

# OEP Capital Advisors, L.P.

510 Madison Avenue 19<sup>th</sup> Floor  
New York, NY 10022 (212) 277-1500

[www.oneequity.com](http://www.oneequity.com)

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This Brochure provides information about the qualifications and business practices of OEP Capital Advisors, L.P. (together with any predecessor entity, the “Adviser,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (212) 277-1500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2**  
**Material Changes**

The Adviser filed its most recent Form ADV Part 2 on March 30, 2020. This annual amendment updates the description of certain risk factors and business practices of the Adviser and its affiliates.

**Item 3**  
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## **Item 4**

### **Advisory Business**

#### *Generally*

The Adviser was established in 2014 and provides investment advisory services to privately offered funds that focus primarily on private equity investments, as described below. The Adviser is owned by Richard Cashin, David Han, James Koven, Greg Belinfanti, James Cherry, Paul Schorr, Melchior von Peter, and Joerg Zirener and is managed and controlled by an Operating Committee consisting of these same people, as well as Norma Corio.

#### *Fund Structure*

The Adviser serves as the investment manager for (i) privately offered pooled investment vehicles (and certain feeder funds and alternative investment vehicles thereof) that have made and will make private equity investments (the “Main Funds”) and (ii) a privately offered partner co-investment vehicle, including an alternative investment vehicle thereof (the “Partner Co-Investment Vehicle”) that has invested alongside certain OEP managed vehicles. OEP previously entered into an investment management agreement with JPMorgan Chase & Co. (“JPMC”) to provide certain non-discretionary investment management services with respect to certain investments held by JPMC.

The Adviser has also established several co-investment vehicles, and may in the future establish additional co-investment vehicles (and certain feeder funds thereof), in each case to allow certain persons to invest alongside the Main Funds in a particular investment opportunity (each, a “Single Purpose Co-Investment Vehicle” and, together with the Partner Co-Investment Vehicle, the “Co-Investment Vehicles”). Each of the Main Funds and the Co-Investment Vehicles shall hereinafter be referred to as a “Fund.”

As a general matter, the Funds are managed by the Adviser, who investigates, analyzes, structures and negotiates potential investments. The Adviser has the general authority to recommend investments to the general partner of each Fund (each a “General Partner”), subject to the limitations set forth in the relevant Partnership Agreements or Management Agreement (as such terms are defined below). The management and conduct of the activities of each Fund remain the ultimate responsibility of such Fund’s General Partner. Affiliates of the Adviser serve as the General Partners of the Main Funds, the Partner Co-Investment Vehicle and any Single Purpose Co-Investment Vehicles.

The Partner Co-Investment Vehicle participates *pro rata* (based on current participation in the relevant portfolio investment) alongside certain of the Main Funds in dispositions of the portfolio investments and also shares in common costs and expenses (excluding management fees, which are not owed by the Partner Co-Investment Vehicle) through a reduction in distributable proceeds. To the extent there are no distributable proceeds, the Main Funds generally advance on an interest-free basis such expenses on behalf of the Partner Co-Investment Vehicle. Such dispositions may be on terms and conditions not more favorable than the terms and conditions of the corresponding dispositions by the applicable Main Fund.

As a general matter, each of the Single Purpose Co-Investment Vehicles participates in a single investment of one of the Main Funds in an amount determined by the General Partner in its sole discretion. The Single Purpose Co-Investment Vehicles will have the opportunity to participate *pro rata* (based on current participation in the relevant portfolio investment) alongside the applicable Main Fund in follow-on investments of the relevant portfolio investment and will also share in common costs and expenses. In most cases, management fees and carried interest are not owed by these Single Purpose Co-Investment Vehicles. However, certain Single Purpose Co-Investment Vehicles do pay management fees and carried interest. Each of the Single Purpose Co-Investment Vehicles may participate in such investments, follow-on investments and dispositions on terms and conditions not more favorable than the terms and conditions of the corresponding investments and dispositions by the applicable Main Fund.

The investment strategy of the Funds is described in Item 8 below and set forth more fully in the private placement memoranda (as supplemented or amended, the “Private Placement Memoranda”), limited partnership or similar governing agreement (each, a “Partnership Agreement”) or management agreement or other similar agreement between the Adviser and such Fund (or as applicable to such Fund) (each, a “Management Agreement”), as applicable. The Adviser provides services to each Fund in accordance with the relevant Partnership Agreement or Management Agreement.

The limited partners, investors and members of the Funds described above are collectively referred to as “Limited Partners” in this Brochure.

#### *Investment Restrictions*

The advice provided by the Adviser and its affiliates to each Fund is tailored to meet the individual investment objectives and restrictions of each Fund and not that of individual Limited Partners. Each Partnership Agreement or Management Agreement, as applicable, imposes restrictions on investing in certain securities or types of securities.

#### *Management of Client Assets*

As of December 31, 2020, the Adviser manages \$7,319,165,508 of client assets on a discretionary basis and \$101,963,346 on a non-discretionary basis.

## Item 5 Fees and Compensation

### *Adviser Compensation*

The Adviser is paid a management fee (the “Management Fee”) in accordance with the applicable Partnership Agreement or Management Agreement of the Main Funds, a portion of which may be borne by a feeder fund or alternative investment vehicles (formed in connection with certain transactions of the Main Funds), if applicable. The Adviser is not paid a Management Fee in respect of the Partner Co-Investment Vehicle nor with respect to certain Single Purpose Co-Investment Vehicles. The Management Fee is generally payable to the Adviser in installments quarterly in advance. With respect to the Main Funds, the Management Fee is funded by drawdowns of unfunded capital commitments of the Limited Partners, out of distributable proceeds and gains of the Funds, or out of cash available to the applicable Fund, in each case in accordance with each Fund’s Partnership Agreement or Management Agreement, as applicable.

The Management Fee for certain Main Funds that pay a Management Fee to the Adviser is generally calculated as a percentage of capital commitments of the Limited Partners to such Fund through the end of such Fund’s investment period. The Management Fee in respect of the Main Funds is generally calculated as either a percentage of funded capital commitments (with certain adjustments for write-offs and write-downs) that remain invested in such Fund’s portfolio companies or as a flat per annum amount payable quarterly in advance. Where the Partnership Agreement or Management Agreement calculates Management Fees based on the amount of funded capital commitments (as described in the foregoing), the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Partnership Agreement or Management Agreement. Certain Limited Partners of the Main Funds may pay a reduced Management Fee vis-à-vis other Limited Partners in the Main Funds. Limited Partners of the Main Funds that are affiliates of the Adviser are generally exempt from paying a Management Fee to the Adviser. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

The Management Fee calculated with respect to each Limited Partner of the Main Funds is typically subject to reduction for certain amounts, including: (i) such Limited Partner’s *pro rata* share of any placement fees paid or payable by the Fund in such calendar year, to the extent such Limited Partner is not prohibited from paying placement fees (with the result that placement fees are borne by the Adviser), (ii) such Limited Partner’s *pro rata* share of all director’s fees, transaction fees, break-up fees, advisory fees, monitoring fees or other similar fees received during the specified time period by the Adviser, the applicable General Partner, or any of their respective affiliates in respect of the Fund’s investments (collectively, the “Fees”) and specifically included in the list of fees that offset the Management Fee in the relevant Fund’s Partnership Agreement, (iii) such Limited Partner’s *pro rata* share of any Organizational Expenses (defined in the “Additional Fees and Expenses” section below) that were paid by the Fund and that exceed the threshold set forth in the relevant Partnership Agreement, to the extent the Fund incurred any Organizational Expenses during the specified period, and (iv) an amount equal to such Limited Partner’s incentive capital contributions made during the specified period. For purposes of the preceding sentence, a Limited Partner’s *pro rata* share is generally based on the aggregate capital commitments of the Limited Partners to such Fund (with the exception of calculating a Limited

Partner's *pro rata* share of placement fees, which is instead based on the aggregate capital commitments of the Limited Partners to such Fund that are not prohibited from paying placement fees). As certain Single Purpose Co-Investment Vehicles do not pay Management Fees to the Adviser, Fees attributable or paid to these Single Purpose Co-Investment Vehicles will not be applied to reduce Management Fees; such Fees will be retained by the Adviser and will not be shared with the Main Funds.

The Management Agreements applicable to the Main Funds generally provide that upon termination of the Management Agreement, the Adviser shall repay to the Fund or to a replacement manager, as directed by the Fund's General Partner, the unearned portion (computed on the basis of the number of days elapsed), if any, of any Management Fees previously paid to the Adviser. Certain related persons of the Adviser are also entitled to receive "carried interest" (a form of performance-based compensation), as discussed in Item 6. Engagement by the Adviser of a financial intermediary, such as a broker dealer, and certain commissions paid in connection with Fund investments are discussed in Item 12.

#### *Additional Fees and Expenses*

In addition to the Management Fee and carried interest, as applicable, the Main Funds (and indirectly their Limited Partners) will pay, or reimburse the Adviser and/or its affiliates for all other fees, costs, expenses, liabilities and obligations relating to the relevant Fund's (and its subsidiaries' and intermediate entities') activities, investments, business, portfolio companies or potential investments to the extent not borne or reimbursed by a portfolio company or potential portfolio company. These costs and expenses are detailed in the applicable Partnership Agreement or Management Agreement. Generally included in the expenses permitted to be borne by the Funds are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to foregoing items, which generally are expected to be significant. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, including employees' salaries, rent, utilities and other similar expenses specified in the applicable Partnership Agreement or Management Agreement. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the applicable Partnership Agreement or Management Agreement, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. In certain cases, these or similar expenses (and/or Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company.

Main Funds also bear all costs in connection with their formation and organization, and the offering of interests in the Funds (collectively, the "Organizational Expenses"), provided that, to the extent that these fees and expenses exceed the threshold set forth in the relevant Partnership Agreement or Management Agreement, as applicable, such excess will be borne by the Adviser.

In addition, the Adviser ultimately bears all fees of any placement agent for the Funds (as described in the “Adviser Compensation” section above), if applicable, although certain expenses of the placement agent will be borne by the Funds.

The Adviser and/or its affiliates generally have discretion over whether to charge Fees, including transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates on the other hand. In many cases, Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. As noted above, Fees will offset the Management Fee in accordance with the relevant Fund’s Partnership Agreement, but only with respect to the capital commitments of Management Fee-paying investors. Fee offsets generally are performed on a net basis, after giving effect to taxes and other expenses in connection with the receipt of such Fees or the provision of related services. For the avoidance of doubt, the Adviser will not offset compensation received from or by outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies, or by former Adviser personnel even if such compensation is received from existing Fund portfolio companies.

In certain instances, consultants or advisors (“Operating Professionals”) are retained or employed to provide services to (or with respect to) the management of a Fund’s portfolio company or prospective portfolio companies in which one or more Funds invest. Operating Professionals are permitted to receive compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company, prospective portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from the Adviser and/or its Funds or affiliates, guaranteed minimums or other compensation. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally dilutes, or otherwise reduces the value of, the Fund’s investment, and the relevant Fund typically will bear the costs of all Operating Professionals compensation, as well as fees, costs and expenses of structuring Operating Professionals arrangements. Operating Professionals may also be reimbursed for certain travel and other costs in connection with their services. No such amounts will offset or reduce the Management Fee.

All Fund expenses are allocated in accordance with the relevant Partnership Agreement or Management Agreement. As a general matter, the Adviser allocates all expenses (including broken deal expenses and “mixed use” expenses) in a manner that the Adviser believes is fair and equitable under the circumstances over time across all applicable Funds. Co-Investment Vehicles generally do not bear expenses related to proposed but unconsummated investments and, therefore, the Main Funds bear all such expenses. As a general matter, broken deal expenses are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.



## **Item 6**

### **Performance-Based Fees and Side-by-Side Management**

Pursuant to the relevant Partnership Agreement or Management Agreement, the applicable General Partner generally is entitled to receive “carried interest” with respect to each Limited Partner of such Fund. The General Partners of the Main Funds are affiliated entities of the Adviser. Carried interest is generally paid out of the proceeds realized from the investments of the applicable Funds. The percentage of the proceeds paid as carried interest may vary between the Limited Partners. The Partner Co-Investment Vehicle, and certain Single Purpose Co-Investment Vehicles do not pay a carried interest or pay lower rates of carried interest than other Co-Investment Vehicles and the Main Funds. The General Partners of certain of the Main Funds or affiliates of such General Partners will have the discretion over whether or not to charge a carried interest to any future Single Purpose Co-Investment Vehicles.

Because the General Partner may expect to receive a different amount of carried interest with respect to each Fund, the Adviser may be incentivized to favor one Fund over another. In addition to specific provisions in the relevant Partnership Agreement or Management Agreement, the Adviser has adopted policies relating to the allocation of investment and disposition opportunities among the Funds, as described in more detail in Item 11.

The receipt of carried interest also creates an incentive for the General Partners and Adviser to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such carried interest. To help align the interests of the General Partner and Adviser with those of the Limited Partners, the General Partners of the Main Funds and their affiliates are required to make a direct or indirect contribution to the Main Funds. The General Partner may satisfy this contribution requirement by making investments through any Single Purpose Co-Investment Vehicles, if applicable. As discussed further in Item 4, certain investment professionals of the Adviser have invested in the Partner Co-Investment Vehicle.

Additionally, to the extent that the Adviser has Funds with varying carried interest terms and/or the Adviser’s personnel are assigned varying percentages of carried interest from the Funds, the Adviser and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

The Adviser seeks to address the potential for conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Partnership Agreement or Management Agreement, as applicable, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel.

## **Item 7**

### **Types of Clients**

The Adviser provides investment advisory services solely to its Fund clients, and references throughout this Brochure to “clients” and to the Adviser’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Generally, Limited Partner interests in the Main Funds and Co-Investment Vehicles may be purchased only by investors that are (i) “accredited investors,” as defined in Regulation D of the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) (a) “qualified purchasers” for purposes of section 3(c)(7) of the Investment Company Act of 1940, as amended, (b) “knowledgeable employees,” as defined in Rule 3c-5 under the Investment Company Act of 1940, or (c) non-U.S. persons, if the Main Fund or Co-Investment Vehicle is organized outside of the United States.

Limited Partners of the Main Funds generally are required to make a minimum commitment of \$5 million, but the relevant General Partner has the discretion to waive such minimum commitment.

## **Item 8**

### **Methods of Analysis, Investment Strategies, and Risk of Loss**

#### *Methods of Analysis and Investment Strategies*

The investment strategy of the Funds is to realize long-term capital gains by investing in equity, equity-related and other securities and obligations of entities (i) formed to effect, or that are the subject of, leveraged buy-out transactions, (ii) that are being recapitalized, (iii) that require capital for operations, business expansion, strategic investments, liquidity for non-active shareholders or generational transitions, or (iv) that are looking to divest non-core divisions. The Funds primarily pursue investment opportunities in growing middle-market companies across a broad range of industries, including industrials, healthcare and technology sectors in North America and Western Europe but may also invest in other geographical areas.

The Adviser typically obtains information with respect to potential portfolio companies from management teams, commercial and investment bankers, attorneys, accountants, appraisal firms, consultants and other advisors and intermediaries of such companies. The Adviser utilizes carefully designed and rigorous due diligence procedures to identify and quantify the productivity, cost structure and working capital improvement opportunities that it believes can realistically be achieved with respect to each potential investment. The Adviser typically sources its investments by employing a calling system of outbound outreach to companies to identify potential investments that meet the investment themes of the Funds.

To facilitate this investment strategy, the Adviser focuses its analysis on businesses that: (i) possess experienced and talented management teams that will retain day-to-day operational control, (ii) have a history of strong earnings and cash flows, (iii) maintain a significant market presence characterized by proprietary products or value-added services with sustainable franchises, (iv) generate a sufficiently high return on assets to support an appropriate level of debt, (v) exhibit the potential for substantial growth in equity value, (vi) possess strong customer bases, and (vii) possess potential combination synergies with other companies in their industry.

#### *Certain Risks Relating to the Investment Strategies of the Funds*

Investing in securities involves a risk of loss that clients should be prepared to bear, including but not limited to the risks summarized below:

#### Nature of Investment

An investment in a Fund requires a long-term commitment, with no certainty of any return. There most likely will be little or no near-term cash flow available to Limited Partners. Many of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Limited Partners. Additionally, it is expected that the Funds typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. The securities in which the Funds will

invest may be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect the Funds' investments once made. Certain of the Funds' investments may be in businesses with little or no operating history. Certain of the Funds' investments may be in businesses with high levels of debt or may be investments in leveraged buyouts (leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income). Although the Adviser will seek to use leverage in a manner it believes is prudent, the leveraged capital structure of such investments will increase the exposure of a portfolio company to adverse economic factors such as rising interest rates, downturns in the economy, and deteriorations in the condition of such portfolio company or its industry. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Furthermore, the expenses of operating the Funds (including the Management Fee payable to the Adviser) may exceed its income, thereby requiring that the difference be paid from the Funds' capital, including unfunded capital commitments.

### Investments in Less Established Companies

The Funds are permitted to invest a portion of their assets in the securities of less established middle market companies. Investments in such less established middle market companies are expected to involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities of any less established middle market company held by the Funds, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and are, therefore, often more vulnerable to financial failure. The Funds are permitted to invest in portfolio companies that: (a) have little or no operating history; (b) offer services or products that are not yet ready to be marketed; (c) are operating at a loss or have significant fluctuations in operating results; (d) are engaged in a rapidly changing business; or (e) need substantial additional capital to set up internal infrastructure, hire management and personnel, support expansion or achieve or maintain a competitive position. Such portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive capabilities and a larger number of qualified managerial and technical personnel. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Future growth may be dependent on additional financing, which may not be available on acceptable terms when required.

Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. The relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium- sized companies, could make it difficult for the Funds to react quickly to negative economic or political developments. There can be no assurance that any such losses will be offset by gains (if any) realized on the Funds' other investments. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices.

In the event of fraud by any company in which the Funds invest, the Funds may suffer a partial or total loss of capital invested in that company.

### Reliance on the Adviser

The Funds will be dependent on the Adviser. The General Partner of each Main Fund will have exclusive responsibility for the Main Fund's activities, and other than as expressly set forth in the Partnership Agreement, Limited Partners will not be able to make investment or other decisions in the management of the Main Funds. The Limited Partners will also not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the Adviser in its selection of investments or receive the detailed financial information issued by portfolio companies that is available to the Adviser. The success of the Funds will depend on the ability of the Adviser to identify and consummate suitable investments, to improve the operating performance of investments and to dispose of investments of the Funds for a profit. The loss of the services of one or more of the Operating Committee or Investment Committee members could have an adverse impact on the Funds' ability to realize their investment objectives. There can be no assurance that each of the Operating Committee or Investment Committee members will continue to be affiliated with the Funds through their respective terms.

### Lack of Diversification; Risk of Loss of Capital

The Funds will participate in a limited number of investments, which investments generally will involve a high degree of risk, and the Funds are permitted to seek to make several investments in one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolio could become highly concentrated, in which case the performance of a few holdings or of a particular industry would be expected to substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds are permitted to invest in fewer portfolio companies and thus be less diversified.

### Economic and Market Conditions

The state of the private equity industry, generally, and the success of the Funds' investment activities, specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and U.S. and global political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the Adviser. Conditions such as financial market volatility, illiquidity and/or decline, a generally unstable economic environment (including as a result of a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) and/or a deterioration in the capital markets may negatively impact the availability of attractive investment opportunities for the Funds, the Funds' ability to make investments, the availability of funding to support the Funds' investment objectives, the performance and/or valuation of the Funds' investments, and/or the Funds' ability to dispose of investments. In addition, such conditions may impact the public market comparable earnings multiples that are frequently used to value privately held portfolio companies and investors' risk-free rate of return. In such an environment, a Fund may be more likely to pay reverse break-up, termination or other fees and expenses in the event that the Fund is not able to close a transaction (whether due to lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. Such conditions could result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

## Uncertain Economic, Social and Political Environment

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

## 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, have resulted and are resulting in market volatility and disruption, and COVID-19 and any future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The ultimate impact of COVID-19 — and the resulting precipitate decline in economic and commercial activity across nearly all of the world's largest economies — 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 ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds and their portfolio investments' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their respective investment objectives. They may also impair the ability of portfolio investments 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 respective portfolio investments, the General Partner and the Manager 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.

#### Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes

There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of a Fund to effectively and timely address such regulations, implement operating improvements, or otherwise execute its investment strategy or achieve its investment objectives. The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators, and market commentators, and the negative public perception of certain alternative asset managers, including private equity firms, may complicate or prevent the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

#### Deterioration of Credit Markets

The ability of the Funds and the portfolio companies to effectively execute their respective strategies will be dependent on the health of the U.S. and global credit markets. In the event that, as a result of an economic downturn or otherwise, credit markets deteriorate and it becomes more difficult for investment funds such as the Funds to obtain favorable financing for investments, the Funds' ability to consummate investments may be adversely affected, an effect of which may be a slower-than-anticipated rate of capital deployment by the Fund. A persistent credit market deterioration may result in limited availability of credit to consumers, homeowners and/or businesses, which may lead to an overall weakening of the U.S. economy and/or global economies. In such a situation, portfolio company performance may decline and/or the value of portfolio companies may be diminished. As a result, the Funds' ability to realize their respective investments at favorable times and/or for favorable prices may be negatively impacted, which also may result in longer-than-anticipated holding periods for investments. Accordingly, a deterioration in credit markets may negatively affect the Funds' ability to achieve their respective investment objectives and/or generate attractive returns for Limited Partners.

#### Borrowings and Credit Support

The extent to which the Funds use leverage may have important consequences to the Limited Partners, including, but not limited to, the following: (a) greater fluctuations in the net

assets of the Funds; (b) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (c) increased interest expense if interest rate levels were to increase significantly; (d) limitation on the flexibility of the Funds to make distributions to Limited Partners or sell assets that are pledged to secure the indebtedness; and (e) limiting the Funds' ability to use its interests as collateral for other indebtedness. There can be no assurance that the Funds will have sufficient cash flow to meet its debt service obligations. As a result, the Funds' exposure to losses may be increased due to the illiquidity of their respective investments generally. The Funds are permitted to make contingent funding commitments and other credit support to its portfolio companies (or any subsidiary thereof). Such credit support may take the form of a credit facility, guarantee, a letter of credit or other forms of promise to provide funding. Such credit support may result in fees, expenses and interest costs to the Funds, which could adversely impact the results of the Funds. The Funds and any other co-investing funds may be jointly and severally liable for all credit support obligations in respect of portfolio companies or under any credit facility of the Funds. Therefore, in the event that one or more Limited Partners and/or limited partners of any co-investing fund fail to satisfy a drawdown or otherwise default on their contribution obligations pursuant to the credit support, such amount generally would be drawn on a pro rata basis from non-defaulting Limited Partners and limited partners of any other co-investing funds up to the remaining amount of their respective unfunded capital commitments.

#### Use of Credit Facilities and Subscription Lines

A Fund is permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility or subscription line based on the aggregate capital commitments available to be called. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors. Fund assets may be cross-collateralized under a credit facility and the Fund may incur leverage on a joint and several basis with one or more investment funds or entities managed by the relevant General Partner or any of its affiliates.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the relevant Partnership Agreement or Management Agreement, as applicable, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods



of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for Limited Partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the relevant General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), and to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

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

#### Competitive Nature of the Fund's Business

The business of the Funds is highly competitive. The Adviser will be competing for investments against other groups, including direct investment firms, merchant banks and industrial groups, and the Adviser may be unable to identify a sufficient number of attractive investment opportunities for a Fund to meet its investment objectives. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has

been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Adviser. However, Limited Partners will be required to bear the Management Fee (through each Fund) during each Fund's investment period based on the entire amount of the Limited Partners' capital commitments and other expenses as set forth in the Partnership Agreement.

#### Special Purpose Acquisition Companies ("SPACs").

Except to the extent prohibited by the applicable Partnership Agreement, the Adviser and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto.

Further, the Funds are permitted to invest in entities (any such entity, a "SPAC Sponsor") that will sponsor SPACs. One or more Funds may sponsor a SPAC on its own or in conjunction with other co-sponsors, including third-parties, the Adviser, its principals, personnel, or any of their affiliates, in which case such Funds will only be subject to their pro rata share of expenses, which, among other things, is used to fund certain offering expenses, the upfront portion of the underwriting discount, and the working capital of the applicable SPAC. In exchange for supplying part or all of the "at-risk capital" of a newly-formed SPAC, one or more Funds collectively may receive a portion of the "founder shares" or "promote" from the applicable SPAC. A Fund could lose the at-risk capital invested in a SPAC and such founder shares could become worthless if such SPAC is not successful and is unable to locate and consummate a business combination or gain approval for the business combination from such SPAC's shareholders within the specified time period. Further, while a Fund will benefit from its pro rata share of the founder shares, the profits attributable to the founder shares held by the other co-sponsor (if any), including if such co-sponsor is the Adviser or its personnel, will not be offset against the Management Fees payable by the applicable Fund's limited partners, subject to the applicable Partnership Agreement.

Subject to the applicable Partnership Agreement, a Fund is permitted to enter into a forward purchase agreement with a SPAC whereby such Fund commits to purchase forward purchase units consisting of ordinary shares and warrants of such SPAC. In such case, such Fund will gain exposure to the ultimate business combination held by such SPAC directly through the forward purchase units in such SPAC and indirectly through the founder shares held by the applicable SPAC Sponsor.

#### Follow-On Investments

A Fund may be called upon to provide follow-on funding for its portfolio companies or have the opportunity to increase its investment in such portfolio companies. There can be no assurance that any Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by the Funds not to make follow-on investments or their inability to make them may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may diminish the Funds' ability to influence the portfolio company's

future development. Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company and/or the dilution of the Funds' ownership in a portfolio company if a third party invests in such portfolio company.

#### Limited Access to Information

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

#### Non-U.S. Investments

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

#### Cyber Security Breaches, Identity Theft and Fraud

The Adviser's and portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser (and its vendors) has implemented, and portfolio companies may implement, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease

to function properly, the Adviser, the Funds and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's, the Funds' and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. In addition, the Adviser and such portfolio companies are also subject to the risk of fraud. While systems and procedures may be in place which the Adviser believes are designed to detect and deter fraud, such systems and procedures may not be effective in all circumstances to prevent the risk of fraud. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks.

#### Privacy and Data Protection Law Compliance Risk

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

For example, California has passed the California Consumer Privacy Act of 2018, as amended, and the European Union has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

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

#### Material Non-Public Information; Other Regulatory Restrictions

As a result of the operations of the Adviser and its affiliates, as well as in connection with officerships or directorships of the relevant General Partner personnel, the General Partners frequently come into possession of confidential or material non-public information. Therefore, the General Partners and their affiliates may have access to material non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the applicable General Partner's internal policies and procedures.

#### United Kingdom Exit from the European Union (the "EU")

On March 29, 2017, the UK formally notified the European Council of its intention to leave the EU ("Brexit"). The UK formally left the EU on January 31, 2020 after which the UK entered the transition period specified in the withdrawal agreement, which ended on December 31, 2020. During the transition period, the majority of the existing EU rules continued to apply in the UK.

On December 24, 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which is subject to scrutiny and ratification from the EU Council and the UK Parliament. In addition, the trade agreement needs to be ratified by each EU member state and the EU Parliament, and there after adopted by the EU Council. Until such ratification is complete, the terms of the new agreement is expected to apply on a provisional basis from the end of the transitional period.

Although the terms of the UK's future relationship with the EU has been provisionally agreed, there is still uncertainty as to the extent to which UK businesses will have access to the EU single market, and the extent to which EU business have access to the UK market. There is also a risk of significant disruption to trade between the UK and the EU, particularly in the initial period following the end of the transitional period and the implementation of the new trade arrangements. Finally, there is no guarantee that the trade agreement will achieve the ratification it requires in order to become permanent.

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

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

## Conflicts of Interest

In the ordinary course of the Adviser conducting its activities, the interests of a Fund likely will conflict with the interests of the Adviser, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein and are also discussed in greater detail in the applicable Fund's governing documents.

From time to time, the Adviser will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of the Adviser. In determining which investment vehicles should participate in such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one Fund of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Fund to support positions taken by other Funds. See Item 11 below, for the Adviser's policy relating to the allocation of investment and sale opportunities.

Furthermore, the Adviser or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities are permitted to be made by the Adviser or its related persons in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors. See Item 11 below, regarding the allocation of co-investment opportunities. The Adviser'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. The consideration of the factors set forth in Item 11 likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. There can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

The Fund expects to make controlling investments in some or all of its portfolio companies. To the extent it has such controlling interests, the Adviser typically will have the right to appoint portfolio company board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members are expected to have the authority to approve compensation and other amounts payable to the Adviser in connection with services provided by the Adviser and its affiliates to such portfolio company, and, except to the extent such amounts are Fees that offset the Management Fee, are in addition to the Management Fee or carried interest discussed in Item 5. The Adviser's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Adviser subjects the Adviser and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio

company. This subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the provisions of the relevant Partnership Agreement and/or Management Agreement, the Adviser determines the amount of these reimbursements for such services in its own discretion.

In connection with its services to the Funds and their investments, the Adviser, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Adviser's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Adviser and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to each Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics, as applicable (collectively, "Adviser Information"). In many cases, Adviser Information will include tools, procedures and resources developed by the Adviser to organize or systematize Adviser Information for ongoing or future use. Although the Adviser expects its Funds and their portfolio companies generally to benefit from the Adviser's possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of the Adviser and solely for the use of the Adviser. The Adviser reserves the right to use, share, license, sell or monetize Adviser Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to occasionally be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

The Adviser generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that its contract for services with certain service providers, and from time to time such service providers are expected to include: (i) the Adviser or a related person of the Adviser (which may include a portfolio company of such Fund); (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or coventurers, or relationships where personnel of the Adviser are seconded, or from which the Adviser receives secondees; or (iii) certain Limited Partners or their affiliates. This subjects the Adviser to conflicts of interest, because although the Adviser intends to select service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance, the Adviser has a potential incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that the Adviser, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Adviser), would favor such retention

or continuation even if a better price and/or quality of service could be obtained from another person. The Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although the Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where the Adviser commits or has committed to seek “market” or “arms-length” rates or terms, the Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, the Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets or services to which such rates or terms relate. Where such rates or terms include hourly components, the Adviser reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

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

The Adviser has certain programs under which portfolio companies owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with the Adviser, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated and/or higher service levels with certain, but not all, vendors and service providers on



a group-wide basis. Participants voluntarily participate without any program related charges being assessed. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. The Adviser and its affiliates have in the past and may in the future participate in the program and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will result in additional offsets to such Management Fees. The Adviser believes the potential for conflicts relating to such arrangements is mitigated by the anticipated benefit (i.e. cost savings) to portfolio companies (which is expected to be to the benefit of the applicable fund(s)) that will result if the negotiated rates for goods and services are offered at a greater discounts due to scale than widely available in the market (though the Adviser will not undertake any benchmarking of market terms to confirm).

The Adviser has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. The Adviser expects to be subject to a potential conflict of interest in making such recommendations, as the Adviser has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies or the lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements.

From time to time the Adviser and its personnel will receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Since many portfolio companies typically offer such discounts to customers other than the Adviser and other such persons as part of their standard commercial practices to expand their respective customer bases, the Adviser believes that the potential for conflicts relating to such discounts is mitigated. The Adviser and its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course.

The Adviser and/or its affiliates reserve the right to enter into side letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to economic arrangements (including alternative fee or other compensation arrangements), 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 Funds. Except where required by the applicable Partnership Agreement or Management Agreement, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. As a consequence of one or more Limited Partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating Limited Partner could be adversely affected in a material manner by the unfavorable performance of particular investments.

In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in

circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

These risks are generally applicable to the investment strategy of the Funds (although certain risks described above may not be applicable to the future activities of Single Purpose Co-Investment Vehicles). To the extent a Private Placement Memorandum has been issued for a Fund, these risks are described in greater detail in the Private Placement Memorandum.

**Item 9**  
**Disciplinary Information**

The Adviser has no information to disclose that is applicable to this Item.

**Item 10**  
**Other Financial Industry Activities and Affiliations**

The General Partners of the Main Funds and the Partner Co-Investment Vehicle are affiliated with the Adviser by common ownership.

The Adviser's affiliates One Equity Partners Europe GMBH and OEP Master B.V. are relying advisers per the instructions to Form ADV (collectively, the "Relying Advisers"). The Relying Advisers operate in conformance with all rules and regulations under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and are each subject to the code of ethics and compliance program of the Adviser.

In addition to specific provisions in the relevant Partnership Agreement or Management Agreement, the Adviser has adopted policies relating to the allocation of investment and sale opportunities among the Funds, as described in more detail in Item 11.

## Item 11

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

#### *Code of Ethics (including Personal Trading)*

The Adviser has adopted a code of ethics (the “Code of Ethics”) pursuant to SEC Rule 204A-1 under the Advisers Act for all Supervised Persons of the Adviser. “Supervised Persons” include (i) any partner, officer, director (or other person occupying a similar status or performing similar functions) or employee of the Adviser and (ii) any other person who provides investment advice on behalf of the Adviser and is subject to the Adviser’s supervision and control. Certain persons who the Adviser retains as consultants may be Supervised Persons.

The Code of Ethics establishes the standard of conduct expected of all of the Adviser’s Supervised Persons, in light of the Adviser’s duties to the Funds under the Advisers Act. The Code of Ethics is based on the principle that the Adviser owes a fiduciary duty to the Funds for which the Adviser (or a related person) serves as a general partner or manager. At all times the Adviser’s Supervised Persons must (i) place the interest of the Funds ahead of their own personal interests, (ii) conduct personal securities transactions in full compliance with the Code of Ethics, (iii) not take inappropriate advantage of his or her position with the Adviser, (iv) have a reasonable, independent basis for his or her investment advice, and (v) comply with applicable federal securities laws and regulations. Each of the Adviser’s Supervised Persons is required to provide the Chief Compliance Officer with a written acknowledgement of his or her receipt of the Code of Ethics and any amendments, and thereafter must certify on an annual basis to having read and understood the Code of Ethics.

The Code of Ethics generally restricts trading of Supervised Persons in close proximity to Fund investment activity (“Access Persons”).<sup>1</sup> All of the Adviser’s Access Persons are required by the personal securities transactions policy in the Code of Ethics to:

- pre-clear certain personal securities transactions;
- report personal securities holdings to the Chief Compliance Officer after becoming an Access Person;
- report personal securities transactions to the Chief Compliance Officer quarterly; and
- report personal securities holdings to the Chief Compliance Officer annually.

Access Persons’ trading is routinely monitored by the Chief Compliance Officer pursuant to the Code of Ethics in order to reasonably prevent or address conflicts of interest among the Adviser, Access Persons and the Funds.

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<sup>1</sup> “Access Persons” includes (i) all of the directors, officers and partners of the Adviser and (ii) any Supervised Person who has access to non-public information regarding any Fund’s investment or purchase or sale of securities or who is involved in making investment or securities recommendations to the Funds, or who has access to such recommendations that are non-public.

Any client or prospective client of the Adviser may request a copy of the Code of Ethics by contacting the Adviser.

#### *Participation or Interest in Client Transactions*

The Adviser investigates and structures potential investments of the Funds, as described in Item 16. Senior Managing Directors and Managing Directors of the Adviser have a material financial interest in these investments through their interests in the General Partners of the Funds and the Partner Co-Investment Vehicle, as described in Items 4, 6, and 10. The Adviser has adopted a Code of Ethics and has designed written policies to ensure its compliance with the provisions of each Partnership Agreement or Management Agreement, as applicable, addressing potential conflicts of interest involving the Adviser and its related persons. In limited circumstances, the Adviser may recommend the purchase of public securities of a company in which the Adviser or an affiliate has a pre-existing interest.

#### *Allocation of Investment and Sale Opportunities Policy*

Investment opportunities are allocated among Funds based upon the provisions of the relevant Partnership Agreements or Management Agreement. To the extent that a Partnership Agreement or Management Agreement does not address the manner in which the investment opportunity should be allocated, the Adviser will allocate the opportunity between or among the Funds in a good faith manner that it believes is fair and equitable to its clients under the circumstances over time, according to the policies and procedures set forth in its written compliance policies and procedures (the “Allocation Policies”). The Allocation Policies govern the appropriate allocation of investment opportunities, and provide that when determining these allocations the Adviser will consider the following factors: (i) the investment objectives of each Fund, (ii) the remaining capital commitments of each Fund, (iii) the size, nature and type of investment opportunity, (iv) the nature of the prospective investment and the target return profile of each Fund (bearing in mind that actual returns from such investment may not be consistent with such targets), (v) the investment guidelines and limitations governing each Fund, (vi) the sourcing of the transaction, (vii) principles of portfolio diversification, (viii) proximity of each Fund to the end of its investment period and/or specified term, (ix) whether the investment opportunity is a follow-on investment, (x) the projected holding period of the investment or acquisition opportunity and the target holding period of each Fund (bearing in mind that the actual holding period of such investment or acquisition may not be consistent with such projection), and (xi) such other considerations reasonably deemed relevant by the Adviser, in each case, at the date of such potential investment.

The Adviser or its affiliates will address potential conflicts of interests between Funds relating to investment and sale opportunities. Subject to the provisions of the relevant Partnership Agreements or Management Agreement, on any matter involving a conflict of interest, the Adviser or its affiliates will be guided by its duties to each Fund and will seek to resolve such conflict in a good faith manner that it believes is fair and equitable to the Funds under the circumstances over time. There is no guarantee that the conflict of interest will be resolved to the advantage of any particular Fund.

#### *Allocation of Co-Investment Opportunities*

The Adviser reserves the right to offer co-investment opportunities in Fund investments to one or more third-party co-investors pursuant to the terms of the applicable Partnership Agreements, regardless of whether or not the Adviser offers such co-investment to all Limited Partners. Determinations regarding the allocation of such opportunities may be made by the Adviser in its sole discretion based on a broad range of considerations, including for example (and without limitation), on the basis of size and timing of Limited Partners' commitments to the Fund, as well as a broad range of other considerations, including commercial considerations relating to the applicable portfolio investment, an investor's stated desire to participate in co-investments (including as expressed in a side letter by a Limited Partner), an investor's reliability and history of making similar co-investments, an investor's ability to evaluate and execute such offer in the requisite time period and the approval of transaction counterparties. Although a prospective co-investor's willingness to invest in future Funds may be considered by the Adviser, it generally will not be the sole determining factor considered by the Adviser in identifying co-investors. The Adviser maintains a list of all Limited Partners of the Funds that have expressed an interest in being presented with co-investment opportunities. However, participating in a Fund does not entitle any Limited Partner to be notified of, to be offered or to participate in any co-investment opportunities in Fund investments. Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the Adviser or its affiliates in consultation with other participants in the relevant transactions, such as a co-sponsor. The consideration of factors related to allocating co-investment opportunities likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. There can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the relevant General Partner may be subject did not exist.

## **Item 12**

### **Brokerage Practices**

Due to the nature of the investments the Funds make, broker-dealers are not generally used for transactions. However, when executing transactions on behalf of the Funds through a broker, dealer or underwriter (and when the Adviser is responsible for the selection of such broker, dealer or underwriter), the Adviser's objective will be to obtain "best execution." The Adviser reserves the right to consider a range of factors in determining "best execution" including, among other things, the Adviser's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities, as well as the reputation and perceived soundness of the broker selected and other brokers considered; the Adviser's knowledge of actual or apparent operational problems of any broker; the broker's or dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

#### *Research and Other Soft Dollar Benefits*

The Adviser does not affect soft dollar arrangements (that is, arrangements under which research and certain other services are acquired in connection with brokerage arrangements). If the Adviser determines to do so, it will endeavor to do so within the "safe harbor" provided by Section 28(c) of the Securities and Exchange Act of 1934. While the Adviser may receive proprietary research from certain brokerage firms, it does not take the value of such research into account in selecting brokers.

#### *Aggregation of Client Trades*

The purchase or sale of securities may be aggregated for various Funds to the extent that more than one Fund is acquiring or selling securities in the same portfolio company. Where a sale opportunity is identified for an investment held by two or more Funds, the opportunity will be allocated in accordance with the applicable Partnership Agreements or Management Agreements, as applicable, and the "Allocation of Investment Opportunities" section described in Item 11. The Adviser generally aggregates the securities that are to be disposed of if that is the most efficient means to dispose of the securities.



### **Item 13**

#### **Review of Accounts**

The Adviser closely monitors companies in which the Funds invest, and generally maintains an ongoing oversight position in such companies (including, where relevant, representation on the board of directors of such companies). Because investments made by the Funds are generally private, illiquid and long-term in nature, the Adviser's review process is not directed toward a short-term decision to dispose of securities. The Adviser extensively analyzes the viability of anticipated exit strategies during the investment decision-making process and continually evaluates potential exit strategies throughout the life of a portfolio investment. In determining the ultimate timing of a full or partial exit, the Adviser considers the company's strategic progress, growth prospects, business environment, capital markets and overall economic conditions.

The Adviser provides or will provide Fund investors with the audited financial statements of the respective Fund each year.

**Item 14**  
**Client Referrals and Other Compensation**

In connection with the marketing and sale of interests of certain of the Funds, one or more placement agents may be engaged and compensated in accordance with the Partnership Agreement of the applicable Fund. As described in Item 5 above, certain of the Partnership Agreements of Main Funds provide that the Management Fees are subject to reduction for contributions made by Limited Partners to such Funds to pay any placement fees paid or payable by such Fund (with the result that placement fees are borne by the Adviser). All such placement agent fees are disclosed to the relevant limited partners of such Fund.

## **Item 15**

### **Custody**

The Adviser is deemed to have custody for purposes of the Advisers Act of the cash and securities of each Main Fund and the Partner Co-Investment Vehicle by virtue of its relationship with each such Fund's General Partner. Except as permitted by the Advisers Act, such cash and securities are maintained in accounts established with qualified custodians, as defined in Rule 206(4)-2 of the Advisers Act. Such accounts are in the name of the relevant Fund.

The Main Funds and the Partner Co-Investment Vehicle are expected to be subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Each such Fund's audited financial statements are expected to be prepared in accordance with generally accepted accounting principles and distributed to each Fund's investors within 120 days of such Fund's fiscal year end.

## **Item 16**

### **Investment Discretion**

The Adviser has discretion to recommend investments for each Fund to the General Partner of the Fund without the consent of the Limited Partners, subject to the limitations set forth in the relevant Partnership Agreement or Management Agreement. However, the management and the conduct of the activities of each Fund remain the ultimate responsibility of such Fund's General Partner, an affiliate of the Adviser in the case of the Main Funds, the Single Purpose Co-Investment Vehicles and the Partner Co-Investment Vehicle.

## **Item 17**

### **Voting Client Securities**

The Funds invest primarily in private companies, which typically do not issue proxies. The Adviser has adopted written policies and procedures regarding proxy voting (the “Proxy Voting Policy”) in the event that the Adviser is required to vote proxies on behalf of a Fund. It is the Adviser’s policy to exercise any proxy proposals received in connection with publicly traded portfolio companies of the Funds, in the best interests of the applicable Fund, taking into consideration all relevant factors, including, without limitation, acting in a manner that the Adviser believes will maximize the ultimate long- term economic value of the relevant Fund. Whenever the Adviser is required to exercise a vote for a privately held portfolio company, the Adviser will apply the same standards and procedures. The Adviser will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of the Funds on the other.

It is the general policy of the Adviser to vote or give consent on all matters presented to security holders in any proxy. However, the Adviser reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of the applicable personnel of the Adviser, the costs associated with voting such proxy outweigh the benefits to the Fund or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Fund. In addition to the voting of proxies, the Managing Directors of the Adviser may, in their discretion, meet with members of a company’s management and discuss matters of importance to a Fund and its economic interests.

All conflicts of interest related to proxy voting will be resolved in a manner consistent with the best interests of the relevant Fund. All proxy voting decisions will require mandatory conflicts of interest review by the Chief Compliance Officer or designee in accordance with Proxy Voting Policy, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote the proxy has an interest in how the proxy is voted that may present a conflict of interest. If at any time any principal of the Adviser becomes aware of any potential or actual conflict of interest or perceived conflict of interest regarding any particular proxy voting decisions, he or she should contact the Chief Compliance Officer.

The Adviser provides to its clients, upon request: (i) information pertaining to proxies voted by the Adviser on behalf of the Fund and/or (ii) a copy of the Adviser’s Proxy Voting Policy.

**Item 18**  
**Financial Information**

The Adviser has no financial commitments that impair its ability to meet its contractual or fiduciary commitments to the Funds. The Adviser has not been the subject of a bankruptcy proceeding.