

PAINE SCHWARTZ PARTNERS, LLC

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PART 2A OF FORM ADV: FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Paine Schwartz Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 379-7200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Paine Schwartz Partners, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There were no material changes to the business activities of Paine Schwartz Partners, LLC since its most recent amended filing of Part 2A of Form ADV in April 2020.

We encourage all recipients of this brochure and private offering materials to read these documents carefully in their entirety and to contact us should you have any questions.

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Item 4 – Advisory Business

Paine Schwartz Partners, LLC (“PSP” or the “Firm”), a Delaware limited liability company, provides investment advisory services to pooled investment vehicles, related parallel funds, alternative investment vehicles and other specially formed investment vehicles (each, a “Fund” or a “Client”) that make private equity investments. The Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and their securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

PSP provides investment advisory services directly to the Funds and not individually to investors in the Funds. Services to the Funds include identifying, evaluating, structuring and negotiating prospective investments, managing and monitoring portfolio companies and advising the Funds with respect to disposition opportunities. An affiliate of PSP generally serves as the general partner (or similar managing body) of each Fund.

The Funds’ private equity investments focus on management-led corporate acquisitions, recapitalizations and company expansion programs. The Firm focuses on the food and agribusiness industry although there are a few portfolio companies in other industries.

PSP generally provides investment advisory services to the Funds through separate advisory agreements (each, an “Advisory Agreement”) tailored to the specific needs of each Fund as may be necessary, appropriate or negotiated on a case-by-case basis.

The Firm was formed in 2006 and is owned by an entity whose owners are W. Dexter Paine, III, Kevin M. Schwartz and Angelos J. Dassios. The Firm is managed by Messrs. Paine and Schwartz.

As of December 31, 2020, PSP managed client assets totaling approximately \$2.946 billion, all of which is managed on a discretionary basis.

Item 5 – Fees and Compensation

PSP’s fee and compensation arrangements as well as the expenses that a Fund may be responsible for vary among the Funds. The specific terms of such arrangements are set forth in each Fund’s written agreement with PSP or the general partner, as applicable.

As compensation for its services, PSP typically receives a management fee (the “Management Fee”) quarterly in advance from Funds. The annual management fee is typically in the range of 1.75-2.00% of the aggregate capital commitments of the Fund’s investors while the Fund is actively investing, and thereafter, the fee percentage is typically applied only to the Fund’s aggregate invested capital (excluding capital invested in realized or permanently written down investments) as of the end of the immediately preceding quarter. The Funds’ governing documents typically provide that in the event that the Firm does not perform services for the full quarter (other than the last quarter), any excess prepaid Management Fee is required to be credited against the Management Fee payable in succeeding quarters. In general, the amount of Management Fee payable for any period shorter than a quarter is calculated based on the actual number of calendar days in such period. Notwithstanding the foregoing, with respect to any period for which the management fee is being calculated as a percentage of invested capital rather than capital

commitments, the Funds' governing documents typically do not provide for management fee adjustments for intra-quarter realizations, write-downs or capital contributions.

The Management Fee is paid to the Firm by or on behalf of a Fund by (i) requiring investors in the Fund to make capital contributions or (ii) withholding amounts from investment proceeds that would otherwise be distributable to investors in the Fund. In addition to the Management Fee, in connection with the affairs of a Fund, the Firm receives (i) monitoring fees, consulting fees, advisory fees, directors' fees, commitment fees, and other similar fees, (ii) transaction fees related to the acquisition of, investment in or financing of a portfolio company, and break-up fees and (iii) interest, commitment fees and other financing fees in connection with a bridge financing. The Fund's Management Fee will be offset, or reduced, by all or a portion of such fees (but not reimbursements of out-of-pocket expenses paid to third parties), in accordance with the governing documents of the applicable Funds. The Management Fee will be further reduced, waived or rebated at the sole discretion of PSP.

In addition, it is the Firm's practice, in keeping with its industry concentration, to retain or engage certain independent senior professionals ("operating directors") as consultants to portfolio companies or one or more of the Funds. These operating directors provide specialized services related to the identification and evaluation of investment opportunities and utilize their operating and leadership experience in connection with the acquisition, holding, growth and operational improvement of portfolio companies. The agreements between the operating directors and the Firm provide that such services provided will be either on an exclusive or non-exclusive basis with the portfolio companies or the Funds. In performing these services, operating directors generally serve in management or policy-making positions at portfolio companies, or provide portfolio consulting services to a Fund, and receive compensation directly from portfolio companies and/or the applicable Funds for such services. As set forth in the applicable confidential information memorandum and partnership agreement of each Fund, any salary, fees or other compensation paid by a portfolio company or a Fund to any operating director retained by the Firm, or to any other unaffiliated person who acts as an officer or director of, or in an operational or management role at, a portfolio company, do not offset or reduce the Firm's Management Fee. To the extent such salary, fees or other compensation is paid by the Firm, the Funds and/or portfolio companies reimburse the Firm for such expenses. In addition, certain operating directors will receive a profits or equity interest (e.g., options) in the portfolio companies where they perform services, and/or be given the opportunity to participate in the general partner of one or more Funds. Potential conflicts of interest created by the arrangements involving operating directors is further discussed under "Conflicts of Interest" below.

In addition, certain affiliates of the Firm that serve as a general partner of a Fund and/or commit capital to a Fund are entitled to receive a carried interest distribution from such applicable Fund, as further discussed below in Item 6.

Each Fund typically bears and is charged with its own operating costs and expenses, consistent with the applicable provisions in each of the Funds' governing documents, including without limitation (i) fees and expenses of service providers to the Fund, including administration, legal, auditing, accounting, consulting, financing, valuation, banking and custodial fees and expenses, in connection with the operations of the Fund or any portfolio investment, (ii) interest, fees and expenses arising out of the Fund's borrowings and indebtedness, (iii) D&O liability and other insurance costs of the general partner, the Firm, their respective affiliates, and other persons acting on behalf of the Fund, (iv) expenses incurred in connection with the

preparation of reports to the Fund's limited partners or advisory board, including financial statements, tax returns and Internal Revenue Service Schedule K-1s, and for the purpose of complying with any applicable law, rule or regulation, including regulatory filing or other expenses of the Fund or the general partner, including Form PF filings, (v) fees and expenses associated with (A) the discovery, investigation, evaluation, development, acquisition, ownership, maintenance, monitoring, financing, hedging or disposition of portfolio investments (including certain compensation of operating directors), temporary investments, and potential portfolio investments (including travel expenses, brokerage commissions, clearing and settlement charges, private placement fees, syndication fees, solicitation fees, arranger fees, sales commissions, pricing and valuation fees and other closing, execution and transaction costs and expenses) and (B) the sourcing and evaluation of potential portfolio investments (whether or not consummated), including any travel expenses, commitment fees, reverse break-up fees, legal and accounting fees and expenses, compensation of operating directors, and the fees and expenses associated with attending or sponsoring industry conferences in connection with the evaluation of potential portfolio investments or business sector opportunities, (vi) expenses associated with the Fund's advisory board (including any legal counsel or other advisers), (vii) fees and expenses (A) associated with maintaining the Fund, the general partner and related entities, including the operation, restructuring, dissolution, winding up and termination thereof, and any amendments or modifications to the constituent documents thereof (other than those relating solely internal matters of the general partner), (B) of holding any limited partner meetings, and (C) related to a permitted transfer, withdrawal or admission of a partner, or a default by a limited partner, (viii) fees and expenses in connection with any indemnification obligations of the Fund, (ix) extraordinary expenses, including litigation costs and expenses related to the Fund, any portfolio investment, any potential portfolio investment or otherwise relating to such investment (including expenses incurred in connection with any governmental inquiry, investigation or proceeding), and (x) any taxes, fees or other governmental charges levied against the Fund. Certain of these costs and expenses will be incurred by the Firm or its affiliates and reimbursed by the Funds.

A Fund generally pays the out-of-pocket expenses incurred in connection with the organization of the Fund and the general partner and the offering and sale of limited partnership interests in the Fund, including legal, accounting and travel, fees and expenses related to the offering and sale of limited partner interests, up to a certain amount, or "cap". Organizational expenses above the cap are paid by the Firm or its affiliates. Placement agent commissions, fees and expenses paid by a Fund are offset against the Management Fee.

The Firm and its affiliates (including the general partner of any Fund) will from time to time incur fees and expenses on behalf of more than one Client. To the extent such costs and expenses are incurred for the account or benefit of one or more Funds, co-investment vehicles (with respect to consummated investments) or third-party co-investors (with respect to consummated investments), each such vehicle will typically bear an allocable portion of such costs and expenses, in proportion to the relative size of its investment in the investment, entity or activity to which the expense relates, subject to the terms of each such vehicle's applicable governing documents, or in such other manner as the Firm or its applicable affiliate considers fair and reasonable. The Funds (other than the co-investment vehicles formed for the purpose of investing in a portfolio investment on an investment-by-investment basis) bear all costs and expenses incurred in connection with any abandoned or broken deals, including all broken deal expenses and expenses associated with the organization of co-investment vehicles.

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

In addition to an asset-based Management Fee, the Funds generally allocate a portion of their investment profits to their general partners or other special purpose vehicles that are affiliates of the Firm, as “carried interest.” The carried interest will generally be an amount equal to a percentage of the profits realized from investments after the return of invested capital and a preferred return to investors in the Funds, calculated pursuant to the governing documents of each Fund.

The carried interest is structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In accordance with Rule 205-3, investors in a Fund that is assessed carried interest must meet the qualifications set forth in Rule 205-3, and are advised of the terms of such performance-based fees and the associated risks.

The carried interest creates an incentive for the general partner of a Fund to make riskier or more speculative investments on behalf of such Fund than would be the case in the absence of this arrangement. PSP manages this potential risk by ensuring through its investment approval process that appropriate material investment decisions are made by the investment committee (as referenced in Item 13 of this brochure) and in conjunction with the stated investment objectives and guidelines in the Funds’ governing documents. In addition, PSP’s investment professionals generally make significant investments of their own capital in the Funds, which we believe further serves to protect against potential risks from performance-based compensation arrangements.

Item 7 – Types of Clients

PSP’s Clients are generally pooled investment vehicles (and their parallel funds, alternative investment vehicles, feeder funds and special purpose vehicles) that are exempt from registration under the Investment Company Act. The investors in the Funds are generally required to meet certain suitability and net worth qualifications, e.g., the investors must be (i) “accredited investors” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act, as amended, and (ii) “qualified purchasers,” as defined in the Investment Company Act, as amended, or “knowledgeable employees” within the meaning of the Investment Company Act, as amended. Investors in the Funds may include, among others, pension plans, endowments, trusts, sovereign wealth funds, funds-of-funds, financial institutions and other U.S. and non-U.S. corporations.

Generally, the minimum initial commitment of the investors in the Funds’ is \$10 million, although PSP has the authority to deviate (and has deviated in the past) from these minimum commitment requirements. Conditions for investing in each Fund are stated in each Fund’s applicable offering documents.

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

Methods of Analysis and Investment Strategy

PSP seeks to make significant investments in operating companies at various stages through acquisitions, recapitalizations and company expansion programs, generally in conjunction with the management of target companies. PSP generally focuses on transactions where investment opportunities are created by addressing complexity and developing solutions for sellers, management teams or corporate partners. PSP

has both formal and informal processes for identifying investment opportunities and focus industries. In evaluating potential portfolio companies, PSP's analysis typically focuses on the target company's (i) business model and competitive environment, (ii) financial structure and performance, (iii) business plan and opportunities for value creation, (iv) management team capabilities and (v) potential for attractive exit opportunities. PSP from time to time utilizes legal, industry, financial and other advisors and the skills of certain portfolio company employees to complement its due diligence process. PSP's investment analysis methods may include fundamental, technical gain/loss forecast models, cash-flow models, sensitivity analysis, charting, fundamental, technical and cyclical analysis.

In identifying focus areas, investment professionals develop top-down investment theses, build relationships with industry constituents and target specific transaction opportunities.

Investment Risks

The items set forth below are a brief overview of the risks associated with the Firm's investment strategy; they are not intended to serve as a comprehensive exposition of all risks and conflicts that may arise in connection with the management and operation of the Funds. Investors are encouraged to review the applicable Fund's governing documents to understand the risks and potential conflicts of interest.

No Assurance of Investment Return. There is no assurance that any Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Fund participates. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment. **There is no assurance that projected or targeted returns for any Fund will be achieved or that invested capital will be returned. Past performance of any PSP Funds is not indicative of future results.**

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There is no assurance that a Fund will be able to locate, consummate and exit investments that satisfy its investment objectives.

Risk of Limited Number of Investments. A Fund may participate in a limited number of investments and, as a consequence, the unfavorable performance of any single investment may substantially adversely affect the aggregate returns to a Fund's investors. Moreover, there is no assurance that one or more of any Fund's investments will perform well enough for such Fund to achieve above-average returns.

Use of Leverage. Investments in leveraged companies offer the opportunity for capital appreciation, but also involve a higher degree of risk. A Fund's investments will involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase investment interest expense, causing losses and/or the inability to service debt levels. If an investment cannot generate adequate cash flow to meet debt obligations, a Fund may suffer a partial or total loss of capital invested in a portfolio company.

Availability of Financing. A Fund's ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. A decrease in

the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, may impair a Fund's ability to consummate these transactions and may adversely affect the Fund's returns. Availability of financing may also adversely affect the liquidity position of a portfolio investment.

Operating, Financial and Regulatory Risks affecting Portfolio Companies. The performance of the operating companies in which a Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, an economic downturn, changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. Regulation generally, including tax laws and regulation, whether in the United States or abroad, also could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating a Fund. As a result, a Fund's portfolio investments may experience significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress.

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

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

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

Uncertainty of Financial Projections. PSP generally establishes the capital structure of companies in which a Fund invests on the basis of financial projections for such companies, which normally are based primarily on management judgments. Projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed, there is no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic

conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Sector Focus; Dependence on Performance of Certain Investments. PSP focuses its investment activities in the global food and agribusiness sectors. As a result, the performance of Funds concentrated in these sectors may be particularly sensitive to certain market forces as well as natural and political circumstances such as fluctuations in commodity prices, weather and environmental factors, wars, conflicts and similar upheavals, seasonality and government and regulatory intervention.

Non-U.S. Investments. The Funds' investment activities are global in nature and will include investments in businesses outside the United States. Investing in non-U.S. securities involves risks relating to (i) currency exchange matters, including fluctuations in the rates of exchange and costs associated with currency conversion; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and varying degrees of government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital; and (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. In addition, laws and regulations of foreign countries may impose restrictions that would not exist in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S.

Market Conditions. A Fund will be materially affected by conditions in the financial markets and economic conditions throughout the world, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances, and such conditions may adversely its performance.

ERISA. A Fund may hold "plan assets" subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. PSP endeavors to structure the Funds so that PSP or related entities are not classified as "fiduciaries" under ERISA as a result of holding such plan assets. If PSP or a related entity were to be considered a "fiduciary" with respect to plan assets in a Fund, such Fund may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such Fund, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to such Fund.

Cybersecurity Risks; System Failures. PSP Funds, PSP and its affiliates and service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to

data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, including, without limitation, information regarding investors and PSP Fund's and its affiliates investment activities, and corruption of data. PSP Funds, PSP and its affiliates may be exposed to a more significant risk if these activities are taken by state actors. Damage or interruptions to information technology systems may cause losses to PSP Funds, PSP or their investors, including, without limitation, by interfering with the processing of transactions, affecting a PSP Fund's or affiliates ability to conduct valuations or impeding or sabotaging trading. PSP Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose a PSP Funds, PSP and its affiliates to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use or dissemination of their personal information.

In addition to the above cybersecurity related issues, information and technology systems of PSP Funds, PSP and its affiliates may otherwise be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Notwithstanding 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, PSP and its affiliates may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of PSP and its affiliates and 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). Such a failure could harm the reputation of PSP and its affiliates, subject PSP and its affiliates to legal claims and otherwise affect their business and financial performance.

Social and Environmental Impact Investments; Impact and ESG Reporting. PSP Funds focusing on social and environmental impact investments and companies seeking ESG related solutions, including private equity and growth equity investments, involve a number of material risks including (but not limited to) the risks discussed below. PSP Funds focused on social and environmental impact investments are subjected to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, an investment's potential to achieve a positive social or environmental impact will be considered. As a result, the opportunity set for potential investments will necessarily be smaller than it would otherwise be if PSP Funds were seeking to make investments solely on the basis of financial returns, and the relevant PSP GP may forgo opportunities that are attractive from a financial perspective if they do not also meet the PSP Funds social and environmental impact criteria. In addition, although PSP believes that pursuing positive social and environmental impact should not negatively affect an investment's financial returns, and it can even enhance a portfolio company's profitability, it is possible that a company's dual focus on financial success and positive social and environmental impact may from time to time require it to make decisions that favor one goal at the expense of the other. Any determination about whether or not a potential investment is expected to produce a positive social or environmental impact will be made in the relevant PSP GP's sole discretion. The determination about what constitutes a positive social impact is inherently subjective, and what PSP

considers to be socially beneficial may not necessarily reflect the views of all prospective investors. In addition, it is possible that the companies in which the PSP Funds invests are unable to obtain or realize the positive social or environmental impact that they seek to deliver. For PSP Funds, PSP intends to provide periodic reports to investors on the social and/or environmental impact performance and ESG performance of the relevant PSP Fund's investments. This reporting will depend in whole or in part on the complete, timely and accurate reporting of portfolio companies to PSP. While PSP intends to exert appropriate influence under the circumstances to ensure receipt of complete, timely and accurate portfolio company reports, PSP may not be able to do so in all cases.

Force Majeure and Climate Change. Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a PSP Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a PSP Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which PSP Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to PSP Funds, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Prolonged changes in climatic conditions may have significant impact on the revenues, expenses and conditions of certain PSP Fund investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea level and the severity and frequency of storms and other severe weather events. Reductions in precipitation levels, wind or sunlight could materially adversely affect the revenues and cash flows of renewable energy related assets that depend on the capture of waterflow, wind or sunlight to derive revenues. If such reductions are significant, any such assets may be rendered inoperable. Conversely, significant increases in precipitation or wind velocity could cause damage to such assets or create periods when such assets are not able to function. In the event that climate change causes sea levels to rise, certain portfolio companies may be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Any of the foregoing may therefore adversely affect the performance of PSP Funds and their investments.

Item 9 – Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

Neither PSP 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; or as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. PSP organizes and sponsors the Funds. The Funds managed by PSP are controlled by general partner entities affiliated with PSP (“GP entities”). The GP entities delegate the management of the Funds to PSP, or in the case of Paine Schwartz Food Chain V, L.P., to Paine Schwartz Fund V Management LLC, an affiliate of, and relying adviser of, PSP, through a management agreement for each Fund. Capital Z Asset Management, LLC (“CZAM”), an investment adviser registered with the SEC is affiliated with PSP. Certain of the Funds have indirect ownership interests in CZAM and invest, through intermediaries, in certain pooled investment vehicles for which CZAM serves as the investment manager. No other relationship or arrangement exists between PSP and any related person that is material to PSP’s advisory business or the Funds. PSP does not recommend or select investment advisers for its Clients.

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

Code of Ethics

PSP has adopted a comprehensive Code of Ethics (the “Code”) intended to ensure that the Firm fulfills its role as a fiduciary to the Funds. The Code requires that Firm personnel and certain associated persons act in accordance with the fiduciary duties owed by the Firm to the Funds. Personnel are also required to comply with applicable provisions of the federal securities laws and make prompt reports of any actual or suspected violations of such laws by PSP or its personnel. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of PSP’s personnel. The Code requires that personnel pre-clear certain public and all private personal securities transactions, report all personal securities transactions to the Chief Compliance Officer on at least a quarterly basis and provide the Firm with a summary of personal securities holdings at least annually. The Code also addresses confidentiality and insider trading, and expressly prohibits personnel from disseminating material nonpublic information or using such information to inappropriately benefit any party through securities trading activities. Personnel are required to provide a written certification as to their compliance with the Code on an annual basis.

Copies of PSP’s Code are available to investors upon request by contacting us at (212) 379-7200.

Participation or Interest in Client Transactions; Related Person Investments

As a matter of general practice, neither PSP nor any of its related persons acquire or sell securities that are also recommended to the Funds other than through direct participation in the Funds. From time-to-time, operating directors of the Firm hold direct investments in Portfolio Companies in connection with the services such operating directors provide to such Portfolio Companies.

In connection with the Funds' investments, the Firm, from time-to-time, allows affiliates of the Funds' investors and financing sources to co-invest in a Fund investment on a side-by-side basis with the Funds. From time-to-time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code and the Fund's governing documents, PSP personnel and other related persons may also co-invest in a Fund investment (See "*Allocation of Co-Investment Opportunities and Secondary Transactions*"). PSP believes that any potential conflicts of interest are addressed by the Code and the Funds' governing documents.

Potential Conflicts of Interest

PSP has put in place personal trading policies and procedures, as set forth in the Code of Ethics and as discussed more fully above in this Item 11, designed, among other things, to address the conflicts of interest that arise in connection with personal trading.

PSP may, in its discretion, contract with any related person of PSP (including but not limited to a portfolio company of a Fund) to perform services for PSP in connection with its provision of services to the Funds. When engaging a related person to provide such services, PSP may have an incentive to select the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

PSP may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) a related person of PSP or (ii) an entity with which PSP or a member of its personnel has a relationship or from which PSP or a member of its personnel otherwise derives financial or other benefit. When making such a recommendation, PSP intends to recommend service providers that it believes are suitable to provide such services. PSP may, because of its financial or other business interests, have an incentive to recommend such related or other person even if another person is equally or more qualified to provide the applicable services and/or can provide such services at a lesser cost. If PSP seeks to engage any such service provider, the engagement will be on arms-length terms. It is expected that most or all of the officers and employees responsible for managing a Fund will have responsibilities with respect to other funds or accounts managed by PSP, including funds and accounts that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

PSP and certain of its professionals will typically perform management, advisory, financial advisory and other services for, and will receive fees from, actual or prospective portfolio companies, which fees will be in addition to any asset-based Management Fees and carried interest paid to PSP or its affiliates by the Funds. Subject to the terms of the relevant limited partnership and management agreements for the Funds, PSP may be required to reduce its asset-based Management Fees by all or a portion of such fees, and the Funds will benefit from these fees only to the extent set forth in such limited partnership and management agreements.

Certain of PSP's professionals, in connection with the monitoring of portfolio company investments, also may serve on the board of directors of certain portfolio companies. In these circumstances, such professionals may receive director's fees, stock options and/or other equity compensation in connection with such service. If such compensation is received by the applicable professionals, such compensation

will be transferred to PSP, in which case all or a portion of such fees and other compensation typically offsets the Management Fee received by the Firm from the applicable Fund.

As described above in “Fees and Compensation,” operating directors of the Firm are directly compensated by portfolio companies for their operational and management services, and by the Funds for their expertise and portfolio consulting services. While the Firm utilizes the expertise of operating directors directly to improve portfolio company operations and/or Fund portfolio strategy, the Firm may realize certain indirect benefits (for example, to its reputation and to the knowledge base of its investment professionals) from the activities, expertise and association with the Firm of such operating directors. The Firm seeks to reduce potential conflicts of interest resulting from operating director arrangements by structuring compensation packages for such persons in a manner that the Firm believes will align such persons’ interests with those of the investors in the Funds. As described in “Fees and Compensation,” certain operating directors may receive a profits or equity interest (e.g., options) in the portfolio companies where they perform services, and/or be given the opportunity to participate in the general partner of one or more Funds. Similarly, Funds may engage third-party service providers on behalf of such Fund and its portfolio companies and may compensate such providers in cash, phantom equity or such other manner as the Funds determine. The awards of profits or equity interests to operating directors and/or phantom equity to third-party service providers may have a dilutive effect on the returns to the Funds with respect to the applicable portfolio companies upon the disposition of such portfolio companies, consequently decreasing net profits and/or net losses allocated to limited partners of the Funds. The Firm seeks to utilize operating directors which it believes provide a level of service and expertise at a value generally consistent with if not superior to alternative constructs for bringing operational and subject matter expertise to portfolio companies and portfolio strategy. However, there is no assurance that no alternative construct would better provide the applicable service and expertise at lesser cost.

The Funds may have tax-exempt, taxable, foreign and other investors, whereas most members of the general partners of the Funds are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors’ individual tax situations.

Allocation of Co-Investment Opportunities and Secondary Transactions

The Firm will determine if the amount of an investment opportunity exceeds the amount the Firm determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Firm and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Firm to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds’ organizational documents and as set forth in the following paragraphs.

Subject to any investment allocation requirements, in general, (i) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Firm or its related persons or other participants in the applicable transactions, such as co-sponsors, (ii) co-investment opportunities may,

and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Firm or its related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested, (iii) certain persons other than investors in the Funds (“Third Parties”) will, from time-to-time be offered co-investment opportunities, in the sole discretion of the Firm or its related persons, and (iv) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Additionally, non-binding acknowledgements of interest in co-investment opportunities do not require the Firm to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the potential co-investors, the Firm’s first priority is the best interests of its Funds, taking into account considerations including, without limitation, the Firm’s best judgment as to a potential co-investor’s ability to act with speed and certainty vis-à-vis any opportunity, any actual or potential conflicts of interest that would render a potential co-investor unsuitable with respect to a particular opportunity, and any added value that the participation of the proposed co-investor may bring to the particular investment opportunity or the investment agenda, strategic opportunities or deal flow of one or more Funds.

The Firm’s exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, PSP personnel and other related persons, and Third Parties, and in the manner discussed above often will not result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Firm will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there is no assurance that a Fund’s actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Firm is subject, discussed herein, did not exist.

In the event the Firm determines to offer an investment opportunity to co-investors, there is no assurance that the Firm will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. In the event that the Firm is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, to the extent the Firm has discretion over a secondary transfer of interests in a Fund pursuant to such Fund’s organizational documents, or is asked to identify potential purchasers in a secondary transfer, the Firm will do so in its sole discretion, generally taking into account the following factors:

- The Firm’s evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;

- The Firm's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Firm;
- Whether the potential purchaser would subject the Firm, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- Requirements in such Fund's organizational documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by the Firm in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Certain investors in the Funds have side letter agreements granting them the right to participate in any co-investment offered to any other investor in such Fund. PSP has an explicit co-investment process related to such limited partners' co-investment rights that includes: (i) obtaining advisory board approval if the co-investment is done after the Fund's initial investment and (ii) charging interest on the shares acquired by the co-investment vehicle if the co-investment is done after the Fund's initial investment (in order to cover the limited partner's preferential return) and clearly communicating this fact to the limited partners when first offering the co-investment opportunity.

Fee Structure

Because there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances and because advisory fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure may create an incentive to deploy capital when PSP may not otherwise have done so.

Additionally, as discussed above in Item 6, the general partners of the Funds are entitled to carried interest under the terms of the organizational documents of such Funds. Such general partners are affiliates of PSP. The existence of carried interest may create an incentive for the general partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the organizational documents, the general partner or other special purpose vehicles that are affiliates of the Firm may be required to return excess amounts of carried interest as a "clawback". This clawback obligation may create an incentive for the general partners to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation.

Follow-on Investments

Investments to finance follow-on acquisitions present conflicts of interest, including the determination of the equity component and other terms of the new financing as well as the allocation of the investment

opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund will on occasion participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest will likely arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Positions with Portfolio Companies

From time-to-time, employees of PSP serve as directors of portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. In addition, such employees of PSP may leave the employment of PSP or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

Side Letter Agreements

The Firm will often enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different co-investment opportunities, disclosure obligations and requirements to safeguard confidential information. These side letter arrangements are often subject to contractual "most favored nation" protections in a Fund's partnership agreement. Except as otherwise agreed with an investor, PSP (or the applicable general partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund.

Board of Advisers Rights

Many of the Funds have established a board of advisers, consisting of representatives of investors. A conflict of interest may exist when some but not all limited partners are permitted to designate a member to the board of advisers. The board of advisers may also have the ability to approve conflicts of interests with respect to the Firm and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the board of advisers.

Item 12 – Brokerage Practices

Because PSP primarily invests in private securities, PSP does not typically select or recommend broker-dealers for Client transactions. From time-to-time, PSP may be in a position to select a broker-dealer due to the purchase of public securities or as a result of a portfolio company going public. In the event that a broker-dealer is selected or recommended, PSP ensures that any such transaction is executed in the best interest of the Fund taking into account factors such as a broker's execution capability and trading and industry expertise in addition to pricing.

Item 13 – Review of Accounts

PSP's investment committee regularly supervises and monitors the investment activities of each Fund. Additionally, PSP's investment professionals and senior management monitor and review the Funds' portfolio investments on an ongoing basis, including, for example, by participating in board meetings and

management calls, reviewing financial statements, and making on-site visits. The Firm reviews the valuation of the Funds' portfolio companies on a quarterly basis.

The Firm provides written reports describing each Fund's portfolio investments to such Fund's investors on at least an annual basis. In addition, the Firm invites each Fund's investors to an annual investor meeting at which the Firm reports on each Fund's portfolio investments and performance. The Firm may also hold investor update calls from time to time in appropriate circumstances.

The Firm provides to investors in each Fund and co-investment vehicle audited annual financial statements, generally within 120 days of the end of such Fund's fiscal year, as well as unaudited financial statements and investor-specific account statements, generally within 45-60 days of the end of such Fund's fiscal quarter.

Item 14 – Client Referrals and Other Compensation

As described in Item 5, in connection with the affairs of a Fund, the Firm receives, from prospective portfolio companies, actual portfolio companies or their respective affiliates, (i) monitoring fees, financial consultation fees, advisory fees, directors' fees and other similar fees, and (ii) transaction fees and break-up fees.

Neither PSP nor any of its related persons compensates any person for Client referrals. However, from time-to-time, in the context of organizing a Fund, the Firm may compensate one or more placement agents for referrals of Fund investors. A prospective investor solicited by a placement agent or other third party will be advised of any such arrangement, including the receipt of fees. Commissions and fees due to a placement agent in respect of such services are generally offset in full against the management fees payable by the applicable Fund(s) to the Firm.

Item 15 – Custody

Client funds and securities are held at qualified custodians. Investors in the Funds and co-investment vehicles do not receive statements from the custodian. Instead the Funds and co-investment vehicles are subject to an annual audit and the audited financial statements are distributed to each investor. Audited financial statements for the Funds and co-investment vehicles will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the relevant Fund's fiscal year end.

Item 16 – Investment Discretion

Typically, PSP provides investment advice to the Funds on a discretionary basis in accordance with the management agreement and organizational documents of each Fund. Generally, this discretion is subject only to the investment guidelines set forth in the Fund's governing agreements.

Item 17 – Voting Client Securities

Since PSP invests primarily in private securities, it generally does not have occasion to vote proxies on publicly-traded securities. However, in the event that PSP obtains securities with voting authority, the Firm will vote proxies for companies in which Funds have investments in the best interest of the Funds in

accordance with the Firm's proxy voting policy. In all instances, the reason for the decision as to how to vote a proxy and a record of the vote will be retained by the Firm.

Fund investors may contact PSP at (212) 379-7200 to obtain a copy of the Firm's proxy voting policy or to obtain any other information with respect to proxy votes, policies, and procedures.

Item 18 – Financial Information

The Firm does not solicit prepayment of fees six months or more in advance, has never been the subject of a bankruptcy petition and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.