



Form ADV Part 2A: Firm Brochure

Huron Capital Partners LLC

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This brochure provides information about the qualifications and business practices of Huron Capital Partners LLC and its affiliates (collectively “HCP” or “Firm”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at 313-962-5800 or email mhare@huroncapital.com. Additional information about HCP is also available on the SEC’s website at: www.adviserinfo.sec.gov.

HCP is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2 – Material Changes

Since the filing of HCP's last annual updating amendment filed on March 30, 2020, the Firm filed an other-than-annual amendment on October 29, 2020 to reflect that Matthew Hare has assumed the role of CCO. There have been no other material changes since the last annual updating amendment.

HCP routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and Firm practices. In this year's filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2020;
- Item 5: updated to reflect certain fees and expenses; and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

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Item 4 – Advisory Business

HCP is an operationally-oriented private equity firm organized in 1999 as a limited liability company under the laws of the State of Michigan. Dedicated to growing lower middle-market companies through its high-impact and differentiated buy-and-build investment model, HCP's platform is comprised of two complementary strategies: Flagship Equity (majority private equity transactions) and Flex Equity (minority transactions). HCP focuses on making flexible and customized control and non-control equity investments in companies with up to \$200 million in revenue. The day to day activities of HCP are led by Messrs. Brian A. Demkowicz (the "Managing Partner"), Michael R. Beauregard, Peter E. Mogk and James S. Mahoney, who collectively comprise HCP's senior leadership team. Messrs. Demkowicz, Beauregard and Mogk each serve on all of the committees responsible for reviewing and approving investments for the HCP Funds (each such committee, an "Investment Committee"). Mr. Mahoney serves on some, but not all, such Investment Committees. These individuals bring a wealth of investment, operational and financial expertise and experience to HCP, and together with a number of other investment professionals, work to execute HCP's investment strategy.

HCP serves as an investment manager and, together with each fund's general partner, provides discretionary advisory services to several collective investment vehicles organized as private investment partnerships (each a "Fund" or collectively the "Funds"), which are exempt from registration under the Investment Company Act of 1940, as amended ("Investment Company Act"). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions within the United States.

HCP's clients currently include: The Huron Fund II, L.P.; The Huron Fund III, L.P.; The Huron Fund IV Executives L.P.; The Huron Fund IV L.P.; The Huron Fund IV Management L.P.; The Huron Fund V, L.P.; The Huron Fund V Executives L.P. (collectively, the "Control Funds"); The Huron Flex Equity Fund L.P.; and The Huron Flex Equity Fund Executives L.P. (collectively, the "Non-Control Funds"). Throughout this Brochure, unless the context otherwise requires, references to "Funds" include the Control Funds and the Non-Control Funds. For more information about the Funds, please see HCP's Form ADV Part 1, Schedule D, Section 7.B.(1).

In addition, in certain circumstances, as more fully described in Item 7 below, the Firm permits certain investors and third parties to co-invest alongside a Fund directly into a portfolio company. Such direct co-investments are not considered Funds or clients of HCP.

Typically, within each Fund structure is a designated general partner or manager (the "General Partner(s)"), who is deemed to be registered under the Advisers Act in accordance with SEC

guidance and also subject to HCP's compliance program. Unless and only to the extent that the context otherwise requires, references throughout this Brochure to HCP include the General Partner(s). While the General Partners maintain ultimate authority over the respective Funds, HCP has been appointed to the role of investment adviser to carry out the General Partners' day-to-day responsibilities.

The following General Partners are affiliated with HCP and along with HCP, have the authority to make investment decisions on behalf of their respective Fund: Huron Capital Partners GP II LLC; Huron Capital Partners GP III LLC; Huron Fund IV Management LLC; Huron Capital Flag GP V LLC; and Huron Capital Flex GP LLC. For more information about the General Partners, please see HCP's Form ADV Part 1, Schedule D, Section 7.A.

The Control Funds primarily seek to obtain control-oriented positions through private equity investments in lower middle-market companies located throughout the United States and Canada. Industry sectors include, but are not limited to, specialty industrials, consumer goods and service, and business services. The Non-Control Funds primarily seek to make non-control equity investments in lower middle-market companies located throughout the United States and Canada in the same industry sectors as the Control Funds; provided, however, that beginning in 2020, (i) following consent by the relevant Investors and (ii) solely under appropriate circumstances (as determined by the Firm in its sole discretion), the Non-Control Funds are permitted to make certain control-oriented investments.

HCP's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, managing and monitoring investments and achieving dispositions of such investments. In providing services to the Funds, HCP formulates each Fund's investment objectives, directs and manages the investment and reinvestment of each Fund's assets, and provides reports to Investors. When such investments consist of portfolio companies where Huron has taken a majority position (as is the case with the Control Funds (and as expected in certain circumstances, for the Non-Control Funds)), the senior principals, other personnel and HCP appointees will generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds. In addition, in some cases, for such portfolio companies where HCP has taken a majority position, HCP will more directly influence the day-to-day management of the company by recruiting and installing certain individuals for various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or other roles. Investment advice is provided directly to the Funds and not individually to the limited partners of the Funds (individually an "Investor" or "Limited Partner", collectively the "Investors" or "Limited Partners"). HCP manages the assets of the Funds in accordance with the terms of each Fund's confidential offering and/or private

placement memoranda, individual limited partnership agreements, subscription documents, investment advisory agreements, side letters and other governing documents applicable to each Fund (the “Governing Fund Documents”).

All terms are generally established at the time of the formation of a Fund and are only terminable once the applicable Fund is dissolved, wound up, and terminated. Except as otherwise described in the Governing Fund Documents, the Investors generally cannot restrict investments by the Funds in any capacity, and except in limited circumstances, Limited Partners are not permitted to withdraw from a Fund prior to the Fund’s dissolution. HCP or the relevant Fund General Partner has entered into side letters or similar agreements with certain Limited Partners including those who made substantial commitments of capital, who were early-stage Investors in the Funds or for other reasons in the sole discretion of HCP, in each case that have the effect of establishing rights under, or altering or supplementing, the Governing Fund Documents. Examples of side letter rights include co-investment preferences, notification provisions, reporting requirements and “most favored nations” provisions, among others. Side letters are negotiated at the time of the relevant Investor’s capital commitment, and once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Fund. These side letter rights, benefits or privileges are not always made available to all Investors nor in some cases are they required to be disclosed to all Investors.

HCP does not participate in wrap fee programs.

HCP is indirectly owned by Messrs. Demkowicz, Beauregard, and Mogk.

As of December 31, 2020, HCP managed \$1,440,681,324 of regulatory assets under management on a discretionary basis. HCP does not manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

General

HCP typically receives (i) compensation from fees based on a percentage of assets under management, (ii) carried interest allocations and (iii) certain other fees or expenses related to the Funds’ investments in portfolio companies (see below). In addition, the portfolio companies reimburse HCP or the Funds for certain expenses advanced on their behalf. Investors should refer to their relevant Governing Fund Documents for further clarification about the fees paid by each Fund. Such amounts are deducted or allocated from an Investor’s capital account(s) in the applicable Fund. Investors’ ability to redeem from the Funds is subject to “lock-up” restrictions and formal notice requirements as outlined in the Governing Fund Documents. The Funds generally invest on a long-term basis. Accordingly, management fees are expected to be paid,

except as otherwise described in the respective Fund's Governing Fund Documents for each Fund, over the term of the Funds and Limited Partners generally are not permitted to withdraw or redeem interests in the Funds. In the event of a "non-voluntary withdrawal," HCP will refund all pre-paid fees that have not been earned.¹

Management Fee

The Funds pay HCP an annual management fee (the "Management Fee"). The Management Fee is payable quarterly in advance and is calculated as a percentage (2.0% per annum) of committed capital during the commitment period and of invested capital thereafter (subject to certain adjustments as described in the Governing Fund Documents), in each case in accordance with the Governing Fund Documents. HCP and its affiliates reserve the right to waive or reduce Management Fees for certain Investors, including employees, a limited number of strategic partners, Operating Partners, advisors and consultants and others as determined from time to time in HCP's sole discretion (although such Investors generally pay their pro rata share of certain Fund expenses).

Management Fees will generally be reduced by: (i) the amount of fees paid by such Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by HCP in connection with the organization of such Fund that exceed a limit as specified in applicable Governing Fund Documents; and (iii) as described below, certain Other Fees with respect to portfolio companies, subject to the terms of the Governing Fund Documents. Fees or expenses borne by a Fund directly do not offset Management Fees, nor do any portfolio company directors' or board fees paid by a former portfolio company to a HCP employee who remains on the company's board of directors following the Fund's disposition of its investment in the company, if applicable. Any such reduction of a Fund's Management Fee is limited to the extent of such Fund's proportionate interest in any such portfolio company and only to the extent a Management Fee is payable by a Fund. In the event a Fund does not pay a Management Fee or does not have an offset provision requiring the reduction of Management Fees, HCP reserves the right to retain the portion of Other Fees allocable to these Funds without reduction.

To the extent that such an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to Limited Partners that have not elected to waive such amount for tax or other reasons. More detailed

¹ Investors generally are not permitted to withdraw any amount from the Funds, except that a non-voluntary withdrawal may be permitted to avoid a prohibited transaction under the Employee Retirement Income Security Act of 1974.

information about the fees earned by HCP, including Other Fees, fee reductions and the fees charged to the Funds can be found in the relevant Governing Fund Documents.

Carried Interest Allocations

A portion of each Fund's net investment profit is allocated to the capital account of its General Partner as "Carried Interest." The manner of calculation of such Carried Interest is disclosed in the Governing Fund Documents, and varies by Fund. Generally, however, 20% of the investment profits of the Funds are allocated as Carried Interest to such Fund's General Partner. This allocation of profits is subject to the Limited Partners first receiving an annually compounded preferred return of 8%, and is subject to a giveback, as defined in the Governing Fund Documents. As is the case with Management Fees, HCP and its affiliates reserve the right to waive or reduce Carried Interest for certain Investors, including employees, a limited number of strategic partners, Operating Partners, advisors and consultants and others as determined in HCP's sole discretion.

Other Fees Earned by HCP

HCP receives fee income paid by portfolio companies or other third parties, which can include advisory fees, directors' fees, monitoring fees, transaction fees, break-up fees, or other similar fees received with respect to investments or proposed investments by HCP, the General Partner, or any affiliate of the foregoing (collectively, "Other Fees"). Such Other Fees will typically be paid to HCP or the General Partner and will reduce or offset Management Fees by 50% to 100% of the amount which would otherwise be due from the Fund to HCP, depending on the Fund and net of any expenses incurred in connection with such portfolio companies. For the avoidance of doubt, any such Other Fees received by Operating Partners or non-HCP employees is not subject to an offset against Management Fees.

On occasion, in certain circumstances (such as a portfolio company's liquidity needs or otherwise) HCP determines in its discretion to waive, defer or renegotiate, in whole or in part, the amount of Other Fees received from a portfolio company. HCP endeavors to require the payment of such fees only to the extent permitted by the earnings or cash position of the applicable portfolio company, and HCP will defer or forego the payment of such fees if the portfolio company's earnings or cash position render the payment of such fees too burdensome for the portfolio company or if the senior lender has imposed restrictions on payment of such Other Fees. HCP makes such determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly-situated portfolio companies.

Fund Expenses

Each Fund is governed by its own Governing Fund Documents, which details a complete description of expenses for such Fund. While differences exist among Funds, the following is a

description of expenses generally charged to each Fund. Each Fund will, as permitted under the Governing Fund Documents and in situations as determined in HCP's sole discretion, pay all other costs and expenses relating to the Funds' and/or its subsidiaries' and its intermediate entities' activities, investments and business that are not reimbursed by a portfolio company or potential portfolio company (which reimbursements include travel and any other expenses incurred in connection with such portfolio company or potential portfolio company) or applied to reduce Other Fees, including: (i) fees, costs, expenses, liabilities and obligations attributable to identifying, sourcing, diligencing, structuring, organizing, acquiring, financing, refinancing, managing, operating, holding, taking public or private, valuing, winding up, liquidating, dissolving and disposing of a Fund's investments (including interest and fees on money borrowed by or on behalf of a Fund, registration expenses, commitment, real estate title, survey, brokerage, finders', custodial and other fees); (ii) legal accounting, administration, custodian, depository, auditing, insurance (including directors and officers, errors and omissions liability and other insurance protecting the Funds, the Limited Partners, the members, managers, agents and employees of the General Partner, HCP and Fund, and the members of the Advisory Council (as defined in Item 11), from liabilities for activities on behalf of a Fund), commercially reasonable travel, litigation and indemnification costs and expenses, judgments and settlements, consulting, advertising, marketing, investment banking, brokerage, finder's, financing, appraisal, third party valuation, filing, printing, title, transfer, registration and other similar fees and expenses; (iii) expenses incurred in connection with third party valuations; (iv) fees, costs and expenses associated with the preparation or distribution of a Fund's financial statements, tax returns, tax estimates, Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing obligations (including Form PF and any Fund-related filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation); (v) fees, costs and expenses of the Advisory Council and annual meetings of the Limited Partners and any other periodic meeting with any Limited Partner(s); (vi) extraordinary expenses (such as litigation, indemnification, judgments and settlements, if any); (vii) all fees, costs, expenses, liabilities and obligations incurred by a Fund, its General Partner or any other HCP person relating to investment and disposition opportunities for such Fund not consummated (including legal, accounting, auditing, insurance, commercially reasonable travel, consulting, brokerage, finders', financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination and other fees and expenses); (viii) costs and expenses associated with the Investment Committee for each Fund; (ix) fees incurred by a Fund for special advisory or consulting services, including a Fund's pro rata share of any minimum retainer amount due an executive recruiter for services rendered exclusively to businesses in a Fund's portfolio; (x) any taxes, fees or other governmental charges levied against a Fund; (xi) placement fees and expenses paid to third parties in connection with the organization and funding of a Fund; (xii) all fees, costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and

final winding-up of any alternative investment vehicles; (xii) any organizational expenses; (xiv) unreimbursed costs and expenses incurred in connection with any transfer; (xv) expenses related to attending industry meetings, conferences or similar events in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated; and (xvi) the Management Fee. Costs and expenses noted above generally also include travel, private premium hired cars, premium lodging (including temporary housing), ground transportation and meals.

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by portfolio companies or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions (“broken deal expenses”) are paid by the relevant Fund(s) selected as proposed investors in such transaction.

Expense Reimbursement

Each portfolio company typically pays for or reimburses the Firm or a Fund for certain expenses incurred in connection with HCP’s performance of services for such portfolio company. Such expenses generally include, without limitation: (i) travel expenses, which can include expenses for chartered or first-class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) the usage of premium black car and other car services, which from time to time include waiting time, (c) premium meals (including outside normal business hours) and (c) social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings, conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (iv) indemnification expenses; (v) insurance; (vi) consulting; (vii) certain legal expenses; (viii) similar out-of-pocket expenses; (ix) consulting fees; (x) taxes; (xi) licensing fees; and (xii) other compensation and expenses. In addition, to the extent a Fund or HCP initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, HCP will generally, subject to its ultimate discretion, cause such other Fund or portfolio company to reimburse the initial Fund or HCP for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by HCP, a General Partner or their respective affiliates will not be offset against the Management Fee payable by the Funds.

Other Expenses; Huron Resource Group

HCP maintains a non-employee network of seasoned operating professionals (collectively the “Huron Resource Group”, individually an “Operating Partner”). These individuals provide advice and services to HCP and its portfolio companies on matters such as deal sourcing, interim management, technical consulting, consolidation activities, operational improvement initiatives, human capital management, industry networking, and other similar projects. Typically, an Operating Partner will work with one or more portfolio company(ies) and will be compensated directly by such portfolio company(ies) for which such Operating Partner is providing advice; any such fees typically are paid by the portfolio company and are not offset against Management Fees. In particular, compensation to Operating Partners can include a fee or retainer, a finder’s fee a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, profits or equity interests in the Funds and/or portfolio company or other incentive based compensation. In addition, HCP on occasion will appoint an Operating Partner to serve on the board of a HCP portfolio company, and any payments received by the Operating Partner for board service will not be deemed paid to or received by HCP and thus will not offset Management Fees. Operating Partners are typically reimbursed for the cost of their travel to and from portfolio company board meetings and other portfolio company business and such expenses are generally borne by the relevant portfolio company which the Operating Partner is advising but can, in some cases, also be paid by the relevant Fund, such as in the case of a transaction not consummated. On occasion, and in appropriate circumstances, the applicable portfolio company or prospective portfolio company will be charged by the General Partner and/or its affiliates for such services in an amount not to exceed what an unaffiliated third party would charge for comparable services, without any reduction to the applicable Fund’s Management Fee. Certain fees payable to Operating Partners are associated with a particular transaction and will typically be included in the closing costs payable by the applicable portfolio company. To the extent that the cost of providing and making available the capacity to provide such services is not fully recouped from the applicable portfolio companies and prospective portfolio companies, the Funds are permitted to be charged to the extent permitted by the relevant Governing Fund Documents. Over time, certain existing and former employees of HCP (including senior personnel) will on occasion transition to an Operating Partner, which would shift the burden of compensating such persons from HCP to the Funds and/or their portfolio companies. The determination of the appropriate form and amount of compensation for such services takes into account a variety of factors but will ultimately be at the discretion of HCP. Some Operating Partners are also Investors in the Funds.

Co-Investment Expenses

In certain circumstances, HCP permits some investors to co-invest alongside a Fund directly into a portfolio company, subject to HCP's related policies and procedures, the relevant Governing Fund Documents and/or side letter(s) or similar arrangements. In the event a proposed co-investment transaction is not consummated, the full amount of any fees and expenses generated in the course of evaluating such investment, including any broken deal expenses, would generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. However, to the extent that such co-investors are contractually committed to invest in such portfolio company, such proposed co-investor is expected to bear its share of such broken deal expenses. Broken deal expenses incurred in connection with a follow-on investment for an existing portfolio company for which the co-investment was originally created are generally capitalized at such portfolio company.

Fee Receipt Allocation

From time to time, HCP, a Fund or a portfolio company pays a transaction fee, portion of Carried Interest, equity grant or other fee to an Operating Partner or other third party, such as a consultant, advisor, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional compensation, including bonus payments based on the applicable portfolio company meeting certain success hurdles. Such compensation indirectly reduces the revenue available for distribution to the relevant Fund at the time of such portfolio company's sale. None of these fees or compensation offset Management Fees payable by a Fund.

Allocation of Fees and Expenses

In good faith and in its fair and reasonable discretion, HCP determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, multiple Funds or a portfolio company. To the extent that the Governing Fund Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, HCP will typically allocate common expenses among multiple Funds in accordance with its policies and procedures on expense allocation, unless another method is more equitable. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Fund Documents, the portion of the expense attributable to such Fund(s) will be borne by HCP.

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

As described above in Item 5, each General Partner receives a Carried Interest allocation on certain realized profits in the Funds equal to 20% of all realized profits subject to an 8% annually compounded preferred return and a related General Partner catch-up provision. A Carried Interest allocation represents an adviser's compensation based on a percentage of net profits of the funds it manages. Calculated based on cumulative realized gains and income only, Carried Interest is allocated to a General Partner as portfolio holdings are liquidated or otherwise monetized and is subject to a potential giveback at the end of the life of a Fund if the respective General Partner has received excess cumulative distributions. As mentioned above, HCP and its affiliates reserve the right to waive or reduce Carried Interest for certain Investors, including employees, a limited number of strategic partners, advisors, Operating Partners, current and past portfolio company executives, and consultants and others as determined in HCP's sole discretion.

Each Fund's Carried Interest fee structure is described in detail in the relevant Governing Fund Documents and have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The fact that a significant portion of HCP's compensation (and its affiliates and investment professionals' compensation) is directly computed on the basis of profits generated by the sale or disposition of Fund assets can create an incentive for HCP to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. HCP believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Fund Documents create limitations on the ability of HCP to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring certain parallel Funds to purchase and sell investments contemporaneously; (iii) any losses the Funds sustain will reduce the General Partner's Carried Interest distribution; (iv) Carried Interest is generally calculated only after Investors have received as distribution a significant portion of their capital contributions plus a preferred return on capital contributed for realized investments and expenses; (v) a General Partner often makes a substantial commitment to a Fund to invest its own capital alongside the Investors; and (vi) HCP's ability to attract future Investors is tied to the performance of its investments.

HCP manages multiple Funds with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to HCP's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although HCP generally makes new investments for a Fund with the same investment objectives only after a

predecessor Fund is substantially invested or committed as more fully described in the applicable Governing Fund Documents, management of side-by-side Funds can create an incentive for the Firm or its personnel to favor a Fund in which HCP or an affiliate has a greater financial interest. To help minimize such conflicts of interest, HCP allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with HCP's policies and procedures regarding investment allocation, the applicable Governing Fund Documents and taking into consideration certain factors, as determined in the Firm's sole discretion, which can include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by HCP. HCP will not allocate investment opportunities based in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. HCP's procedures are designed to ensure that all investment decisions are made in accordance with HCP's fiduciary duties to its Funds and without consideration of HCP's (or its affiliates' or employees') pecuniary interest. HCP's policies for the allocation of investments are determined by the Investment Committee.

Item 7 – Types of Clients

HCP provides discretionary management and advisory services to the Funds directly, subject to the direction and control of the General Partner of each Fund, and not individually to the Limited Partners in each Fund. The Funds limit their respective Investors to persons who are "accredited investors" as defined in the Securities Act of 1933, as amended ("Securities Act") and who, are "qualified clients" as defined in the Advisers Act and/or "qualified purchasers" or "knowledgeable employees" each as defined in the Investment Company Act. Investors in the Funds must also meet certain other suitability qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act; are not made available to the general public; their securities are not registered or required to be registered under the Securities Act; and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are allowed to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to HCP and/or the Funds.

Investors in the Funds include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), endowments, insurance companies and pooled investment vehicles (e.g., funds-of-funds) and also include, directly or indirectly, principals or other

employees of HCP and its affiliates and members of their families, Operating Partners, current and past portfolio company executives, or other service providers retained by HCP. The minimum commitment for a Limited Partner is outlined in the respective Governing Fund Documents of each Fund; however, HCP maintains discretion to accept less than the stated minimum investment threshold.

In certain circumstances, at the sole discretion of the relevant Fund General Partner, HCP permits various Investors and third parties to co-invest alongside the Funds directly in a portfolio company. Opportunities to co-invest in a portfolio company are made available to any person or entity, including without limitation strategic investors, lenders, deal sources, other private equity or venture capital firms, Fund Limited Partners, other persons or entities affiliated, associated or otherwise known to HCP or its personnel and unrelated third parties. In addition, certain individuals who source transactions or provide financing have negotiated co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Fund(s). Opportunities to participate in co-investment transactions arise when HCP has the opportunity for an investment in an existing or prospective portfolio company and HCP determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund or (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund's Governing Fund Documents or otherwise. Such determinations are based on the provisions of the applicable Funds' Governing Fund Documents and such other factors as HCP will consider in its sole discretion, including those specified from time to time in policies on investment allocation and co-investments. HCP's exercise of discretion in allocating co-investment opportunities often will not result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to HCP's Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment vehicle purchases a portion of an investment from one or more Funds after such Fund(s) have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment.

In the event HCP is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. Thus, an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

HCP does not consider direct co-investments to be a Fund or a client, does not act as the investment manager to the co-investment portion of the investment, does not charge Management Fees or Carried Interest to the investment (unless otherwise agreed to by the co-investor and HCP), does not have custody of the investment or include the amount of assets of the co-investment in the Firm's regulatory assets under management. HCP will perform management, advisory and other services for the portfolio companies in which these co-investments participate alongside the Funds, generally at no cost to such vehicles except expenses. Co-investors do typically bear certain expenses (*e.g.*, legal and other expenses associated with a portfolio company investment) in connection with their investment, as assessed directly by the portfolio company and paid by such portfolio company. However, co-investors are not contractually committed to participate in a co-investment opportunity and thus do not pay for expenses associated with deals not consummated.

HCP will select which Limited Partners are permitted to co-invest in a particular portfolio company based on various factors, including the sophistication of the Investor, the ability of the Investor to fund and complete the investment on a timely basis and for strategic or other reasons as more fully described in the applicable Governing Fund Documents and such other factors as HCP considers in its sole discretion, including those specified from time to time in policies on investment allocation and co-investments. Except as provided in any Governing Fund Documents, HCP is not obligated to make co-investment opportunities available to any particular Limited Partners.

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

The cornerstone of the HCP strategy is to combine its operational approach, capital and transaction experience with proven management teams who have the expertise and commitment to successfully grow their businesses. HCP utilizes both internal and external operational expertise. These resources are composed of both internal employees and external Operating Partners. The external Operating Partners represent an experienced group of accomplished executives who (i) provide HCP with proprietary deal flow, (ii) assist HCP with its

due diligence and (iii) work with the investment professionals and existing management teams to advise on operational, financial and administrative strategies, often serving as members of the board of directors of HCP's portfolio companies.

HCP seeks to acquire or recapitalize specialty manufacturing, consumer goods and service and service businesses. Through customized buy-and-build investment strategies, the Control Funds primarily acquire controlling positions which are achieved using leveraged acquisitions, market-entry strategies, recapitalizations, restructurings and growth equity transactions. For each Fund, HCP expects to invest over three to five years in 10 to 15 platform companies as well as maintain a sufficient amount of capital for follow-on investments. The Control Funds focus on (i) control transactions with valuations generally under \$150 million; (ii) committing \$10 million to \$70 million per transaction; and (iii) using its operational capabilities to create value.

The Non-Control Funds encompass the same strategy as the Control Funds, while seeking to provide flexible, customized, non-control solutions (although in certain circumstances, the Non-Control Funds are permitted to engage in control investments). The Non-Control Funds generally expect to be the lead or sole institutional investor in the company and an active board member. This non-control strategy is targeting a space in the market that HCP believes is not a primary focus of mezzanine funds, which are typically debt-oriented and need to generate a high level of current income or yield.

Associated Risks

An investment in the Funds involves a high degree of risk. There can be no assurance that the Funds will meet their investment objectives or otherwise be able to successfully carry out their investment program. Therefore, an investment in the Funds should be undertaken only by qualified Investors whose financial resources are sufficient to enable them to bear the loss of all or part of their investment and who do not require liquidity. The following risk factors should be considered carefully, but are not meant to be an exhaustive listing of all potential risks associated with an investment in the Funds. Investors should consult with their own financial, legal and tax advisors prior to investing in the Funds and should refer to the applicable Governing Fund Documents for a description of the risk factors specific to their Fund.

The following risks apply to all Funds:

No Assurance of Investment Return. While private equity investments in highly leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. There is no assurance that the Funds will be able to invest their capital with attractive terms or generate

returns for their Investors. The past investment performance of HCP or its investment professionals are not necessarily indicative of the Funds' future results.

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Governing Fund Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted, except in limited instances when necessary to comply with certain laws or regulations as applicable to a Limited Partner. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments are permitted to be distributed in kind to the Limited Partners and it is possible that such assets will be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Limited Partners. After a distribution of securities is made to the Limited Partners, many Limited Partners can 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 are sold by such Limited Partners will potentially be lower than the value of such securities determined pursuant to the Governing Fund Documents, including the value used to determine the amount of Carried Interest available to the General Partner with respect to such investment.

Investment in Junior Securities. The securities in which a Fund invests will, in some cases, be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

Risks Associated with the Funds' Dynamic Investment Strategy. While HCP generally intends to seek attractive returns for the Funds primarily through making private equity investments, within the restrictions placed in the relevant Fund Governing Fund Documents, the Firm is permitted to pursue additional investment strategies and modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. HCP can pursue investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience. Part of HCP's strategy includes investing in smaller companies. Investing in smaller companies generally involves greater risks than investments in similar larger companies, since smaller companies have more limited resources, products, services and customer bases. In addition, typically there is a more limited market for the sale of lower middle market companies, which can make it more difficult to realize gains upon a disposition of the investment.

Concentration of Investments. The Funds will participate in a limited number of investments and often seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry can substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing 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, Limited Partners will be required to bear Management Fees through the Fund during the investment period based on the entire amount of the Limited Partners' commitments and other expenses as set forth in the relevant Governing Fund Documents.

Leveraged Investments. The Funds 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 a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets can be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast especially in light of the uncertainty in connection with the ongoing COVID-19 pandemic. As a result, at times it can be difficult to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) can restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and can 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 a 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 magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. In the event a portfolio company cannot generate adequate cash flow to meet its debt service, it is possible that such Fund will suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund will likely

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. A Fund is permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by a Fund also will result in interest expense and other costs to the Fund that will not necessarily be covered by distributions made to the Fund or appreciation of its investments. A Fund will sometimes incur leverage on a joint and several basis with one or more other investment Funds and entities managed by the General Partner or any of its affiliates and can therefore 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 will generally be secured by capital commitments made by a Fund's Investors and such Investors' contributions will be required to be made directly to the lenders instead of the Fund.

Although borrowings by a Fund have the potential to enhance overall returns that exceed the Fund's cost of capital, such borrowings increase the potential exposure of a Fund to a particular investment above the level the Fund would have typically made had an investment been limited to equity. Any such borrowings would further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of funds. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly with a guarantee supported by a Fund facility, the Fund's Investors generally make later capital contributions, but depending on the borrower, the Fund and/or the applicable portfolio company will bear the expense of interest on such borrowed funds. Calling a large amount of capital at once to repay the then-current amount outstanding under the credit facility could cause liquidity concerns for Investors that would not arise had the Firm called smaller amounts of capital incrementally over time as needed. This risk would be heightened for an Investor 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 Investor to meet the accumulated, larger capital calls at the same time. In addition, a Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure Investor cash flows) and has the potential to make net IRR calculations higher than they otherwise would be without Fund-level borrowing (especially where financing remains outstanding for longer durations), as these calculations generally depend on the amount and timing of capital contributions, which timing is shortened by virtue of the use of the line of credit either (i) by purchasing an investment prior to a capital call or (ii) by facilitating a distribution in advance of the settlement of a transaction or in advance of when funds would otherwise have been available. The Funds typically pay interest on amounts borrowed under the credit facility and also pay a fee on the undrawn portion of the credit facility. Funds customarily pay a one-time fee for establishing the credit facility as well as certain other

one-time and recurring fees and expenses. While a Fund will bear the expense of borrowed funds, such borrowings can also increase or decrease the Carried Interest received by the Fund's General Partner by effectively reducing or eliminating the preferred return received by the Limited Partners and accelerating or increasing distributions of Carried Interest to the relevant General Partner. The General Partners therefore have a conflict of interest in deciding whether to borrow funds because a General Partner has the potential to receive disproportionate benefits from such borrowings.

Borrowing by a Fund will generally be secured by capital commitments made by Investors to such Fund and/or by the Fund's assets, and documentation relating to such borrowing can provide that during the continuance of a default under such borrowing, the interests of the Investors can be subordinated to such Fund-level borrowing, and the lenders have the ability to call capital directly from the Investors. Moreover, tax-exempt Investors should note that the use of borrowings by the Fund has the potential to cause the realization of UBTI.

Bridge Financing. From time to time, a Fund will lend to a portfolio company on a short-term, unsecured basis or otherwise invest on an interim basis in a portfolio company in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. In addition, for some of the Funds, the portfolio companies have the ability to obtain financing in the form of portfolio company notes which are guaranteed by the Fund via borrowing against the line of credit. In certain cases, the Fund may earn a guaranty fee when the note is paid off.

Illiquidity of Investments; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments can 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 can 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, it is possible that there will be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner) can exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded commitments.

Investments with Third Parties. The Funds are permitted to co-invest with third parties through joint ventures or other entities. Such investments involve additional risks due to the involvement of a third party, including the possibility that a third party will have financial difficulties which have a negative impact on the investment or that a third party will have economic or business interests which are inconsistent with the Funds. In addition, joint ventures and similar

arrangements allow, under certain circumstances, a third party to take or block an action contrary to the interests of the Funds with respect to the investment.

Reliance on the General Partners and Portfolio Company Management. Control over the operation of the Funds will be vested entirely with HCP and the General Partners, and the Funds' future profitability will depend largely upon the business and investment acumen of the HCP principals. Investors are reminded that the composition of the professionals making up particular industry sector investment teams change over time, and there can be no guarantee that the professionals included in such teams and who have contributed to the past performance of any prior Funds continue to be members of the particular team or serve in the same or similar roles thereon (and in some cases, are no longer with HCP, or will leave such team or HCP during the life of the Fund). The loss or reduction of service of one or more of such principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the principals currently, and intend in the future, to manage other investment funds and the principals will, at times, need to devote substantial amounts of their time to the investment activities of such other funds, which can pose conflicts of interest in the allocation of the time of the principals. Limited Partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of the Funds will depend entirely on the actions of HCP. In addition, certain changes in HCP or circumstances relating to HCP can have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although HCP will monitor the performance of each Fund's investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Funds generally intend 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 or willing to successfully operate a company in accordance with a Fund's objectives.

Future and Past Performance. The performance of HCP's prior investments is not necessarily indicative of a Fund's future results. While HCP intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that positive returns will be achieved. On any given investment, loss of principal capital is possible.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Funds often decide to provide additional funds to such portfolio company or have the opportunity to increase its investment in a successful portfolio company (whether to support an add-on acquisition, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Funds will make follow-on

investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments can 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). Additionally, such failure to make such investments has the potential to result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Projections. The Funds use financial projections to help analyze a potential investment or future capital raises and financing for portfolio companies or other transactions. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by HCP in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Director Liability. The Funds receive the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies are able to obtain insurance with respect to such liability, and there can be no guarantee that the insurance that portfolio companies do obtain will be sufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

Limitation of Recourse and Indemnification. The Governing Fund Documents will limit the circumstances under which HCP and its affiliates will be held liable to the Funds. As a result, Limited Partners will have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Governing Fund Documents will provide that the Funds will indemnify HCP and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Funds. Such indemnification obligations could materially impact the returns to Limited Partners.

Litigation. In the ordinary course of its business, the Funds or their portfolio companies will be subject to litigation from time to time. The outcome of such proceedings has the potential to materially adversely affect the value of the Funds and can continue without resolution for long periods of time. Any litigation has the potential to consume substantial amounts of HCP's and the principals' time and attention, and that time and the devotion of these resources to litigation can, at times, be disproportionate to the amounts at stake in the litigation.

Cybersecurity Risk and Identity Theft. Cybersecurity incidents and cyber-attacks, both generally and within the financial services industry, have been occurring globally at a more frequent and secure level and will likely continue to increase in frequency in the future. The Funds, their portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These information and technology systems are subject to a number of different threats or risks that could adversely affect the Funds and their Investors, despite the efforts of HCP and its service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their Investors. For example, these systems can be subject to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Third parties can also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information in order to gain access to HCP's data or that of Fund Investors.

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 has the potential to 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 could be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the Funds, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at HCP or one of its affiliates or service providers holding its financial or Investor data, HCP, its affiliates or a Fund will also be at risk of loss.

Although HCP has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, HCP, the Funds and/or a service provider thereof would have to make a significant investment to fix or replace system components. The successful penetration or circumvention of the security of these systems, or a failure of these service provider's systems and/or of disaster recovery plans for any reason could cause significant interruptions in HCP's, the Funds' and/or a service provider's operations. This could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors) and proprietary and/or confidential information relating to portfolio companies, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system and costs associated with system repairs. Data taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the Investors directly as well as affect the value of assets in which a Fund invests. Such a breach or failure could harm HCP's, the Funds' and/or a service provider's reputation, subject any such entity and their respective affiliates to legal claims, compliance costs and otherwise affect their business and financial performance. In addition, HCP can incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse Investor reaction or litigation which costs, under certain circumstances, will be borne by a Fund.

Valuation of Assets. There is not expected to be an actively traded market for most of securities owned by the Funds. When estimating fair value, HCP applies 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 can differ from values that would have been determined had an active market existed for such securities and can differ from the prices at which such securities will ultimately be sold. The exercise of discretion in valuation by HCP generally gives rise to conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest.

In addition, the Firm regularly reports to current and prospective Fund Investors and the investor community more generally, metrics of each Fund's performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments. These reports are an indication of the overall health of a Fund and are important to the Firm's efforts to attract prospective Limited Partners to the Firm and

any current or future Fund. An objective of HCP's valuation methodologies and procedures is to eliminate any influence these incentives have on fair value determinations.

Distressed Investments. The Funds are permitted to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that HCP will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Funds can lose some or all of its investment or will be required to accept illiquid securities with rights that are materially different than the original securities in which the Funds invested.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence can be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence can lead to or extend a localized or global economic downturn. A climate of uncertainty can reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn can have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This has the potential to slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn is more likely to have an adverse effect upon the Funds' portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) can have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally can reduce the availability of attractive investment opportunities for the Funds and can affect the Funds' ability to make

investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) will also typically increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates can adversely affect the value of investments in portfolio companies and the Funds' performance. Volatility and illiquidity in the financial sector can have an adverse effect on the ability of the Funds to sell and/or partially dispose of its portfolio company investments. Such adverse effects can include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that HCP believes reflect the fair value of such investments. The impact of market and other economic events can also affect a Fund's ability to raise funding to support its investment objective.

Economic Disruptions Due to Public Health Emergencies. Pandemics and other widespread public health emergencies, such as, and including but not limited to the recent global spread of COVID-19 (the "coronavirus") have shown an ability to result in a broad-based economic decline and significant market volatility. In particular, the ongoing coronavirus outbreak has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. Pandemics represent economic threats that are subject to frequent and rapid change and therefore present material uncertainty and risk with respect to the Funds' performance and financial results. In an attempt to decrease the global impact of such pandemics, countries, states and municipalities have instituted quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Different countries, states and municipalities have instituted different levels of such security measures and have had varying levels of success in implementing such restrictions. This has resulted in sometimes stark geographic differences in economic activity as well as safety standards. Businesses have also implemented similar precautionary measures, notably including a significant shift to work-from-home and restrictions on business travel. The extent of the impact of any public health emergency on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its

disruption to important global, regional and local supply chains and economic markets, how quickly vaccines can be rolled out and whether such vaccines will provide lasting benefits or if it will require annual inoculations, and governmental, regulatory and private sector safety precautions, all of which are highly uncertain and cannot be predicted.

Aside from the broad effects on the economy, the current pandemic has also had specific implications for the Firm's operations and activities of its personnel, including employees needing to work from home to more significant impacts such as illness, restrictions on non-essential travel, difficulty hosting fundraising meetings and absence from in-person portfolio company board meetings. The Firm instituted procedures beginning in the spring of 2020, as it deemed appropriate, to deal with operational impacts from the coronavirus. Many of these procedures mirror procedures contained in the Firm's Business Continuity Plan for dealing with other significant business disruption events. As the length of the current coronavirus pandemic has been extended, the Firm has considered additional or modified safeguards to reflect the fact that employees have often been required to work from home for an extended period of time. Additionally, although the Funds generally invest on a long-term basis in privately held companies that are less correlated to broader market forces, the impact of a global economic slowdown, including from a pandemic, has the potential to impact the Funds' performance and/or financial results by negatively effecting the Firm's ability to, among other things, source new investments, diligence such potential investments, exit current investments (or exit them at the valuations previously expected) or obtain financing. Depending on the specific industries in which the Funds' portfolio companies operate and where their supply and distribution chains are located, the coronavirus or other pandemics are likely to have an outsized impact on individual portfolio companies.

In addition to the potential impacts on the Firm's operations and the overall profitability of a Fund, the Firm's portfolio companies have faced their own operational challenges in dealing with the current pandemic. These include, but are not limited to, certain (or all) employees working remotely for extended periods of time or the portfolio company's supply chain being disrupted. The Firm has generally attempted to assist portfolio companies with implementing procedures to mitigate the impact of the coronavirus; however, there can be no assurance that such measures will ultimately be effective or that even if effective, that such portfolio company will not sustain significant financial losses. Depending on the length and severity of the current pandemic, it is possible that Firm personnel will continue to spend a significant amount of time and attention addressing implications from a pandemic, including minimizing the impact at the Firm, the Funds or a specific portfolio company which time generally would have been devoted to other activities on behalf of the Funds.

Environmental, Social and Governance Matters. HCP recognizes that, for many Investors, environmental, social or governance (“ESG”) concerns and the societal impact of their portfolios is an important consideration which cannot be viewed in isolation from overall investment performance. Therefore, the Firm will take certain ESG considerations into account in its investment decision process (including the decision to buy, sell or hold an investment) and will, in appropriate circumstances, incorporate similar considerations into the Firm’s ongoing management decisions with respect to each portfolio company. Such considerations can, in the discretion of the Firm, generally include (but are not limited to) those described by the United Nations Principles for Responsible Investment (“UN PRI”) and the American Investment Council Guidelines for Responsible Investing (“AIC Guidelines”). However, ESG is only one of the many factors HCP will consider in making investment decisions, and unless otherwise required pursuant to applicable Governing Fund Documents, the weight placed on any such ESG considerations will be in HCP’s sole and absolute discretion. Further, applying ESG goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by HCP or any judgment exercised by HCP will reflect the beliefs or values of any particular Investor or group of Investors. Finally, an assessment of ESG factors is not necessarily determinative and HCP’s investment decisions will always be subject to being made in a manner that is consistent with the Firm’s fiduciary duty to act in the best interests of the Fund’s Investors.

To the extent that HCP engages with companies on ESG-related practices and potential enhancements thereto, there can be no guarantee that (i) such engagements will achieve either or both of the desired financial and social results, and/or (ii) the market or other stakeholders (community members, portfolio company employees, customers, etc.) will view any such changes as desirable (either socially or to a Fund’s financial health).

There is a risk that the Funds will underperform other funds that do not take ESG-related factors into account or conversely, could underperform specialized funds that are largely or exclusively focused on sustainable investing principles.

The following risk also applies to the Non-Control Funds:

Non-Controlling Investments. The Non-Control Funds are permitted to hold meaningful minority stakes in privately held companies and in some cases have limited minority protection rights (and on occasion, such Non-Control Funds are also permitted to hold control positions). During the process of exiting investments, the Non-Control Funds at times are permitted to hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Non-Control Funds are permitted to hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Non-Control Funds holds a

minority stake, it will generally be more difficult for the Non-Control Funds to liquidate its interests than it would be had the Funds owned a controlling interest in such company. Even if the Non-Control Funds have contractual rights to seek liquidity of a Fund's minority interests in such companies, it can be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other Investors in such company have different business and investment objectives and goals.

Conflicts of Interest

If any matter arises that HCP determines in its good faith constitutes an actual conflict of interest, HCP is permitted to take such actions as it deems necessary or appropriate, within the context of Governing Fund Documents to address the conflict. The offering documents for each Fund detail a complete description of what HCP believes to be the most significant conflicts of interest associated with an investment in the Funds. Investors should carefully consider the conflicts of interest herein as well as those outlined in HCP's Governing Fund Documents prior to investing in a Fund. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise during a Fund's life. Investors should be aware that HCP, its personnel, and its affiliates will likely in the future engage in further activities that can result in additional conflicts of interest not addressed below. There can be no assurance that HCP will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. To the extent that HCP identifies conflicts of interest in the future, the Firm intends to, but is under no obligation to, disclose these conflicts and their implications to Investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the Advisory Council or to Investors.

Investment Allocation. HCP will generally not raise a successor Fund with the same investment objectives as the current Funds until the earlier of: (i) the end of the investment period for the prior similar Fund and (ii) such time as at least 75% of the prior Fund's commitments have been invested, committed or allocated for investment, used for Fund expenses or organizational expenses, or reserved for follow on investments or reasonably anticipated expenses of the Fund, in each case, subject to the terms and conditions of the relevant Governing Fund Documents. Where HCP is presented with the opportunity to allocate an investment opportunity across multiple Funds (other than parallel fund vehicles that are expressly formed to invest pro rata or Funds which have been raised with different and specific investment objectives), it will do so on a fair and equitable basis, consistent with its fiduciary obligations, applicable Governing Fund Documents and any other underlying documents, if applicable. If HCP is managing more than one active Fund, HCP will ensure that any new investment opportunity is allocated according to

the terms of the relevant Governing Fund Documents, if applicable. In the event the relevant Governing Fund Documents are silent as to allocation amongst Funds, HCP can either allocate the investment opportunity to the prior Fund, allocate to the newer Fund or make a pro rata allocation, subject to the criteria as laid out below.

Once the participating Fund(s) have been identified and if more than one Fund will participate in an investment opportunity, HCP will allocate the investment opportunity among the Funds based on relevant factors, determined in HCP's sole discretion, related to each Fund, which can include but are not limited to: (i) the amount of available capital commitments of the applicable Fund(s); (ii) anticipated future capital requirements of an investment opportunity; (iii) expected time to obtain liquidity; (iv) limitations in the Governing Fund Documents of the applicable Funds; (v) investment guidelines; (vi) diversification guidelines; (vii) life cycle of the Fund; (viii) investment strategies and objectives; (ix) legal, tax and regulatory considerations; and (x) any other factors deemed relevant by HCP.

HCP's Investment Committee will review and approve all investment allocations. HCP will not allocate investment opportunities based in whole or in part, on: (i) the relative fee structure or amount of fees paid by any Fund or co-investment vehicle; or (ii) the profitability of any Fund.

Co-Investments. As described above in Item 7, HCP provides or commits to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by HCP in its sole discretion. Conflicts of interest can arise in the allocation such co-investment opportunities. There can be no guarantee that the allocation of co-investment opportunities, which can be made to one or more persons for any number of reasons as determined by HCP in its sole discretion, will necessarily be in the best interests of the Funds or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, HCP considers some or all of a wide range of factors, which include the likelihood that an Investor will invest in a future fund sponsored by HCP or its affiliates. The Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments can involve risks not present in investments where a third-party is not involved, including the possibility that the third-party will at any time have economic or business interests or goals that are inconsistent with those of the Funds, or will be in a position to take action contrary to the investment objectives of the Funds. In addition, it is possible that the Funds will, in certain circumstances, be liable for actions of the third-party.

Investor Transfer of Interest. In certain cases, HCP will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Fund Documents, no obligation) to identify one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, HCP will not receive compensation for identifying such transferees and will use its

discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Fund Documents, 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.

Time and Attention of the Principals. Until such time as HCP is permitted to raise a successor investment fund, the principals intend to pursue all appropriate investment opportunities that meet the investment criteria of each Fund for the benefit of such current Fund, subject to certain exceptions set forth in the Governing Fund Documents. The principals currently, and expect to also in the future, manage several Funds and investments and spend a portion of their business time and attention pursuing investment opportunities on behalf of all HCP Funds. The principals and HCP investment staff manage and monitor all investment Funds and investments. HCP believes that the significant investment of the principals, as well as the principals' interest in the Carried Interest, operate to align, to some extent, the interest of the principals with the interest of the Limited Partners, although the principals have different economic interests in some HCP Funds and investments as well and receive Management Fees and Carried Interest relating to these interests. Earlier HCP Funds and investments that the principals manage can compete with more recent Funds or companies acquired by such Funds. At such time as HCP is permitted to raise a successor investment fund, the principals will continue to manage the Funds' investments, but also likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments will be allocated between prior and more recent Funds and any successor or predecessor Fund in a manner as set forth in the Governing Fund Documents.

Conflicting Investor Interests. Limited partners often 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. Conflicts can arise in connection with decisions made by HCP regarding an investment that will potentially be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, HCP generally will consider the investment and tax objectives of a Fund and its Limited Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

Portfolio Company Board Service. HCP principals and employees serve on the boards of Fund portfolio companies. Serving in such capacity can give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director can conflict with the interests of a Fund in general; however, as the Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. While HCP employees do

not receive fees for sitting on such portfolio company boards, they can receive reimbursement from such portfolio company for expenses incurred in carrying out their responsibilities as a board member, such as travel, meals and entertainment, etc. HCP on occasion appoints third parties who are not HCP employees, such as Operating Partners, to serve on portfolio company boards. Fees paid to such appointees are borne by the relevant portfolio company and not by HCP or its relevant Fund and are not subject to the fee offset provisions as described in Item 5, above.

In such capacity, employees will be required to make decisions they consider to be in the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that are in the best interests of the portfolio company will not necessarily be in the best interests of the Fund, and vice versa. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to HCP in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the applicable Governing Fund Document's offset provision, are in addition to the Management Fee or Carried Interest. HCP's authority to appoint or influence the appointment of portfolio company board members who will potentially be involved in approving compensation payable to the Firm subjects HCP and any such portfolio company board appointees to potential conflicts of interest. Accordingly, in these situations, there can be conflicts of interest between such individual's duties as an employee of HCP and such employee's duties as a director or officer of such portfolio company. Generally, however, HCP believes its interests are aligned with those of its portfolio company investments.

Portfolio Company Expenses. A portfolio company typically will reimburse HCP, its Operating Partners or service providers retained at HCP's discretion for expenses (including without limitation travel expenses) incurred by HCP, its Operating Partners or such service providers in connection with its performance of services for such portfolio company. This subjects HCP and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements and the amount of such reimbursements can be substantial. Although the amount of individual reimbursements typically is not disclosed to Investors in any Fund, any fee paid or expense reimbursed to HCP, its Operating Partners or such service providers generally is subject to: agreements with 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 conflicts of interest. HCP will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Expense Allocations. Subject to any relevant restrictions or other limitations contained in the Governing Fund Documents of each Fund, HCP will allocate fees and expenses in a manner that it believes in good faith is fair and equitable in its sole discretion under the circumstances and considering such factors as it deems relevant. In exercising such discretion, HCP can be faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple Funds will be allocated among such Funds. Investors in a Fund are typically allocated (or otherwise bear) their pro rata share of such fees and expenses, which can be calculated based on capital commitments, invested capital, available capital, number of Funds, the life-stage of the Funds, or other metrics as determined by HCP in its sole discretion. The allocations of such expenses are not always proportional.

HCP and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such fees, costs, and expenses in proportion to the size of its actual or proposed investment, or in such other manner as HCP considers, in good faith, to be fair and equitable. There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision.

A conflict of interest could arise in HCP’s determination whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, or whether such expenses should be borne by HCP. The Funds will be reliant on the determinations of HCP in this regard. From time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by HCP to be the most appropriate corrective measure.

Some expenses will be incurred on behalf of one Fund which have the potential to benefit other Funds. For example, information HCP obtains in connection with a Fund’s research, due diligence

and investment activities can be valuable to other Funds. Additionally, tools and resources developed at HCP's expense will be the intellectual property of HCP and not the Fund.

Transactions with Fund Limited Partners. Historically HCP has entered into transactions and will potentially in the future enter into transactions in the future with certain Fund Investors such as, for example, Investors who are also business partners, including but not limited to insurance agents, investment banks, broker-dealers, legal counsel or others who provide services (including mezzanine and/or other lending arrangements or other services) to the Firm, its Funds and portfolio companies. The terms of these transactions are negotiated on an arm's-length basis; however, HCP is subject to a conflict of interest when determining such terms because HCP benefits from retaining such Investors' investment in the Funds.

Data and Information: HCP receives and generates various kinds of data and other information, including information related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information allows HCP to better anticipate macroeconomic and other trends and otherwise develop investment strategies. As a result, HCP often gains industry, sector and other general expertise and knowledge in connection with a company that will benefit a different Fund. In such circumstances where the benefitting company is in another Fund, one Fund will have borne the cost for value that will benefit the other. It is possible that HCP will in certain instances use this information in a manner that would provide a material benefit to, or present a conflict of interest between, HCP, its affiliates, or to certain other Funds or Investors without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, HCP has an incentive to pursue investments in companies based on the data and information expected to be received or generated.

Industry Relationships. As with many other private equity fund sponsors, as part of HCP's business, the principals, HCP and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of HCP. Certain of these third parties will, on occasion: (i) introduce investment opportunities to HCP; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to HCP, the Funds, or portfolio companies. Such third parties also on occasion provide goods or services to or have business, personal, political, financial or other relationships with the

principals. In addition, such third parties are sometimes Investors in one or more Funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to HCP, the Funds and/or their portfolio companies. These relationships have the potential to influence HCP in deciding whether to select or recommend any such third party to perform services for the Funds or a portfolio company. The cost of any services provided by such third parties will generally be borne directly or indirectly by the Funds or its portfolio companies, as applicable.

Advisory Council. As set forth in the Governing Fund Documents, HCP establishes an advisory council (the “Advisory Council”) consisting solely of Limited Partner representatives invited by the General Partner. The Advisory Council has the ability to review and waive compliance with certain provisions of the relevant Governing Fund Documents, including resolving potential conflicts of interest situations, and whose approval is required or can be requested in certain circumstances, including certain approvals or consents required by the Advisers Act. All Limited Partners are bound by the determinations of the relevant Advisory Council, regardless of whether a Limited Partner is directly represented by a member of such Advisory Council. The Governing Fund Documents generally provide that to the fullest extent permitted by applicable law, none of the Advisory Council members shall owe any fiduciary duties to a Fund or any other Limited Partner. In addition, representatives of the Advisory Council often have various business and other relationships with the Management Company and its members, employees and affiliates. These relationships have the potential to influence their decisions as members of the Advisory Council. A conflict of interest exists in that not all Limited Partners are asked to join a Fund’s Advisory Council. To the extent that a Limited Partner is not directly represented by a member of the Advisory Council, such Limited Partner will have no influence over matters submitted to the Advisory Council for review or approval. On any issue involving actual conflicts of interest, HCP will be guided by its good faith discretion.

In addition, members of one Fund’s Advisory Council will often also be a member of another Fund’s Advisory Council. In such instances, a conflict of interest exists because Advisory Councils would be requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such Advisory Council members serve, and such members are unlikely to recuse themselves from any such vote.

Intangible Benefits. HCP and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses often result in “miles” or “points” or credit in loyalty/status programs to HCP and/or its employees, and such rewards or amounts will exclusively benefit HCP and/or

such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its Investors, or the portfolio companies.

Conflicts Related to the Interpretation of Governing Fund Documents and Other Legal Requirements. The Governing Fund Documents of each Fund and related documents are detailed agreements that establish complex arrangements among HCP, the Investors, the Fund, the General Partner and other entities and individuals. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While HCP will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations HCP adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their Investors.

Conflicts Related to the Withholding of Certain Information. The Governing Fund Documents of the Funds generally permit the applicable Fund's General Partner to withhold information from designated Investors in such Fund under specified circumstances. For instance, information will at times be withheld from Investors that are subject to Freedom of Information Act or similar requirements. The relevant General Partner will also from time to time elect to withhold certain information from Investors for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such Investors of receiving such information.

Cross Fund Transactions. In infrequent circumstances, HCP effects a cross transaction between Funds. Such cross fund transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that (i) a Fund will not receive the best price possible or (ii) HCP will have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or Investor's evaluation of the adviser or the integrity of the adviser's management. Neither HCP nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events that would require disclosure in response to this Item.

On occasion, in the ordinary course of its business, HCP is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, HCP does not believe that any current legal proceeding or claim to which HCP is a party, if any, would individually or in the aggregate materially affect the Firm or the Funds' results of operations, financial position or cash flows.

Item 10 – Other Financial Industry Activities and Affiliations

HCP is not actively engaged in a business other than giving investment advice to its clients, which are the Funds, and managing the portfolio companies in which the Funds have invested. Neither HCP nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. Neither HCP nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing. HCP does not recommend or select other investment advisers for the Funds.

HCP does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business or to its Funds or its Investors. HCP has and will continue to develop relationships with professionals who provide services it does not provide, including: legal; accounting; banking; investment banking; tax preparation; and insurance brokerage. Some of these professionals provide services to the principals, the Funds or their portfolio companies. Additionally, some of these professionals are Limited Partners in HCP Funds, either personally or through their company, and can also be co-investors in certain portfolio companies.

From time to time, HCP receives training, information, promotional material, meals, entertainment, gifts or other perquisites from vendors and others with whom it does business or to whom it makes referrals. HCP will not accept any benefits, entertainment, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider. Similarly, HCP employees have in the past spoken, and expect in the future to speak, at conferences and programs for potential investors interested in investing in private funds and other industry events that are sponsored by various investment bankers, broker-dealers or others. Through such capital introduction and other events, prospective Limited Partners have the opportunity to meet with HCP. Neither HCP nor any Fund compensates

these investment bankers, broker-dealers or others for organizing such industry events or for investments ultimately made by prospective Limited Partners attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

General Partners

As described in Item 4, HCP is affiliated with the following entities as General Partners: Huron Capital Partners GP II LLC; Huron Capital Partners GP III LLC; Huron Fund IV Management LLC; Huron Capital Flag GP V LLC; and Huron Capital Flex GP LLC. These General Partners are deemed registered with the SEC under the Advisers Act pursuant to HCP's registration and in accordance with SEC guidance. These affiliated entities operate as a single advisory business together with HCP and serve as General Partners of the Funds, and share common owners, officers, partners, employees, Operating Partners, consultants or persons occupying similar positions. These affiliated entities do not have employees of their own.

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

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, HCP has adopted a written Code of Ethics (the "Code") predicated on the principal that the Firm owes a fiduciary duty to the Funds and its Investors. The Code is designed to address and avoid potential conflicts of interest and is applicable to HCP employees, as well as any other individuals designated in writing by the Chief Compliance Officer as being subject to all or a portion of the compliance procedures or policies adopted by HCP (collectively the "Supervised Persons"). HCP requires its Supervised Persons to act in the Funds' best interests, abide by all applicable regulations and avoid any action that is, or could appear to be, legally or ethically improper.

Supervised Persons are required to certify to their compliance with the Code upon hire and on an annual basis. Supervised Persons who violate the Code will be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised Persons are also required to promptly report any violations of the Code of which they become aware.

The personal trading policy for HCP Supervised Persons is set forth in HCP's Code and is acknowledged as received and understood by each Supervised Person. HCP's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by any Supervised Person and that Supervised Persons in no respect misappropriate any benefit properly belonging to a Fund.

HCP Supervised Persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others. The Code establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Under the Code, HCP Supervised Persons are required to file certain periodic reports with the Chief Compliance Officer, as required by Rule 204A-1 under Advisers Act. The Firm maintains a restricted list regarding issuers about whom it has material non-public information. HCP generally prohibits the purchase or sale of securities on HCP's restricted list; requires pre-clearance before Supervised Persons make a discretionary purchase of an IPO or limited offering (*i.e.*, private placement); and requires periodic reporting of Supervised Persons' personal securities transactions and all holdings. HCP endeavors to maintain current and accurate records of all personal securities accounts of its Supervised Persons in an effort to monitor all such activity.

The principals and Supervised Persons of HCP carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and give advice and recommend securities to vehicles which differs from advice given to, or securities recommended or bought for, the Funds, or outside of the investment mandate of the Funds.

Investors can obtain a copy of HCP's Code upon request to Matthew Hare, Chief Compliance Officer, at 313-962-5800 or email at mhare@huroncapital.com.

Participation in Client Transactions

HCP or a company related to HCP serves as the investment adviser and General Partner, respectively, to the Funds. HCP, its Supervised Persons, and/or the General Partner of the Funds have an investment in the Funds. Therefore, it is possible that HCP will be considered to participate indirectly in transactions effected for those clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Governing Fund Documents.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). Cross trades between Funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either Fund. In the context of HCP's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future Fund or HCP or a Fund General Partner purchasing the interest of an existing Investor (excluding a HCP employee or other affiliated investors). Agency cross transactions occur when an affiliate arranges a

transaction (*i.e.*, acts as broker) between two or more different funds or accounts that are managed by that same adviser or an affiliate. Agency transactions can also arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. In the context of HCP's business, an agency cross transaction would most likely refer to the practice of selling a portfolio company from one Fund to another.

In the event HCP were to recommend a principal transaction or agency cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating Funds; (ii) the transaction is permitted by the relevant Governing Fund Documents; (iii) proper disclosure is given to the relevant General Partner, Investors or Advisory Council, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Item 12 – Brokerage Practices

HCP focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the client. In pursuit of best execution in both privately negotiated and publicly traded securities, HCP on occasion will engage the services of a broker-dealer or investment banker for either the purchase or sale of an investment.

When selecting a broker-dealer or investment banker for either the purchase or sale of an investment, HCP considers a variety of factors based on its best judgment of who can provide best execution, including: (i) HCP's prior experience with the broker-dealer or investment banker; (ii) the broker-dealer or investment banker's execution capabilities with respect to the relevant type of order, financial responsibility, reputation and expertise within the industry; (iii) the broker-dealer or investment banker's responsiveness to HCP; (iv) the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; (v) the value of any research services provided; and (vi) the commissions rates. HCP's overall aim in selecting a broker-dealer or investment banker is to maximize returns for the Funds.

Although HCP generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding process. Transactions that involve such specialized services on the part of the broker-dealer or investment banker often entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

HCP focuses on making investments in private securities; thus, it does not engage in traditional brokerage transactions, utilize any soft dollar relationships with any broker-dealer, receive client referrals in connection with selecting or recommending broker-dealers for the Funds, nor permit Investors to stipulate the direction of brokerage. In the event HCP were to aggregate the purchase or sale of securities for the Funds, it would do so based on each Fund's proportionate ownership.

Item 13 – Review of Accounts

All investments are carefully reviewed and approved by HCP's Investment Committee as described in the applicable Governing Fund Documents. Additionally, the portfolio companies are reviewed on an ongoing basis and HCP investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities. Moreover, partners of HCP monitor portfolio company performance through regular management meetings, as well as detailed reviews of specific portfolio companies that occur as needed.

HCP provides each Limited Partner with the following reports in accordance with the terms of the applicable Governing Fund Documents: (i) audited annual financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of the independent certified public accountant, within 120 days of fiscal year end (or sooner as specified in the Governing Fund Documents); (ii) unaudited quarterly financial statements together with investment information on each Fund's portfolio companies; and (iii) annual tax information necessary to complete any applicable tax returns (K-1). HCP also provides Limited Partners with an annual report containing investment information on each Fund's portfolio companies and holds an annual meeting with the Limited Partners. These reports are prepared in writing and delivered electronically, according to Governing Fund Documents for Limited Partners' respective Funds.

In the course of conducting due diligence or otherwise, Investors periodically request information pertaining to HCP's investments. HCP responds to these requests, and in answering these requests provides information that is not generally made available to other Investors who have not requested such information. Additionally, as it pertains to existing Investors, upon request or pursuant to contractual obligations, certain Investors receive additional information and reporting that other Investors do not receive. The fact that HCP provides such information upon request to one or more Investors does not obligate HCP to affirmatively provide such information to all Investors. As a result, certain Investors will have more information about a Fund than other

Investors, and HCP has no duty to, and does not intend to, ensure all Investors seek, obtain or possess the same information regarding a Fund and its investments and/or portfolio companies.

Item 14 – Client Referrals and Other Compensation

HCP receives compensation in the form of fees paid by the Limited Partners, as disclosed in the Governing Fund Documents and in Items 5 and 6 above. HCP or certain of its affiliates have the right to receive certain non-investment advisory fees in connection with the Funds' investments and portfolio companies, as described in the Funds' Governing Fund Documents and above in Item 5. For example, HCP is entitled to receive certain Other Fees from a portfolio company for services provided to the portfolio company. Generally, 50-100% of such Other Fees are offset against the Management Fee, depending on the Governing Fund Documents of the applicable Fund.

These types of fee arrangements present potential conflicts of interest and provide HCP with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by HCP or its employees in connection with services rendered to portfolio companies or transactions of the Fund are offset in part against Management Fees payable by the Funds, to the extent described in Item 5 above and detailed in the Governing Fund Documents.

During the course of raising capital for a new fund, HCP has in the past with respect to certain Funds and will potentially in the future, enter into solicitation agreements pursuant to which it compensates a third party placement agent for referrals that result in a potential investor becoming a Limited Partner in a HCP Fund. The cost of any fees paid to a placement agent are paid by the Funds and offset dollar for dollar against the Management Fee, although related expenses incurred pursuant to the relevant placement agent agreement, including but not limited to placement agent travel, meals and entertainment expenses, typically will be borne by the relevant Fund as part of its organizational costs. Any placement agent engaged by HCP will be registered as a broker-dealer to the extent required by law or regulation.

Item 15 – Custody

HCP is deemed to have custody over the Funds' assets because of its affiliation with each Fund's General Partner and the ability of its General Partners to deduct fees from Fund accounts. HCP has elected to undergo an annual GAAP financial statement audit for each of its Fund vehicles in order to meet the Custody Rule requirements. The HCP Funds are audited annually by a Public Company Accounting Oversight Board ("PCAOB")-registered and inspected auditing firm and HCP

delivers (or will deliver, for newly closed Funds) to the Funds and their Limited Partner Investors a copy of the annual audited financial statements within 120 days of the fiscal year end. In addition, upon the final liquidation of a Fund, HCP will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying Limited Partners promptly upon completion of the audit. Limited Partners are encouraged to carefully review such financial statements.

HCP does not, however, accept physical possession of Fund assets or securities (other than certain privately offered securities to the extent permitted by the Advisers Act); called capital is deposited or wired into the respective Fund's bank account. HCP receives monthly statements from its qualified custodians on behalf of the Funds. For more information about HCP's qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

Item 16 – Investment Discretion

HCP is retained on a fully discretionary basis and is authorized to determine and direct execution of portfolio transactions pursuant to the terms of the Governing Fund Documents for each Fund. The terms upon which HCP serves as an investment manager are established at the time each Investor subscribes for an interest in a HCP Fund. To invest in the Fund, a Limited Partner must execute Governing Fund Documents. Such Governing Fund Documents generally contain a power of attorney that grants HCP or its General Partner certain powers related to the orderly administration of the affairs of the Funds. With limited exceptions, such as certain conflicts of interest as discussed elsewhere in this Brochure, HCP is not required to contact an Investor prior to transacting any business once such Investor executes these documents. Investment advice is provided directly to the Funds and not to Investors in the Fund individually. HCP has discretionary authority based on the Governing Fund Documents to buy and sell securities and other investments on behalf of the Funds.

Generally, HCP's only restrictions with respect to managing a Fund, such as (but not limited to) the type of securities in which a Fund is permitted to invest, will be contained in the relevant Governing Fund Documents. However, a Limited Partner in a Fund can seek to impose limitations on HCP's authority through a side letter agreement and the Firm can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon HCP's investment authority with respect to a Limited Partner's investment must be presented to HCP in writing and agreed to by HCP and such Limited Partner. Other Limited Partners are not provided with consent rights with respect to such side letters.

Item 17 – Voting Client Securities

By virtue of the applicable Governing Fund Documents, HCP has the authority to vote proxy statements on behalf of the Funds. HCP has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. HCP's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds, including if there are material conflicts of interest in voting proxies. In all such matters, HCP votes in what it believes to be the best interest of the Funds. HCP's Funds are exclusively invested in privately-held portfolio company investments which typically do not issue public proxies; therefore, the majority of "proxies" received by HCP will be written shareholder consents or similar instruments for private companies. For the Control Funds (and in limited circumstances, the Non-Control Funds when they make controlling investments), the investment opportunities that HCP seeks allow the Funds to have influence on the management, operations and strategic direction of the portfolio companies in which it invests through its majority interest and/or through its employees who sit as officers and directors on portfolio company boards.

HCP will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Funds on the other. However, as is typical with private equity investing, for the Control Funds (and in limited circumstances, the Non-Control Funds when they make controlling investments), HCP seeks and accepts the election of one or more HCP representatives to serve on the board of directors on behalf of such Funds and will typically, but not always, vote in favor of board recommendations. In situations where HCP is required to vote the proxy for a company in which employees of HCP serve on the board of directors, HCP has determined that its position on the board of directors does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the Funds' investment in such portfolio company. Accordingly, while HCP is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to votes related to that issuer, it will review all votes in accordance with its proxy voting guidelines and will not necessarily vote in favor of the board's recommendation. Fund Investors cannot direct how HCP votes proxies or exercises control.

All conflicts of interest, if any, that arise in connection with exercising a proxy vote will be resolved in the interests of HCP's Funds. In situations where HCP perceives a material conflict of interest, HCP can choose to defer to the voting recommendation of its Advisory Council of the involved Fund or take such other action in good faith which HCP believes would protect the interests of HCP's Funds.

Investors can obtain a copy of how HCP voted proxies, if any, upon request to Matthew Hare, Chief Compliance Officer, at 313-962-5800 or email at mhare@huroncapital.com.

Item 18 – Financial Information

HCP (i) does not require or solicit pre-payment of more than \$1,200 in fees per Fund more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to Funds or Investors and (iii) has not been subject to any bankruptcy proceeding during the past 10 years.