

FORM ADV – PART 2A

NEWSTONE CAPITAL PARTNERS, LLC

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This brochure provides information about the qualifications and business practices of Newstone Capital Partners, LLC (“Newstone”). If you have any questions about the contents of this brochure, please contact us at 214-753-4320. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Newstone is available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT NEWSTONE OR ANY OF THE PRINCIPALS OR EMPLOYEES OF NEWSTONE POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Material Changes

Newstone filed its most recent Form ADV Part 2 on March 18, 2020. This annual amendment reflects updates to the descriptions of potential conflicts of interest and the business practices of the registrant and supplements existing disclosures relating to Newstone's practices and related potential conflicts of interest under Advisory Business, Fees and Compensation, Performance-Based Fees and Side-by-Side Management and Methods of Analysis, Investment Strategies and Risk of Loss.

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Advisory Business

Newstone Capital Partners, LLC (“Newstone”) is a Delaware limited liability company that commenced providing advisory services in May of 2006. The principal owners of Newstone are John C. Rocchio and Timothy P. Costello.

Newstone provides the services described below to its advisory clients, which are private investment funds (collectively, the “Newstone Funds” or “Funds”). A related person of Newstone generally acts as general partner or manager of each Newstone Fund, and Newstone acts as investment advisor to each Newstone Fund. References to Newstone in this brochure include, as the context requires, affiliates through which Newstone provides investment advisory services or that act in any capacity referenced in the previous sentence.

Newstone’s investment advisory business is principally focused on privately placed mezzanine investments, generally consisting of subordinated debt with some form of equity participation, and also includes senior notes, second-lien debt, preferred stock or high-yield bonds of principally larger middle-market companies in a variety of industries, locations, stages and styles. The combined debt and equity investments may, from time to time, result in a Newstone Fund having representation on the boards of directors of the companies in which it invests and providing significant input into major financial and business decisions of such companies. The Newstone Funds generally invest in privately-held portfolio companies, but may also make investments from time to time in companies whose securities are publicly traded.

Newstone tailors its advisory services to the specific investment objectives and restrictions of each Newstone Fund set forth in such Newstone Fund’s limited partnership agreement, confidential private placement memorandum, investment management agreement and/or other governing documents (collectively, the “Governing Documents”). Investors and prospective investors of each Newstone Fund should refer to the Governing Documents of the applicable Newstone Fund for complete information on the investment objectives and investment restrictions with respect to such Newstone Fund. There is no assurance that any of the Newstone Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Newstone Funds or their general partners reserve the right to enter into “side letters” or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. Such agreements will be disclosed only to those actual or potential investors in a Newstone Fund that have separately negotiated with the general partner of such Newstone Fund for the right to review such agreements.

Additionally, from time to time and as permitted by the relevant Governing Documents, Newstone expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Newstone’s personnel and/or certain other persons associated with Newstone and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Newstone Fund making the investment.

However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Newstone Funds after such Newstone Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer, which generally will have been funded through Newstone Fund investor capital contributions and/or use of a Newstone Fund credit facility. Any such purchase from a Newstone Fund by a co-investor or co-invest vehicle generally occurs shortly after the Newstone Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Newstone's sole discretion, Newstone reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle and to seek reimbursement to the relevant Newstone Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Newstone Fund.

Newstone does not participate in any wrap fee programs.

Newstone manages all assets of the Newstone Funds on a discretionary basis in accordance with the terms and conditions of each Newstone Fund's Governing Documents. As of December 31, 2020, the amount of assets under management ("AUM") that Newstone manages on a discretionary basis was approximately \$1,861,054,000. The amount of AUM reported herein is based upon the net assets and unfunded commitments of each Newstone Fund and thus differs in amount from, and method of computation used for, the amount of regulatory assets under management reported in Item 5.F. in the ADV Part 1A.

Fees and Compensation

Fee Schedules

All investors and prospective investors should review the Governing Documents of the relevant Newstone Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to a particular Newstone Fund. In certain circumstances, different Newstone Funds are subject to different management fees and performance-based compensation arrangements. Newstone reserves the right to exempt certain parties, including employees, affiliates and related parties from all or a portion of the management fee. In limited circumstances, the advisory fees payable to Newstone by individual investors in the Newstone Funds may be negotiable. Investors and prospective investors in each Newstone Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. All clients are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and therefore Newstone has not included specific fee information in response to this Item.

Deduction of Fees; Timing of Payments; Termination

As a general matter, Newstone will charge and deduct advisory fees directly from the Newstone Funds pursuant to the terms of the Governing Documents.

Payment of advisory fees is generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Newstone Funds for complete information on the timing of advisory fee payments. Where the

Governing Documents calculate management fees based on the amount of invested capital, the amount of management fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors.

The agreement pursuant to which Newstone provides advisory services to a Newstone Fund may generally only be terminated upon the termination of the limited partnership agreement of such Newstone Fund. Accordingly, the Governing Documents of each Newstone Fund do not contain any provision for refunds of any advisory fees.

Other Fees and Expenses

In addition to the advisory fees payable to Newstone, each Newstone Fund will incur certain charges, fees, costs, expenses, liabilities and obligations imposed by third parties relating to the Newstone Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce the advisory fees, including, but not limited to, (a) expenses incurred in the offering of partnership interests in the Newstone Fund; (b) fees and expenses of administrators, custodians, outside counsel, consultants, accountants and other similar outside advisors; (c) costs and expenses incurred in pursuing any transaction by, for or on behalf of the Newstone Fund (regardless of when incurred and whether such transaction is consummated), including but not limited to any unreimbursed travel expenses and any other items enumerated in the relevant Newstone Fund's Governing Documents; (d) costs and expenses incurred in holding, managing or selling portfolio investments or temporary investments; (e) costs and expenses of reporting to the limited partners of the Newstone Fund and of any meetings of the limited partners and any advisory committee; (f) any taxes, fees or other governmental charges levied against the Newstone Fund; (g) all expenses incurred by the tax matters partner (including professional fees for such accountants, attorneys and agents as the tax matters partner in its discretion determines are necessary to or useful in the performance of its duties in that capacity); (h) all other costs and expenses as provided in the Governing Documents of the Newstone Fund (such as costs of insurance, litigation, winding up and liquidation). The organizational expenses (generally up to a capped amount as provided in the relevant Newstone Fund's Governing Documents) of the Newstone Fund, are paid by the Newstone Fund.

As described above, in certain circumstances, the relevant general partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Newstone Funds, subject to Newstone's related policies and practices and relevant Governing Document(s) and/or side letter(s). Where a co-invest vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Newstone Funds.

Each Newstone Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Newstone Fund's strategy, including in the side letter agreements relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Newstone Fund. Additionally, subject to the Governing

Documents, a Newstone Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Newstone Fund invests.

The section below titled “Brokerage Practices” describes the factors Newstone considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Transaction-Based Compensation

Neither Newstone nor its supervised persons will receive any compensation with respect to the purchase or sale of securities or other investment products by any of the Newstone Funds. Please refer to the subsection titled “*Economic Benefits Received from Third Parties*” below for information on other types of compensation that Newstone could potentially receive with respect to investments by the Newstone Funds.

Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

A related entity of Newstone, as general partner of each Newstone Fund, generally receives certain allocations from such Newstone Fund that are calculated and charged based on a share of capital gains on or net income (including interest payments from portfolio companies) from the assets of such Newstone Fund. Such allocations have the potential to be disproportionate relative to the capital contribution that the general partner makes to such Newstone Fund. Such performance-based allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940 (together with all rules and regulations promulgated thereunder, the “Advisers Act”) to the extent required thereunder. Any share of profits allocated or distributed to a general partner or affiliate of a Newstone Fund is separate and distinct from the advisory fees charged by Newstone to such Newstone Fund for advisory services.

Arrangements regarding performance-based allocations received by related persons of Newstone have the potential to create an incentive for Newstone to select investments that may be riskier or more speculative than those that would be selected under a different fee arrangement.

Side-by-Side Management

The Newstone Funds are not currently, but may in the future be, subject to different performance-based compensation arrangements. If Newstone or an affiliate is entitled to receive a higher percentage of the net profits and income of the account of one Newstone Fund than the percentage that Newstone or an affiliate receives from another Newstone Fund, then Newstone may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Newstone Fund that is subject to the higher percentage.

Types of Clients

Types of Clients

Newstone provides advice solely to the Newstone Funds, each of which is a pooled investment vehicle. References through this brochure to “clients” and to Newstone’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The limited partners of the Newstone Funds generally include high net worth individuals, corporations, funds of funds, financial institutions, endowments, foundations, trusts, estates, sovereign wealth funds, public and private pension and profit sharing plans.

Newstone and/or its affiliates are permitted to establish certain alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, “AIVs”) for the purpose of addressing tax, regulatory and/or structural issues, and/or facilitating certain investments by certain Newstone Funds and/or investors. Prospective investors are requested to refer to the Governing Documents of the applicable Newstone Fund for complete details on any AIV that may be established by such Newstone Fund and such Newstone Fund’s ability to make investments through AIVs.

Minimum Investment Requirements

Newstone and its related persons require that each limited partner in each of the Newstone Funds be an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act.

In general, the minimum investment commitment required of an institutional limited partner to participate in a Newstone Fund is \$5,000,000; however, the general partner of each Newstone Fund has discretion to increase or reduce the minimum investment commitment. Investors are requested to refer to the Governing Documents of each Newstone Fund for complete information on minimum investment requirements for participation in a particular Newstone Fund.

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

As noted above, Newstone’s primary investment strategy is to seek high risk-adjusted returns with the potential for longer-term capital appreciation by making investments primarily in larger middle-market companies in a variety of industries, locations, stages and styles, through subordinated debt or preferred stock with some form of equity participation, as well as senior notes, second-lien debt or high-yield bonds.

Methods of Analysis

Newstone analyzes each potential investment using a comprehensive, risk-based investment valuation analysis and an intensive due diligence process. Newstone’s strategy seeks to minimize losses through vigorous in-depth, bottom-up research prior to making an investment. Newstone evaluates the fundamental creditworthiness of each potential portfolio company, analyzing

factors that may include: profitability, free cash flows, leverage, market position, operating metrics, benchmarks, internal controls, financial reporting and the experience of management teams and sponsors. In addition to such quantitative analysis, Newstone generally conducts comprehensive qualitative reviews of a company's strategy, industry, competitors, regulation, market forces and product life cycle, as well as on-site due diligence of company operations, contact with suppliers and customers, and a review of management's historical track record of operating within budget. After completion of the investment, Newstone actively manages investments by analyzing monthly, quarterly and annual financial statements, directly communicating with management teams on a regular basis and, in many cases, serving as either directors or board observers.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Newstone will be able to choose, and the Newstone Funds will be able to make and/or realize any particular investment or that the Newstone Funds will be able to generate returns for their investors. In addition, there can be no assurance that any investor will receive any distribution from a Newstone Fund. Investing in the Newstone Funds involves a risk of loss that investors should be prepared to bear. Investors in the Newstone Funds are requested to refer to the Governing Documents of the applicable Newstone Fund for complete information on investment strategies employed by such Newstone Fund and the corresponding risks associated with such investment strategies. Investors in the Newstone Funds should carefully consider, among other factors, the following material risks involved with Newstone's investment strategies:

Distributions In Kind. Certain investments may be distributed in kind to the partners of a Newstone Fund, and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the relevant Governing Documents.

Nature of Debt Securities. The securities in which the Newstone Funds invest, by the nature of their issuers' leveraged capital structures, involve a high degree of financial risk. These securities may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer. In addition, these securities may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. Debt securities are also subject to other creditor risks, including (a) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (b) so-called "lender liability" claims by the issuer of the obligations, and (c) environmental liabilities that may arise with respect to collateral securing the obligations. Accordingly, there can be no assurance that any

Newstone Fund's rate of return objectives will be realized or that an investor will receive a return of any of its capital.

Market and Credit Risks of Debt Securities. Portfolio companies with debt securities are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price.

Loans to Private Companies. Loans to private and middle market companies involve a number of particular risks that may not exist in the case of large public companies, including: (a) these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors such as the Newstone Funds dependent on any guarantees or collateral they may have obtained; (b) these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; (c) there may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality; and (d) these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations.

Fraudulent Conveyance Considerations. Various federal and state laws enacted for the protection of creditors may apply to the Newstone Funds' investments by virtue of the Newstone Funds' role as a creditor with respect to the issuers of such investments. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower, such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that (a) the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and granting any security interest or other lien securing such investment and (b) after giving effect to such indebtedness, the borrower either (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, then such court could invalidate, in whole or in part, such indebtedness and any security interests or other lien securing such investment as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of the borrower or could recover amounts previously paid by the borrowers (including to the Newstone Funds) in satisfaction of such indebtedness or amounts representing proceeds of such security interest or other liens previously applied in satisfaction of such indebtedness. In addition, upon any insolvency of an issuer of an investment, payments made on the investment could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency. The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction that is being applied. In general, if payments on an investment are

avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Newstone Funds) or from subsequent transferees of such payments, including the investors.

Risk of Leverage. The Newstone Funds' investments are expected to include companies whose capital structures could have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired by the Newstone Funds may be relatively junior in what will typically be a complex capital structure, and thus subject to a greater risk of loss. Further, the cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Newstone 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 such Newstone Fund's investments in the leveraged portfolio companies in a down market.

Bankruptcy of Portfolio Companies. The Newstone Funds may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. There are a number of risks inherent in the bankruptcy process, including, for example, the effects of litigation between the creditors and debtor, the duration of the bankruptcy proceedings and the tangible and intangible costs to the portfolio company. Further, various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of the Newstone Funds. There is also a risk that a court may subordinate the Newstone Funds' investments to other creditors or require a Newstone Fund to return amounts previously paid to it by a portfolio company that has become insolvent or filed for bankruptcy, a risk that could increase if a Newstone Fund has management rights in such portfolio company.

Non-U.S. Bankruptcy Laws. Investment in the debt of portfolio companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Illiquid and Long-Term Investments. Generally, the Newstone Funds' investments will be highly illiquid, and there can be no assurance that the Newstone Funds will be able to realize such investments in a timely manner. Distributions in kind of illiquid securities to the partners of the Newstone Funds may be made. Investments are subject to the risk that the Newstone Funds will be unable to dispose of such investments by sale or other disposition at attractive prices or

otherwise be unable to complete a realization or “exit” strategy. Although it is intended that investments by the Newstone Funds generate 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 of such investment. While an investment may be sold at any time, any such sale will typically occur a number of years after the investment is made. The Newstone Funds will generally not be able to sell securities of their portfolio companies unless such sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the Newstone Funds may be prohibited by applicable law, contract or otherwise from selling certain securities for a period of time.

Valuation of Investments. Generally, the relevant general partner will determine the value of all the related Newstone Fund’s investments for which market quotations are available based on publicly available quotations. However, market quotations will be unavailable for most of a Newstone Fund’s investments because, among other things, the securities of portfolio companies held by such Newstone Fund generally will be private securities which are illiquid and not quoted on any exchange. Each Newstone Fund’s general partner will determine the value of all such Newstone Fund’s investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant general partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a general partner with respect to an investment will represent the value realized by the relevant Newstone Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

Economic and Market Risk. Companies in which the Newstone Funds invest may be sensitive to general downward swings in the overall economy. Factors affecting economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, regulatory developments, domestic and worldwide political, military and diplomatic events and trends, tax laws and innumerable other factors, none of which will be within the control of the Newstone Funds, can substantially and adversely affect the business and prospects of the Newstone Funds. A recession or adverse development in the securities market might have an impact on some or all of the Newstone Funds’ investments. A sustained period of low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by the Newstone Funds. In addition, factors specific to a portfolio company may have an adverse effect on a Newstone Fund’s investment in such company. A Newstone Fund’s general partner may rely upon its own, or a portfolio company’s, projections concerning such portfolio company’s future performance in making investment decisions. Such projections are inherently subject to uncertainty and to certain factors beyond the control of the portfolio company and the relevant general partner.

Market Conditions. The capital markets may experience great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the

market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Newstone Funds and may affect the Newstone 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) may also increase the risks inherent in the Newstone Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Newstone 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 may adversely affect the value of investments in portfolio companies and the Newstone Funds' performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Newstone Funds to sell and/or partially dispose of their portfolio company investments. Such adverse effects may include the requirement of a Newstone Fund to pay break-up, termination or other fees and expenses in the event such Newstone 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 such Newstone Fund to dispose of investments at prices that its general partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Newstone Fund's ability to raise fundraising to support its investment objective.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Newstone Funds.

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

and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

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

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

Availability of Suitable Investment Opportunities. The private equity investment industry is highly competitive, and the identification of attractive mezzanine investment opportunities fitting the Newstone Funds' investment objectives is difficult and inherently involves a high degree of uncertainty. There can be no assurance that the Newstone Funds will be able to locate and

complete investments that satisfy the Newstone Funds' rate of return and investment objectives or realize upon their values or that the Newstone Funds will be able to invest fully their committed capital. Additional funds and other sources of investment capital with the same or similar investment objectives may be created in the future by other unrelated parties, which may compete with the Newstone Funds for investment opportunities. It is possible that competition for appropriate investment opportunities may limit significantly the number of opportunities available to the Newstone Funds and/or adversely affect the terms upon which investments can be made.

Foreign Investing and Currency Exchange Risk. The Newstone Funds may invest in companies whose principal executive offices or corporate headquarters are outside of the U.S. Although Newstone believes that investing in foreign jurisdictions may offer significant potential for appreciation, prospective investors should recognize that there are risks inherent in investing in any foreign jurisdiction. Risks associated with investment in any foreign jurisdiction may include the following: the unpredictability of international trade patterns; the possibility of governmental actions adverse to business generally or to foreign investors in particular; the imposition or modification of controls on foreign currency exchange, repatriation of proceeds, or foreign investment; the imposition or increase of withholding taxes on income and gains; price volatility; the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; governmental influence on the national and local economies; and fluctuations in currency exchange rates. In addition, investments of the Newstone Funds in securities or obligations of non-U.S. issuers, if any, may be denominated in currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar. The Newstone Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of securities. The Newstone Funds are not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Newstone Funds may implement.

Risk of Derivative Transactions. Although the Newstone Funds intend to make primarily mezzanine investments, the Newstone Funds are permitted to engage in certain derivative transactions, including swaps, short sales, forward contracts or options (collectively, "Derivative Instruments") or hedging transactions which are intended to reduce the Newstone Funds' debt, currency or interest rate exposure; however, there is no obligation to enter into any such transactions. The use of Derivative Instruments, even when used with the intent to reduce the risks associated with the Newstone Funds' investments, involves additional expenses as well as risks that are different than those of the Newstone Funds' direct or indirect investments, including the possible default by the counterparty to a transaction and the illiquidity of the Derivative Instrument acquired by a Newstone Fund relating thereto. Unanticipated changes in securities prices, interest rates or currency exchange rates may result in a poorer overall performance for a Newstone Fund than if it had not entered into any such derivative transaction. In addition, any hedging transaction in which a Newstone Fund enters may be imperfect, leaving such Newstone Fund exposed to some risk from the position that was intended to be protected. The successful use of hedging strategies depends upon the availability of a liquid market and appropriate hedging instruments and there can be no assurance that a Newstone Fund will be

able to close out a position when deemed advisable by its general partner. In addition, the Newstone Funds' portfolio companies may enter into derivative transactions which may expose the Newstone Funds to the risks indicated above. In some cases, particularly in hedging arrangements undertaken in over-the counter (OTC) contexts, hedging arrangements will subject the Newstone Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Newstone Funds to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the relevant general partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

Lack of Diversification. Although the Newstone Funds are subject to certain concentration limits, the Newstone Funds' portfolios may include a smaller number of large positions. As a consequence, the aggregate return to investors could be substantially adversely affected by the unfavorable performance of even a single investment.

Passive Investment in Interests. The success of a Newstone Fund depends in substantial part upon the skill and expertise of the relevant general partner and Newstone's management team. Investors rely on such persons to manage the affairs of the Newstone Funds. Investors are not permitted to engage in the active management and affairs of the Newstone Funds. To the extent that specific investments of a Newstone Fund have not yet been identified, the investors must rely on the ability of the relevant general partner and Newstone's investment personnel to make appropriate investments for such Newstone Fund and to manage and dispose of such investments. Investors will not receive the detailed financial information issued by portfolio companies that is typically available to the relevant general partner. Rather, they must rely on the ability of such general partner to identify, structure and make portfolio company investments consistent with such Newstone Fund's investment objectives and policies. Further, investors will not have the opportunity to evaluate the relevant economic, financial and other information used by such general partner in the selection and monitoring of investments of such Newstone Fund. Accordingly, no person should purchase interests in a Newstone Fund unless such person is willing to entrust all aspects of the management of such Newstone Fund to its general partner.

Reliance on Newstone Personnel. The success of the Newstone Funds is substantially dependent upon the participation of Newstone's principals and other key Newstone professionals. There can be no assurance that any of such principals or other key investment professionals will continue to be associated with the relevant general partner and/or Newstone throughout the life of any Newstone Fund. Should such persons cease to participate in the management of the Newstone Funds, the relevant general partner and/or Newstone for any reason, such general partner's ability to manage the relevant Newstone Fund and the investment results of such Newstone Fund may be substantially and adversely affected.

Expedited Transactions. Investment analyses and decisions by the general partners and Newstone may be undertaken on an expedited basis in order for the Newstone Funds to take advantage of available investment opportunities. In such cases, the information available to the relevant general partner or Newstone at the time of the investment decision may be limited, and such general partner and Newstone may not have access to the detailed information necessary for a

thorough evaluation of the investment opportunity. Further, such general partner and Newstone may conduct their due diligence activities over a very brief period of time.

Reliance on Portfolio Company Management; Non-Controlling Investments. Each portfolio company's day-to-day operations will be the responsibility of such company's management team and the Newstone Funds may rely upon the abilities and management expertise of such persons. Although the relevant general partner will be responsible for monitoring the performance of each investment and intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with the relevant Newstone Fund's plans and/or objectives. For instance, it is possible that a company's management team might have economic or business interests or goals inconsistent with those of the Newstone Funds or otherwise be in a position to take action inconsistent with the Newstone Funds' desires, policies or objectives, including with respect to major transactions. In addition, although the Newstone Funds may seek board representation in connection with their investments, there is no assurance that such representation, if sought, will be obtained. In many instances, the Newstone Funds will co-invest in a portfolio company with financial, strategic or other third-party investors through partnerships, joint ventures or other entities. Such investments will involve additional risks not present in investments where a third-party co-investor is not involved, including the possibility that a third-party co-investor may have economic or business interests or objectives that are inconsistent with those of the relevant Newstone Fund or may be in a position to take (or block) action in a manner contrary to such Newstone Fund's interests or objectives. In addition, a Newstone Fund may, in certain circumstances, be liable for actions of its third-party co-investors.

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

Risk Arising from Provision of Managerial Assistance. The Newstone Funds may designate Newstone personnel to serve on the boards of directors of the Newstone Funds' portfolio companies. Although such positions may be important to the Newstone Funds' investment strategies and may enhance the Newstone Funds' general partners' ability to manage the Newstone Funds' investments, they also may have the effect of impairing a Newstone Fund's ability to divest its interest in such companies when, and upon the terms, it may otherwise desire. The designation of directors and other measures contemplated could also expose the assets of the Newstone Funds to claims by a portfolio company, its security holders and its creditors and/or indemnification obligations in connection therewith. While the general partners of the Newstone Funds intend to manage the Newstone Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be fully precluded. The general partners of the Newstone Funds and others are indemnified in connection with such litigation, subject to certain conditions.

Controlling Interests in Portfolio Companies. Although the Newstone Funds have a non-control investment orientation, it is possible that because of their ownership positions, representation on the board of directors and/or contractual rights, the Newstone Funds may, from time to time, be thought to control, participate in the management of or influence the conduct of portfolio companies. This could potentially expose the Newstone Funds' assets to claims by a portfolio company, its other security holders, its creditors or governmental agencies. The general partners of the Newstone Funds, when possible, generally seek appropriate creditor and shareholder rights to help protect the Newstone Funds' interests.

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

Inside Information. From time to time, as a result of the operations of Newstone and its affiliates, as well as in connection with officerships or directorships of Newstone personnel, Newstone's principals, the Newstone Funds' general partners or their affiliates may come into possession of

material, non-public information concerning an entity in which a Newstone Fund has invested or proposes to invest, and the possession of such information may limit the ability of one or more Newstone Funds to buy or sell securities of such entity or to distribute such securities to its investors.

Contingent Liabilities Following Dispositions. In connection with the disposition of an investment, the Newstone Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. The Newstone Funds also may be required to indemnify the purchasers of such investment with respect to certain matters, including the accuracy of such representations. These arrangements may result in contingent liabilities, for which the Newstone Funds may establish reserves or escrow arrangements and such liabilities may result in investors being required to return distributions to satisfy such obligations.

Need for Follow-On Investments. The Newstone Funds may be called upon to provide follow-on funding to their portfolio companies or may have the opportunity to increase their investment in a portfolio company. There is no assurance that the Newstone Funds and their co-investors will wish to make such follow-on investments or that the Newstone Funds and their co-investors will have sufficient capital to do so. The Newstone Funds' decision not to make a follow-on investment or their inability to do so may have an adverse impact on such portfolio company in need of such an investment or may diminish the Newstone Funds' proportionate ownership in such portfolio company and thus their ability to influence such portfolio company's future development and it could have a significant negative impact on the Newstone Funds' investment.

Additional Regulation and Enforcement; Certain Litigation Risks. As a result of certain highly-publicized financial scandals, investors, regulators and the general public have exhibited concerns over the integrity of both the U.S. financial markets and the regulatory oversight of these markets. As a result, the business environment in which the Newstone Funds operate is subject to heightened regulation. With respect to alternative asset management funds, in recent years, there has been debate in both United States and foreign governments about new rules or regulations, including increased oversight or taxation. As calls for additional regulation have increased, there may be a related increase in regulatory oversight of the trading and other investment activities of alternative asset management funds, including the Newstone Funds. Such oversight may cause a Newstone Fund to incur additional expense, may divert the attention of such Newstone Fund's general partner and its senior management and may result in fines if such Newstone Fund is deemed to have violated any regulations.

The Newstone Funds will be subject to a variety of litigation risks, particularly due to the substantial likelihood that one or more portfolio companies will face financial or other difficulties. The Newstone Funds may also participate in portfolio company financings at implicit valuations lower than the valuations implicit in preceding rounds of financing. Legal disputes, involving the Newstone Funds or their general partners, may arise from the foregoing activities (or any other activities relating to the operation of the Newstone Funds or their general partners) and could have a significant adverse effect on the Newstone Funds. Additional regulation could also increase the risk of third party litigation. Subject to the provisions of the relevant Governing Documents, in certain circumstances, a Newstone Fund is expected to be responsible for indemnifying such Newstone Fund's general partner, Newstone and Newstone's

principals, and their respective affiliates, present or former partners, shareholders, members, directors, officers, employees and agents, and any person who serves (or formerly served) as a member of such Newstone Fund's advisory committee (and the limited partner represented by such advisory committee member), for costs they may incur with respect to such litigation not covered by insurance.

Pay-to-Play Laws. In light of scandals involving money managers, a number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If Newstone, a Newstone Fund's general partner and/or their respective employees or affiliates fail to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on one or more Newstone Funds by, for example, providing the basis for the withdrawal of the affected government plan investor.

Subscription Lines. A Newstone Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Newstone Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs.

Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Newstone Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. Conflicts of interest have the potential to arise in that the use of fund-level borrowing typically delays the need for limited partners to make contributions to a Newstone Fund, which in certain circumstances enhances the relevant Newstone Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the general partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are potentially not required to pay related costs or expenses.

A credit agreement frequently will contain other terms that restrict the activities of a Newstone Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant general partner's ability to consent to the transfer of a limited partner's interest in the Newstone Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the relevant

general partner may request certain financial information and other documentation from limited partners to share with lenders.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the general partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time as permitted under the relevant Governing Documents. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant general partner called smaller amounts of capital incrementally over time as needed by a Newstone Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Newstone for expenses incurred on behalf of the Fund.

Conflicts of Interest

Newstone will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Newstone Funds in an appropriate manner, as required by the relevant Governing Documents, although the Newstone Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Newstone conducting its activities, the interests of a Newstone Fund, in certain circumstances, likely will conflict with the interests of Newstone, one or more other Newstone Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Newstone will determine all matters relating to structuring transactions and Newstone Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Newstone Funds.

During the investment period of a Newstone Fund, all appropriate investment opportunities will be pursued by Newstone principals through such Newstone Fund, subject to certain limited exceptions set forth in such Newstone Fund's Governing Documents and Newstone's allocation policy. Without limitation, Newstone principals currently manage, and expect in the future to manage other Newstone Funds, and expect to direct certain relevant investment opportunities or resources to those Funds. Following the investment period of a Newstone Fund, Newstone principals likely will focus their investment activities on other opportunities and areas unrelated to such Newstone Fund's investments. Newstone personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. Newstone's principals and investment staff will continue to manage and monitor such investments until their realization. Such other investments that Newstone principals expect from time to time to control or manage have the potential to compete with companies acquired by a Newstone Fund. Unless restricted by the Governing Documents, Newstone personnel are permitted to serve on boards or act in other roles unaffiliated with Newstone, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

In determining which investment vehicles should participate in an investment opportunity, Newstone and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Governing Documents, Newstone is not obligated to allocate any investment to any particular Newstone Fund. Investment opportunities are generally allocated between the Newstone Funds based upon the life-cycle of the relevant Fund. During its investment period, a Newstone Fund will generally be allocated any new investment opportunity which is unrelated to an existing portfolio company of another Newstone Fund. Following the investment period, a Newstone Fund may continue to invest in opportunities related to its existing portfolio companies. Investments by more than one Newstone Fund in a portfolio company have the potential to raise the risk of using assets of a client of Newstone to support positions taken by other clients of Newstone.

Newstone generally assesses whether an investment opportunity is appropriate for a particular Newstone Fund based on the Newstone Fund's Governing Documents, as well as factors including but not limited to: investment restrictions and objectives (including those set forth in the relevant Governing Documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, asset composition, applicable regulatory restrictions, life-cycle and structure.

Following such determination of allocation among Newstone Funds, Newstone will determine if the amount of an investment opportunity in which a Newstone Fund will invest exceeds the amount that would be appropriate for such Newstone Fund and reserves the right to offer any such excess to one or more potential co-investors, including third-party investors, as determined by the Governing Documents, side letters and Newstone's procedures regarding allocation. Newstone's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; size of capital commitment; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; existence of a formal or informal strategic relationship with the prospective co-investor; Newstone's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Newstone's ability to execute the relevant transaction in the desired time or on desired terms; perceived public relations and reputational benefits or costs; and size of the investment allocation and practicality of dividing it up among multiple co-investors. Newstone reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Newstone Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Transaction-specific returns, and a Newstone investor's overall returns from its exposure to a Newstone Fund's portfolio investments, can be affected significantly by the extent to which it is offered and chooses to participate in co-investment opportunities.

The Newstone Funds reserve the right to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in

investments where a third party is not involved, including the possibility that a third-party co-investor may at any time have financial difficulties, resulting in a negative impact on such investment, have economic or business interests or goals which are inconsistent with those of the relevant Newstone Fund, or may be in a position to take (or block) action in a manner contrary to the Newstone Fund's investment objectives. In addition, a Newstone Fund may in certain circumstances be liable for the actions of its third-party co-investor or partner. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. There can be no assurance that a Newstone Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction. Co-investors generally will not share in broken-deal expenses, and such expenses attributable to co-investments will be borne by the relevant Newstone Fund. As a general matter, such broken-deal expenses are allocated among Newstone Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

Furthermore, Newstone and/or its affiliates expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a sponsor. Co-investment opportunities typically will be offered to some and not to other Newstone Fund investors, and the consideration of the factors set forth above may result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments receive none. When and to the extent that employees and related persons of Newstone and its affiliates make capital investments in or alongside certain Newstone Funds, Newstone and its affiliates are potentially subject to conflicting interests in connection with these investments. There can be no assurance that any Newstone Fund's return from a transaction would be equal to and not less than it would have been had such conflict not existed.

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

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Newstone will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Newstone expects to be faced with a variety of potential conflicts of interest. As a general matter, Newstone Fund expenses typically will be allocated among all relevant Newstone Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by Newstone or its

affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses are not always proportional, and any such determinations involve inherent matters of discretion.

Newstone and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Newstone Funds or other investment vehicles advised by Newstone and/or its affiliates from time to time; conversely, from time to time, former personnel or executives of Newstone and/or its affiliates are permitted to serve in significant management roles at portfolio companies or service providers recommended by Newstone. Similarly, Newstone, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest in (or will be affiliated with an investor in), engage in transactions with and/or provide services (including services at reduced rates) to, Newstone and/or its affiliates, and/or the Newstone Funds or other investment vehicles they advise. In other circumstances, these vendors might provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Newstone entities) to Newstone personnel and their estate planning vehicles. Newstone expects to be subject to a potential conflict of interest with a Newstone Fund in recommending the retention or continuation of a third-party service provider to such Newstone Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Newstone Funds, will provide Newstone information about markets and industries in which Newstone operates (or is contemplating operations) or will provide other services that are beneficial to Newstone or one or more Newstone Funds. Newstone expects to be subject to a potential conflict of interest in making such recommendations, in that Newstone has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Newstone Fund, while the products or services recommended may not necessarily be the best available to a Newstone Fund or its portfolio companies.

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

Because Newstone's carried interest is based on a percentage of net realized profits, it has the potential to create an incentive for Newstone to cause a Newstone Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Newstone Fund may only be drawn down in limited circumstances and because management fees are based upon capital invested by such Newstone Fund, this fee structure has the potential to create an incentive to deploy capital when Newstone may not otherwise have done so.

Newstone and/or its affiliates reserve the right to enter into side letters with certain investors in a Newstone Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment

amounts, and liquidity or transfer rights. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Newstone Funds. Except where required by Governing Documents, other investors will not receive copies of side letters or related provisions.

Any of these situations subjects Newstone and/or its affiliates to potential conflicts of interest. Newstone attempts to resolve such conflicts of interest in light of its obligations to investors in the Newstone Funds and the obligations owed by Newstone's advisory affiliates to investors in investment vehicles managed by them. To the extent that an investment or relationship raises particular conflicts of interest, Newstone will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Newstone consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Newstone Fund(s) and such other investment vehicles.

Disciplinary Information

Newstone and its principals have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

Neither Newstone nor any of its management persons is registered as a broker-dealer or a registered representative of a broker-dealer. In addition, neither Newstone nor any of its management persons is affiliated with any broker-dealer, bank or other financial services firm.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

Neither Newstone nor any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

As discussed in the section titled "Participation or Interest in Client Transactions; Personal Trading," Newstone and its related persons are, directly or indirectly, the general partners, limited partners and/or managing members of each of the Newstone Funds. Newstone and its related persons manage multiple Newstone Funds. This can create conflicts in the allocation of time, resources and investment opportunities among the Newstone Funds. Please refer to the Governing Documents of the relevant Newstone Fund for complete information on the requisite time commitments (if any) of Newstone and its related persons to the Newstone Funds and the allocation of investment opportunities among the Newstone Funds. Please also refer to the description of Newstone's investment allocation policy described in the subsection "Conflicts of Interest" under "Methods of Analysis, Investment Strategies and Risk of Loss" above.

Employees of Newstone and its affiliates have previously and may in the future serve as directors, board observers or credit committee members for portfolio companies in which the

Newstone Funds invest, or provide other services to portfolio companies, and potentially could receive compensation in connection therewith, as described below under “Economic Benefits Received from Third Parties”. Employees of Newstone and its affiliates may be given access to confidential information relating to public companies in which the Newstone Funds invest. As a result, a Newstone Fund likely will, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of such a portfolio company, which prohibition may have an adverse effect on such Newstone Fund.

Selection or Recommendation of Other Advisers

Newstone does not recommend or select other investment advisers for its clients and receive compensation from such advisers in a manner that would create a material conflict of interest. Newstone does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

Newstone has adopted a code of ethics under Rule 204A-1 of the Advisers Act (“Code of Ethics”) expressing Newstone’s commitment to ethical conduct. Newstone’s Code of Ethics describes the fiduciary duties of Newstone and its supervised persons and their responsibilities to Newstone’s clients. Under Newstone’s Code of Ethics, Newstone has a duty of good faith to act in the best interests of the Newstone Funds and all Newstone supervised persons are required to promptly report all suspected or apparent violations of the Code of Ethics to Newstone’s Chief Compliance Officer (“CCO”). All supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto.

The Code of Ethics contains policies and procedures with respect to personal securities transactions by employees and related accounts that are designed to prevent front-running, scalping, the misuse of inside information and other improper activities. Employees must report all personal transactions in non-exempt securities to the CCO (or a designee) on at least a quarterly basis. The CCO (or a designee) monitors all such transactions by employees in order to identify any pattern of conduct that may evidence conflicts or potential conflicts with the principles and objectives of the Code of Ethics, or other inappropriate behavior.

Newstone will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions; Personal Trading

As general partners, limited partners or managing members of the general partners or managers of each of the Newstone Funds, Newstone and its related persons have indirect beneficial interests in the securities owned by the Newstone Funds and will share in any profits and losses generated by the Newstone Funds’ investments. All such transactions are subject to compliance with Newstone’s Code of Ethics as described above and the Governing Documents of the applicable Newstone Funds.

Newstone and/or certain related persons of Newstone may, on rare occasions, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Newstone Funds in connection with certain “warehousing” transactions, provided that the sale is consistent with Newstone’s fiduciary obligations to the Newstone Funds. Such transactions will be fully disclosed and the written consent of the appropriate Newstone Fund (which, in certain circumstances, may be provided by the Newstone Fund’s advisory committee) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute “principal transactions” under Section 206(3).

Newstone reserves the right to cause a Newstone Fund to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another client of Newstone, provided that the transfer is consistent with Newstone’s fiduciary obligations to each Newstone Fund participating in the cross transaction. Newstone has a potentially conflicting division of loyalties and responsibilities regarding both parties to any cross transactions, including where the investment of one Newstone Fund supports the value of investments owned by another Newstone Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into will represent what would ultimately be the underlying investment’s fair value. Newstone intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Newstone Fund under the circumstances, including consideration of the potential present and future benefits with respect to each Newstone Fund. Where required by applicable law, any such transaction will be approved in advance by the client in accordance with Section 206(3) of the Advisers Act.

Brokerage Practices

With respect to those limited instances in which the Newstone Funds purchase or sell or distribute publicly traded securities through a broker-dealer, Newstone will generally have discretionary authority to select the broker or dealer to be used to execute transactions in such securities on behalf of the Newstone Funds and negotiate the commission cost to be paid. Newstone seeks to obtain best execution by considering all relevant facts and circumstances, including the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker’s execution abilities, commission rates, and financial responsibility and responsiveness. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers.

Research and Soft Dollar Benefits

Newstone does not generally have any soft dollar arrangements with respect to securities transactions for the Newstone Funds.

Any research services and/or other products or services that are provided to Newstone by brokers and dealers may be used for the benefit of all clients of Newstone and do not necessarily benefit solely the client from which the commissions were generated. The receipt of research and/or

other products or services is not directly connected to the recommendation of brokerage services to a Newstone client, but does create a potential conflict of interest of which investors should be aware in assessing Newstone's choice of broker-dealers.

Brokerage for Client Referrals

Subject to Newstone's obligation to seek best execution of all transactions for its clients, Newstone may consider referrals of investors in determining its selection of broker-dealers. Accordingly, Newstone may have an incentive to select or recommend a broker-dealer based on its interest in receiving investor referrals. Any such determinations will be made in accordance with Newstone's fiduciary obligations to its client and Newstone's compliance policies and procedures.

Trade Aggregation

Although Newstone does not often trade in public securities, in such circumstances Newstone will, to the extent possible, generally place a combined order for two or more advisory clients engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating clients' Governing Documents, and otherwise in the best interests of such clients.

Review of Accounts

Review of Client Accounts

Through detailed monthly analysis of financial performance, representation on portfolio company board of directors and frequent contact with management, Newstone closely monitors the performance of every portfolio company on behalf of the Newstone Funds. All information provided by portfolio companies is documented and analyzed by the investment team. On a quarterly basis, Newstone completes a detailed review of all portfolio companies in relation to historical and budgeted performance. Investments are continuously reviewed in the context of each Newstone Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Newstone Fund. Members of the Newstone investment committee, comprised of the co-founders, meet regularly to determine and review overall investment objectives, risk tolerance and other information relevant to the Newstone Funds.

Reports to Clients

The general partner or manager of each Newstone Fund distributes quarterly and annual written reports to the limited partners of such Newstone Fund. Annual reports generally contain audited financial statements of the Newstone Fund, an annual report providing a description of the Newstone Fund's business and investments and an individual capital account statement as of the end of such fiscal year. The quarterly reports generally contain summary financial and other information on the Newstone Fund for the fiscal quarter.

Please refer to the Governing Documents of the relevant Newstone Fund for further information on the reports provided by a particular Newstone Fund to its investors.

Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

Newstone and its affiliates or employees receive directors, commitment, monitoring, advisory, success, break-up, topping and/or similar fees or other remuneration from portfolio companies (or their intermediate entities) in which one or more of the Newstone Funds invest or propose to invest. To mitigate potential conflicts of interest, Newstone will generally offset the portion of such benefits attributable to a Newstone Fund against advisory fees payable by such Newstone Fund or otherwise remit such benefits to the limited partners of such Newstone Fund in accordance with such Newstone Fund's Governing Documents. For the avoidance of doubt, any reimbursement of the general partners, Newstone or its related persons for out-of-pocket expenses incurred on behalf of a portfolio company will not offset the management fee.

Investors are requested to refer to the Governing Documents of each of the Newstone Funds for complete information on the additional compensation received by Newstone or its affiliates or supervised persons in connection with a particular Newstone Fund's investments and the amount of the applicable advisory fee offset.

Third Party Compensation for Client Referrals

Newstone and related persons of Newstone may enter into compensation arrangements with unaffiliated placement agents or third parties for introducing investors to a Newstone Fund. Any sales charge associated therewith will ultimately be payable by Newstone and/or its related persons, either directly or through an offset of the advisory or management fee payable by the relevant Newstone Fund to Newstone. An investor will not be charged any additional amount or bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party. Moreover, as described above, Newstone may consider referrals of investors to the Newstone Funds in determining its selection of broker-dealers for securities transactions.

Custody

Newstone will not have physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, Newstone will be deemed to have custody of the assets of the Newstone Funds as a result of its position as an affiliate of the general partner or manager of each Newstone Fund.

It is Newstone's general policy to (i) cause each Newstone Fund with assets over which Newstone is deemed to have "custody" to distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited by an accountant subject to regular inspection by the Public Company Accounting Oversight Board, to investors annually and no later than 120 days after the end of each fiscal year and (ii) upon the final liquidation of any such Newstone Fund, obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Newstone Fund to all investors promptly after completion of the audit.

Investment Discretion

Subject to the investment objectives, policies and restrictions of each Newstone Fund as set forth in the Governing Documents of such Newstone Fund, Newstone has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Newstone Fund, including the selection of, and commissions paid to, broker-dealers. Newstone generally enters into a written management agreement with each client granting such authority.

Voting Client Securities

Newstone has adopted policies and procedures regarding the voting of proxies as required under Rule 206(4)-6 under the Advisers Act. These policies and procedures are designed to ensure that proxies received with respect to securities in client accounts for which Newstone exercises voting discretion are voted in the best interests of such clients and that Newstone maintains records of its proxy voting in compliance with the Advisers Act.

Unless otherwise instructed by a client, Newstone will vote client proxies consistent with guidelines that Newstone has adopted and that Newstone believes reflect the best interests of its clients, after taking into consideration all relevant facts and circumstances at the time of the vote.

Newstone will provide to any client or prospective client at no cost a copy of its voting policies and procedures and information regarding how such client's proxies have been voted in the past.

Financial Information

Newstone has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.