects Lovell Minnick and/or its affiliates to potential conflicts of interest. Lovell Minnick attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Lovell Minnick's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Lovell Minnick will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Lovell Minnick consults and receives consent to conflicts from the Advisory Board of the relevant Fund(s) and such other investment vehicles, if any.

Item 9 Disciplinary Information

Lovell Minnick Partners and its management persons have not been subject to any legal or disciplinary events required to be discussed in this Brochure.

Item 10 Other Financial Industry Activities and Affiliations

Lovell Minnick Partners is affiliated with other Lovell Minnick investment advisers, including the General Partners and equivalent entities subject to the Advisers Act pursuant to Lovell Minnick Partners' registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Lovell Minnick Partners and serve as General Partners of the Funds and may share common owners, officers, partners, employees, consultants or persons occupying similar positions. See Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss," for a discussion of conflicts of interest.

As discussed above, Lovell Minnick frequently makes investments on behalf of the Funds in financial services businesses (collectively, the "**Financial Services Portfolio Companies**"). In particular, certain Funds (either individually or in the aggregate with one or more other Funds) indirectly own 25% or more of the securities of Financial Services Portfolio Companies that are, or may become, during the course of the investment, (i) broker-dealers, (ii) investment advisers or financial planners, (iii) investment companies or other pooled investment vehicles, (iv) insurance companies or agencies, (v) pension consultants, (vi) sponsors or syndicators of limited partnerships, and/or (vii) futures commission merchants, commodity pool operators or commodity trading advisors. Certain Lovell Minnick professionals serve on the board of directors of certain of the Financial Services Portfolio Companies. Notwithstanding these indirect relationships, Lovell Minnick does not direct the management or policies of such Financial Services Portfolio Companies regarding the provision of products or services, and Lovell Minnick does not have any arrangements with the Financial Services Portfolio Companies that are material to its advisory business or the advisory or broker-dealer businesses of the Financial Services Portfolio Companies. Lovell Minnick will provide a list of such Financial Services Portfolio Companies upon request.

From time to time, Lovell Minnick (on behalf of itself or the Funds) or one of its portfolio companies reserves the right to enter into a business relationship with another portfolio company, including in the ordinary course of business. This presents a potential conflict of interest, as Lovell Minnick has an incentive to recommend the products or services of one portfolio company to another, and does make such recommendations. However, Lovell Minnick does not require any portfolio company to use the products or services of another portfolio company, and Lovell Minnick does not participate in the negotiation or setting of any contractual terms governing a business arrangement between portfolio companies. When Lovell Minnick engages a portfolio company to provide services on behalf of itself or the Funds, the portfolio companies are chosen based upon Lovell Minnick's belief regarding such portfolio companies' ability to benefit Lovell Minnick and the Funds.

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

The Managers have adopted the Lovell Minnick Partners Code of Ethics and Securities Trading Policy (the "**Code**"), which sets forth standards of conduct that are expected of the Managers' Principals and employees and which addresses conflicts that arise from personal trading. The Code requires the Managers' personnel to report their personal securities transactions and prohibits the Managers' personnel's direct or indirect acquisition, beneficial ownership or disposition of securities in an initial public offering or in a limited offering, in each case, without first obtaining approval from the Managers' Chief Compliance Officer. In addition, the Code requires the Managers' officers and employees to comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any Limited Partner or prospective Limited Partner upon request to the Managers' Chief Compliance Officer at (610) 995-9660. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

The Managers and their affiliated persons may come into possession from time to time of material, non-public or other confidential information about public companies which, if disclosed, could affect an investor's decision to buy, sell or hold a security. Under applicable law, the Managers and their affiliated persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Managers.

Accordingly, should the Managers or any of their affiliated persons come into possession of material, non-public or other confidential information with respect to any public company, the Managers are prohibited from communicating such information to Limited Partners, and the Managers have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Lovell Minnick personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Principals and employees of the Managers and their affiliates are permitted to directly or indirectly own an interest in Funds. The Managers believe that such interests do not create a conflict of interest

and instead operate to align the interests of Principals and employees of the Managers with the Funds. The Funds are permitted to invest together in the manner set forth in the applicable Partnership Agreement. The Managers will determine allocation of investment opportunities in a manner that they believe is fair and equitable to their clients consistent with the applicable Funds' underlying documents. The Managers will seek approval of such decisions by the appropriate Fund Advisory Board where deemed appropriate by Lovell Minnick. See Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss," for a discussion of conflicts of interest.

Item 12 Brokerage Practices

The Managers generally cause the Funds to invest in securities issued by private companies, purchasing and selling such securities through privately negotiated transactions in which the services of a broker-dealer generally are not utilized. However, the Managers reserves the right to also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although the Managers do not intend regularly to engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If the Managers sell publicly traded securities for Funds, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Managers. In such event, the Managers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Managers reserve the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Managers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting Fund transactions to the extent consistent with the interests of such Funds. Although the Managers generally seek competitive commission rates, they will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Managers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Managers generally do not make use of such services at the current time. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Managers' Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by the Managers, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between the Managers and their affiliates.

The Managers will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, the Managers reserve the right, in their discretion, to cause the Funds to pay such brokers a commission for effecting portfolio transactions in the amount of the commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Managers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Managers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Managers will periodically determine which brokers have provided research that has been helpful in the management of Funds. To the extent consistent with the Managers' goal to obtain best execution for their clients, the Managers reserves the right seek to place a portion of the trades that they direct with the brokers who are identified through this process.

Although the Managers generally do not allocate brokerage business on the basis of research services, to the extent they do so, they may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on their Funds' interest in receiving most favorable execution.

The Managers do not anticipate engaging in significant public securities transactions; however, to the extent that the Managers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Managers also reserve the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Managers may, but are not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Managers is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

If such orders are not batched, it may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Fund.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

Item 13 Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of

securities. However, the Managers closely monitor companies in which the Funds invest, and the Managers' Chief Compliance Officer periodically checks to confirm that each Fund is managed in accordance with its stated objectives.

The Funds generally provide to their Limited Partners (i) audited financial statements annually, (ii) unaudited financial statements for the four quarters of each fiscal year, (iii) annual tax information necessary for each Limited Partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically.

Item 14 Client Referrals and Other Compensation

As discussed in Item 5 ("Fees and Compensation"), the Managers and/or their affiliates may receive certain fees from a Fund's portfolio companies. As described in the applicable Fund's Partnership Agreement, this compensation will, in certain circumstances, offset a portion of the Management Fees paid by the Funds. However, in other circumstances, these fees would be in addition to Management Fees.

From time to time, Lovell Minnick Partners reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. Any fees payable to any such third parties will be borne by Lovell Minnick Partners either directly or indirectly through an offset against the Management Fee.

Item 15 Custody

Lovell Minnick is deemed to have custody of the Funds' funds and securities because the Managers serve as General Partner of each Fund. As required by the Advisers Act, the Managers have established accounts with qualified custodians to hold funds and securities on behalf of the Funds in custody as follows:

- Silicon Valley Bank, 3003 Tasman Drive, Santa Clara, CA 95054 (cash)
- Colorado State Bank and Trust, 1600 Broadway, Denver, CO 80202 (securities)

Limited Partners will not receive statements from the 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, and the audited financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

Item 16 Investment Discretion

Each Manager has discretionary authority to make and manage investments on behalf of the applicable Fund. As a general policy, the Managers do not allow clients to place limitations on this authority, provided that the Partnership Agreement of a Fund may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the applicable Partnership Agreement, however, a Manager may enter into side letter or similar arrangements with certain

Limited Partners whereby the terms applicable to such Limited Partner's investment in the Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons. The applicable Manager assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the Limited Partners of the Fund.

Item 17 Voting Client Securities

In accordance with SEC requirements, the Managers have adopted Proxy Voting Policies and Procedures (the “**Policy**”) to address how any Manager will vote proxies, as applicable, for the Funds’ portfolio investments. The Policy seeks to ensure that the applicable Manager votes proxies (or similar instruments) in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies. The Managers generally believe their interests are aligned with the Funds’ investors through the Managers’ Principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event, however, there is or may be a conflict of interest between the applicable Manager and the Funds in voting proxies, the Policy outlines several alternative approaches that the Manager may take to address the conflict. The Managers do not consider service on portfolio company boards by Manager personnel or Principals or the Managers’ receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Policy sets forth certain specific proxy voting guidelines the Managers follow when voting proxies on behalf of the Funds. A copy of the Policy or information regarding how the Managers voted proxies for particular portfolio companies will be provided to clients or prospective clients at no charge upon request to the Managers’ Chief Compliance Officer at (610) 995-9660.

Item 18 Financial Information

Lovell Minnick Partners does not require or solicit prepayment of management fees more than six months in advance and does not have any other events requiring disclosure under this item of the Brochure.