



Part 2A Brochure of Form ADV

ICP Group Investment Manager, LLC

Item 1 - Cover Page

May 4, 2021

ICP Group Investment Manager, LLC

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This Brochure provides information about the qualifications and business practices of ICP Group Investment Manager, LLC. If you have any questions about the contents of this brochure, please contact us at 469-747-1700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

ICP Group Investment Manager, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about ICP Group Investment Manager, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

The last update to the Brochure of ICP Group Investment Manager, LLC (the “Adviser,” “Investment Manager,” or “Firm”) was made on March 19, 2021. A summary of material changes since the last update is as follows:

- The Firm has moved physical locations to 500 N Akard Street, Suite 2010, Dallas, TX 75201.

Currently, our Brochure may be requested by contacting Mr. Kevin Winters, the Adviser’s Chief Compliance Officer at 469-747-1709.

Additional information about the Adviser is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 - Advisory Business

- A. The Adviser is an investment advisory firm located in Texas that specializes in making investments in the lower end of the North American private equity middle market. The Adviser provides investment advisory services on a discretionary basis to private funds (each or collectively “Fund(s),” or “Client(s)”).

The Adviser was formed in 2016 by Messrs. Christian Fuentes, David Nunez, and Alberto Martin Soberon. The Adviser changed its name in 2020 from Investar Capital Partners Investment Manager, LLC to ICP Group Investment Manager, LLC. Christian Fuentes and Tomas Diaz Mathe are the current principals of the Adviser (the “Principals”). The Principals are the equity owners of the Adviser.

- B. Investment advisory services include working with the Client to establish an investment objective and selecting portfolio investments utilizing the Adviser’s overall investment strategy, which focuses on making private equity investments in the lower end of the North American middle market. Each Client portfolio is managed pursuant to an investment management agreement with the Client, any investment guidelines attached thereto, the Client’s investment policy, and any applicable regulations.
- C. While each of its Clients generally follows the strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client on the individual investment strategy of each Client.
- D. The Adviser does not participate in wrap fee programs.
- E. As of September 30, 2020, the Adviser managed approximately \$188 million in discretionary and \$50 million in non-discretionary portfolios. For purposes of this annual updating amendment, the regulatory assets under management are calculated using the most recent values available (as of 9/30/2020) as a result of the Fund of Funds structures.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to its Clients. The Adviser may enter into different fee arrangements on a Client by Client basis.

Management Fees. For its services to each Client, the Adviser is entitled to a management fee (the “Management Fee”) based on a percentage of assets under management, which will be outlined in the relevant offering’s Governing Documents. The annual Management Fee for each Client will be negotiated with each such Client. The Management Fee is typically calculated on a quarterly basis and paid each calendar quarter in advance. Management Fees paid by a Fund, may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities and investments, or by certain Organizational expenses borne by such Fund. Management Fees paid by a Fund are indirectly borne by investors in such Fund. The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser and are set forth in such Fund’s offering documents received by each investor prior to making investment in such Fund. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund.

Performance Fees. Client accounts may be charged a performance fee based on net profits (the “Performance Fee”). The annual Performance Fee for each Client will be negotiated with each such Client. The Performance Fee for each Client is specified in the Governing Documents of such Client. The Performance Fee, if any, will be calculated and billed or allocated periodically. With respect to the Funds, the General Partner of each Fund is entitled to receive an allocation of net profits subject to limited partners receiving all capital contributions, a stated preferred return, and in accordance with other provisions of the applicable Fund’s limited partnership agreement. Lower fees for comparable services may be available from other sources. The precise amount of, and the manner and calculation of, the Performance Fees for each Fund are established by the Adviser and are set forth in such Fund’s offering documents received by each investor prior to making investment in such Fund. The Performance Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund.

Other Fees. Additionally, and as more fully described in the Clients’ Governing Documents, the General Partners of the Clients, the Adviser, or any of the Principals have the right to contract for and receive (i) financing fees, commitment fees, closing or other similar fees in connection with investments made by the applicable Client, (ii) directors’ fees, monitoring fees, management fees, advisory fees, investment banking fees, structuring fees, success or other similar fees in connection with investments made by the applicable Client or from portfolio (whether paid in cash or in-kind) or (iii) break-up or other similar fees as a result of the failure to consummate an investment by the applicable Client (with the fees described in clauses (i) through (iii) being called “Other Fees”); provided, however, that a specified portion of such Other Fees so received, net of applicable related expenses (without duplication) are generally applied to reduce on a fully diluted dollar-for-dollar basis any future payment of the Management Fee due.

It is expected that receipt of such fees would not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which have the potential to be significant. Similarly, in certain circumstances, the Adviser may negotiate the right to share a portion of such fees from a particular investment with co-investors or other third parties, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. 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.

- B. Management Fees and Performance Fees are generally deducted directly from the Clients' capital accounts.
- C. Client accounts may be subject to other third-party fees and/or expenses, which may vary based on the amount of assets managed and the types of investments in the Client's account. These fees may include certain custodial fees and transaction fees.

The Adviser does not maintain any trading accounts and does not use "soft" dollars.

Please refer to Item 12, Brokerage Practices, for more information.

- D. As stated above, Management Fees are payable quarterly. The Adviser will refund any pre-paid Management Fees by a Client if the advisory contract with such Client is terminated. Management Fee refunds are calculated on a pro-rata basis for partial periods.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

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

As stated in Item 5 above, the Adviser or its affiliates receive performance-based fees or allocations from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all Clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7 - Types of Clients

The Adviser provides investment advisory services to pooled investment vehicles including but not limited to private funds and a separately managed account for Investar Financial Corporation, the family office of the Martín-Soberón family (collectively, the “Investar Family Office”), including their related entities.

Each investor in a Fund must satisfy the eligibility requirements outlined in the applicable governing documents or otherwise required by applicable laws. Investments in the Funds may also be subject to minimum initial investment amounts per investor, which generally may be waived.

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

A. Introduction

The Adviser's primary investment objective is to pursue investment opportunities that possess potential for upside. The Adviser seeks to do this through leveraging its Principals' proprietary network and vast industry knowledge to identify and source opportunities for its Clients to make investments in private equity investments in the lower end of the North American private equity middle market.

Private Equity Investments

ICP Group believes the lower end of the North American private equity market is a highly attractive segment to invest in and presents compelling features. The Investment Manager believes that there are significant investment opportunities comprised of small- and medium-sized businesses, often founder-owned with no history of institutional backing, resulting in lower entry multiples and increased ability for sponsor partners to add-value and achieve multiple arbitrage at exit.

The Adviser intends to implement a process of disciplined and consistent due diligence through a rigorous investment process to select the best risk-adjusted opportunities.

Investment Process and Related Conflicts of Interest

In addition to the Fund(s), the Investment Manager will provide certain non-discretionary investment advisory services regarding Co-investment opportunities to Investar Financial Corporation and various entities owned and controlled by, and/or affiliated with, the Martín-Soberón family (collectively, the "Investar Family Office"). Prior to the formation of Investar Capital Partners Fund II, L.P. ("Fund II"), the Adviser provided investment advisory services to the Investar Family Office with respect to the placement of sector-focused investments made to private equity funds and co-investments which targeted the lower-middle market through vehicles fully funded by the Investar Family Office. The Investar Family Office was established as a family office to own and managed capital and assets of the Martin-Soberon family and is operated separately and independently from the Adviser. The Investar Family Office will not be an investor in the Funds, but it is the intention of the Adviser that the Funds will only participate or invest in co-investments in which the Investar Family Office also has determined to participate or invest. All investments are sourced and put through due diligence with select opportunities being presented to the Investment Committee of the Adviser. Upon approval, the investment opportunity will then be presented to the Investment Committee of Investar Family Office), which will decide unilaterally whether to participate in the opportunity. If approved, ICP Group Fund III, L.P. intends, but is not required, to participate in the opportunity as well. If the Investar Family Office elects to refrain from moving forward with the investment opportunity, then the ICP Group Fund III, L.P. will still have the option to move forward but may also decide not to proceed.

Due to this arrangement, it is important for investors and prospective investors in the Firm's various funds to understand the risks associated. It is possible that the Firm may be more inclined to go through with deals that the Investar Family Office are also participating in due to the close ties with Alberto Martin Soberon as well as the Investar Family Office as investors in the Firm's investment vehicles. Additionally, a financing agreement has been entered into

from Investar Family Office to both Christian Fuentes and Tomas Diaz Mathe to enable them to invest in ICP Group Corp. ICP Group Corp. is under common control with the Adviser, which will both be wholly owned by Christian Fuentes and Tomas Diaz Mathe. The financing agreement may create a risk that the separately managed account may be favored over the funds. ICP Group Corp. is disclosed as a related adviser solely for the reason that management fees are paid to the Adviser but then to ICP Group Corp. where payroll is paid out. All investment advisory activity is actually done at the ICP Group Investment Manager, LLC level, and management fees are sent to the Adviser first before going to ICP Group Corp.

- B. The Adviser's investment strategy focuses on private equity transactions which involve a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risk factors below are not intended to be exhaustive.

General Economic and Market Conditions. Changes or material developments or occurrences in general global, regional and U.S. economic, market and geopolitical conditions will affect the Investment Manager's and the Fund's activities and the activities and operations of the Portfolio Investments. Interest rates, general levels of economic activity, market conditions, the price of securities and participation by other investors in the financial markets and various other developments and changes may affect the value of the Portfolio Investments (or the activities and operations of Portfolio Investments). Material changes and fluctuations in the economic environment, particularly of the type experienced following the 2008 global financial crisis and currently due to the COVID-19 pandemic that caused, has caused or continues to cause, as applicable, significant dislocations, illiquidity and volatility in the wider global economy, will affect the value of the Portfolio Investments. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources and outlook of the Fund and the Portfolio Investments. Additionally, during, and following, the U.S. presidential election in 2016, there has been discussion, dialogue and other action regarding potential significant changes to U.S. trade policies, legislation, treaties and tariffs, as well as trade policies and tariffs affecting Canada, China, the European Union and other countries. Tariffs and other trade restrictions previously or subsequently imposed by the U.S. and any further similar changes in U.S. trade policy have triggered some, and could trigger additional, retaliatory actions by affected countries, possibly resulting in "trade wars". At this time, it is unknown whether and to what extent new legislation will be passed into law, pending or new regulatory proposals will be adopted, international trade agreements will be negotiated, or the effect that any such action would have, either positively or negatively, on the Fund or the Portfolio Investments. Portfolio Investments typically would be expected to be sensitive to the performance of the overall economy and overall market conditions. Moreover, a serious pandemic, natural disaster, armed conflict, threats of terrorism, terrorist attacks, global pandemics or outbreaks of disease and the impact of military or other action could severely disrupt global, national and/or regional economies (and the activities and operations of the Portfolio Investments). A resulting negative impact on economic fundamentals and consumer and business confidence may also negatively impact market value, increase market volatility and reduce liquidity, all or any of which could have an adverse effect on the performance of the Portfolio Investments and the Fund's returns. No assurance can be given as to the effect of these events on the Fund or its investment objectives.

Business, Legal, Tax and Other Regulatory Risks. The Fund will be subject to a variety of legal, tax and regulatory requirements in the United States and other jurisdictions that may limit the scope of its operations or impose material compliance costs and other burdens. Changes to these legal, tax and regulatory requirements could occur during the term of the Fund that may adversely affect the Fund. New (or revised) laws or regulations, or interpretations of existing laws may be issued by the IRS, the U.S. Securities and Exchange Commission (“SEC”), the CFTC, the U.S. Treasury Department, the U.S. Federal Reserve or other banking regulators, or other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that could adversely affect the Fund, the Investment Manager and Portfolio Investments. In particular, these agencies are empowered to promulgate a variety of new rules pursuant to financial reform legislation in the United States. The Fund and affiliates thereof (and Portfolio Investments) may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. For example, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry. It is impossible to predict what, if any, changes in regulations may occur, but any regulation that restricts the ability of the Fund to execute its investment strategy could have a material adverse impact on the Fund’s performance. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The CFTC, the SEC, the Federal Deposit Insurance Corporation (the “FDIC”), other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market or other emergencies. The regulation of securitization and derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action.

This disclosure cannot address or anticipate every possible current or future regulation that may affect the Fund, Portfolio Investments, the General Partner, the Investment Manager or their respective businesses. Such regulations may have a significant impact on the Fund or the operations of the Fund, including, without limitation, restricting the types of investments the Fund may make, preventing the Fund from exercising its voting rights with regard to certain financial instruments, requiring the Fund to disclose the identity of Investors or otherwise. Prospective investors are encouraged to consult their own advisors regarding an investment in the Fund.

Governmental Intervention. In 2008 and thereafter, the global financial markets underwent disruptions that led to certain significant governmental interventions. The COVID-19 pandemic of 2020 has also led and will likely continue to lead to substantial governmental intervention (both in the United States and abroad). Such intervention, in certain cases, was or is being implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions were or are typically unclear in scope and application, resulting in confusion and uncertainty which in itself can be materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. If governmental intervention programs are unwound, there could likewise be uncertainty and adverse effects on the markets. In the case of any future market disruptions, it is impossible to predict what interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on the Fund’s activities and investment strategies and the activities and operations of the Portfolio Investments.

Potential for Fraud. Although the Investment Manager intends to conduct due diligence evaluations and investigations on all prospective Co-investments and other investments, there is a risk that the Fund will be subject to fraud. Instances of fraud can be particularly difficult to detect and prevent.

Terrorist Attacks, War and Natural Disasters. Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and could prevent the Investment Manager and the Fund from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and the Fund for the short or long-term in ways that cannot presently be predicted.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. Our operations and business activities and the business and activities of the Funds could be materially adversely affected or impacted in the future by the continuation or worsening of the COVID-19 global pandemic and other outbreaks of disease, epidemics, pandemics and public health issues, whether globally or limited to particular regions of the world, such as diseases or public health issues caused by other novel coronaviruses (including as a result of the emergence of new coronaviruses), Ebola virus disease, H1N1 flu, H7N9 flu, H5N1 flu (and other types or subtypes of influenza viruses), Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus disease 2019 (or COVID-19), an infectious disease caused by Severe Acute Respiratory Syndrome coronavirus 2 (SARS-CoV-2), was first identified in December 2019 and has since spread rapidly globally, resulting in an ongoing global pandemic. The COVID-19 global pandemic has severely and materially affected (and may continue to negatively affect and materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines, shelter-in-place orders, social-distancing measures and other government-directed or mandated measures or actions to stop or slow the spread of SARS-CoV-2 and COVID-19). Although the short-term and long-term effects and consequences of COVID-19 (and the actions and measures taken or mandated by governments around the world to halt or slow down the spread of SARS-CoV-2 and COVID-19) cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as the 1918 influenza pandemic (also referred to as the Spanish flu pandemic) and the 2002-2004 SARS outbreak in Asia, had material adverse effects on the economies, capital markets and basic day-to-day operations of (and activities in) those countries and jurisdictions in which they were most prevalent. Recent efforts, actions and measures undertaken by governments, businesses and communities to protect the public health in the face of the COVID-19 pandemic (including measures designed or intended to “flatten the curve” and protect the healthcare systems in such applicable countries and jurisdictions from collapse or undergoing significant breakdowns) have resulted in partial or complete shutdowns of many sectors of the economy generally as well as severe restrictions, limitations and consequences on the means by which we operate our business (e.g., travel restrictions or bans, mandatory quarantines, shelter-in-place orders and social distancing measures and rules), which could adversely affect or negatively impact the business, activities, financial condition, and operations of us and the Funds indefinitely. If and to the extent the economy and businesses begin to reopen and are allowed to resume operations or activities and people begin to return to more frequent personal or social interactions, there is a risk of recurrence of an outbreak of COVID-19, and such a recurrence or emergence of any kind of epidemic, pandemic, outbreak of disease or major public health issue could cause

another slowdown or shutdown in the levels of economic activity and business activities and operations generally, or push the world or local economies into recession or depression, which could adversely affect and materially impact us, our affiliates and the Funds and their investments.

The impact of a health crisis such as the COVID-19 pandemic, and other epidemics, pandemics and outbreaks of disease that may arise in the future, depends on the duration and spread of the outbreak, the severity, the actions to contain, slow down or halt the spread of the virus or treat its impact, the success of the development and implementation of vaccines, and how quickly and to what extent normal or semi-normal economic and operating conditions can resume, which could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other pre-existing political, social and economic risks. Any such impact could adversely affect a Fund's performance or the performance, profitability, success or businesses of a Fund's investments and the underlying real estate projects, resulting in losses to investors.

The COVID-19 pandemic and actions, measures and steps taken by governments around the world in response to such pandemic may cause material disruptions to (or otherwise materially impact or affect) the business operations and activities of service providers on which we and our clients rely (including the custodians and counterparties). It may also adversely impact a Fund's investments, the ability of us and our affiliates to access markets or implement a client's investment strategies in the manner originally contemplated, and ultimately investors in the Funds.

Brexit. On June 23, 2016, the United Kingdom (the "UK") held a referendum and voted to withdraw as a member of the EU and a party to the Treaty on European Union (the "EU") and its successor treaties, and on March 29, 2017, the UK delivered a letter to the EU invoking the applicable withdrawal procedures. While the UK officially withdrew as a member of the EU as of January 31, 2020, the UK and the EU agreed to a transition period, during which the UK generally continued to operate under and pursuant to EU laws and rules. The transition period expired on December 31, 2020, and EU law no longer applies in the UK. The outcome of the referendum and the subsequent withdrawal of the UK have caused significant volatility in global financial markets and uncertainty about the integrity and functioning of the EU, both of which are likely to persist for an extended period of time now that the UK has formally left the EU. Although the Managing Member cannot predict the full effect and results of Brexit, it could have a significant adverse impact on UK, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the AIFMD and the European Union Markets in Financial Instruments Directive ("MiFID II")), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally and the global economic climate and may impact opportunities, pricing, availability and cost of financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU, including investments made or considered by the Funds. The volatility and uncertainty caused by Brexit may adversely affect the value of investments and our ability to achieve investment objectives.

Force Majeure Events. There is a risk that investments owned directly or indirectly by clients and other vehicles or ventures managed or advised by us will be impacted by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, energy blackouts, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes and telecommunication failures). There is a risk that some force majeure events will adversely affect the ability of a party (including an investment, a counterparty of an investment or a counterparty of client) to perform its obligations until it is able to remedy the force majeure event. Such a party could also claim force majeure for nonperformance of its contractual obligations. Certain force majeure events (such as an outbreak of an infectious disease (including the recent COVID-19 global pandemic)) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries or jurisdictions in which investments are located. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over an investment, could result in a loss to a client. Any of the foregoing would therefore adversely affect the performance of such clients or accounts managed or advised by us.

Investment Risks

Financial and Business Risk of Portfolio Companies. Investments made by the Fund will involve a significant degree of financial and/or business risk. The Fund will invest (typically indirectly) in portfolio companies and other assets. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of portfolio companies may depend on their ability to access sufficient sources of debt at attractive rates, which may or may not be available at any particular time. Portfolio companies also may face intense competition, changing business or economic conditions or other developments that may adversely impact their performance. Business risks may be more significant in lower middle-market companies or those embarking on a build-up or operating turnaround strategy. Some portfolio companies may operate at a loss or have significant variations in operating results, may be engaged in a rapidly changing business or business environment with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations (which may not be available on attractive terms, if at all), finance expansion or maintain their competitive position, may be in an early stage of development or may otherwise have a weak financial position. If for any of these or other reasons a portfolio company is unable to generate cash flow to meet its operating expenses and working capital requirements, make principal or interest payments on its indebtedness, or make other required payments on its commitments, the portfolio company's business, financial condition and prospects could be materially adversely affected and the value of the Co-investment could be significantly reduced or even eliminated.

Reliance on Management of Portfolio Companies. Although the Investment Manager will monitor the performance of the Co-investments', the Fund will rely substantially upon the management teams of each applicable Co-investment (and the lead co-investment sponsor or manager) to operate and manage such Co-investments on a day-to-day basis. Consequently, the value of the Fund's investments will be affected significantly by the efforts and decisions of applicable operating management teams. Because of their size and historical needs, many lower middle-market companies must rely heavily on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect future performance. However, lower middle-market companies may not always be led by incumbent management teams/founders that possess a broad range of experience or professional managerial skills. Further, key executives/founders may be approaching the ends of their active

business careers, requiring (upon retirement) the planned transition to professional management or a next generation of senior managers. In situations where incumbent managers or founders are supplemented with or replaced by professional management teams, operating cultures or key relationships with customers, suppliers, personnel or others might be adversely affected. While the Investment Manager will attempt during the due diligence process to assess the relative capabilities and depth of company managers (and the lead co-investment sponsors and managers) and will monitor performance over the course of an investment, no assurance is given that these efforts will be sufficient to overcome any decisions made or activities undertaken by management teams or that the supplementation or replacement of operating managers will be successful.

No Assurance of Profit or Distributions. The marketability and value of the Fund's investments will generally depend upon factors beyond the control of the Fund, the General Partner or the Investment Manager. There can be no assurance that Fund's investments will be profitable or realized or that any distributions will be made to Investors with respect thereto. Distributions will ultimately depend upon the success of the Fund's investments. The amount and timing of any distributions will be at the discretion of the General Partner, who may also direct that such amounts be used to satisfy, or establish reserves for, any of the Fund's current or anticipated obligations (including, without limitation, Management Fees and any other Fund Expenses as well as obligations relating to additional investments). The expenses of the Fund or any portfolio company may exceed its income, and Investors could lose the entire amount of their invested capital. Each of the Fund, the General Partner and the Investment Manager has no prior operating history. Co-investments may also be newly formed entities with little or no performance or operating histories.

Identification of Investment Opportunities. The Fund's success will depend primarily upon the identification and availability of suitable investment opportunities, including the selection of suitable Co-investments. The business of identifying and structuring private equity investments is highly competitive and involves a high degree of uncertainty and risk. There generally will be little or no publicly available information regarding the status and prospects of companies in which the Co-investments invest or are considering an investment. The availability of investment opportunities will be subject to market conditions and certain other factors that will be outside the control of the Investment Manager. Investors may never be fully invested if the Investment Manager does not identify enough sufficiently attractive Co-investments during the Investment Period. There can be no assurance that the Investment Manager will be able to identify sufficient attractive investment opportunities to meet the Fund's investment objectives, or that Investors will be able to participate in any such investment opportunities.

Limited Diversification. The Fund may make a limited number of Portfolio Investments. A consequence of a limited number of investments or of similar investments is that the aggregate returns realized by the Investors may be substantially adversely affected by the unfavorable performance of a small number of these investments. Although the Investment Manager will seek to broaden the Fund's investment portfolio, the Fund does not have fixed guidelines for diversification and the Fund is not limited in the percentage of its capital that it may invest in any investment or type or class of investments, and as a result may invest all or a substantial portion of its assets in a particular Portfolio Investment, or in a particular industry. There is also no requirement that the Fund diversify its investment portfolio among various Portfolio Investments. Various factors, including prevailing market conditions, may inhibit the Investment Manager's efforts to create a broad investment portfolio. As a result, the Fund's investments may be concentrated in relatively few Portfolio Investments, companies, industries

and regions. If the Fund invests a significant portion of aggregate Capital Commitments in a single portfolio company prior to the Final Closing Date and such investment declines in value, the Fund's ability to raise additional capital could be impaired, and thus existing Investors could be subject to significantly greater losses as a result. Furthermore, the General Partner may determine to exclude Investors admitted to the Fund subsequent to the Initial Closing from such an investment, in which case existing Investors at the time of such investment would bear a disproportionate loss.

Illiquidity of Investments. The Fund's investments typically will be illiquid and will not provide current income. The Fund's investments may be restricted, at any given time, as to their transferability under U.S. securities laws. Further, in some cases the Fund may be prohibited by contract from selling its respective investments, as applicable, for a period of time or otherwise be restricted from disposing of such investments. In some cases, a substantial length of time may be required in order to liquidate a Fund's investments. Consequently, there is a significant risk that the Fund will be unable to sell or otherwise dispose of their investments at attractive prices, or will otherwise be unable to complete any exit strategy with respect to their investments. These risks can be further exacerbated by changes in the financial condition or business prospects of a portfolio company, changes in national or international economic or market conditions and changes in laws, regulations, fiscal policies or political conditions of the United States and other jurisdictions in which the portfolio companies are located or in which they may conduct their respective businesses. If the Fund is unable to sell or otherwise dispose of an investment by the end of its respective term, the Fund and/or the Investors may receive an in-kind distribution of their respective pro rata share of that investment, which may be illiquid. See "In-Kind Distributions" below for additional risks posed with respect to in-kind distributions to Investors.

Co-Investment Risk. Co-investing alongside private equity investors and financial sponsors involves risks that may not be present in investments made by lead or sponsoring private equity investors, including the possibility that the Fund may not be able to implement investment decisions or exit strategies because of limitations on the Fund's control of the investment under applicable agreements with the third-party partners or co-investors, the risk that third-party partners or co-investors may become bankrupt or have other financial difficulties resulting in a negative impact on the Portfolio Investment, or may at any time have economic or business interests or goals that are inconsistent with those of the Fund. In addition, there is a risk that a third-party partner or co-investor may be in a position to take action contrary to the Fund's interests, the risk of liability based upon the actions of a third-party partner or co-investor and the risk of disputes or litigation with such partners and the inability to enforce fully all rights (or the incurrence of additional risk in connection with enforcement of rights) one partner may have against the other. In addition, in order to take advantage of co-investment opportunities, the Fund generally will be required to hold a non-controlling interest, for example, by becoming a limited partner in a co-investment partnership that is controlled by the general partner or manager of the private equity fund offering the co-investment to the Fund. In this event, the Fund would have less control over its Portfolio Investment and may be adversely affected by actions taken by such general partner or manager with respect to the portfolio company and the Fund's indirect investment in it. The Fund may not have the opportunity to participate in structuring Portfolio Investments or to determine the terms under which such investments will be made.

Co-Investments with Clients Managed or Advised by the Investment Manager or Affiliates. The Fund generally expects to co-invest with other clients managed or advised by the Investment Manager or affiliates thereof in Portfolio Investments. As discussed herein, the Fund generally

expects to participate only in Portfolio Investments in which the Investar Family Office also elects to participate and, as a result, the Fund will generally co-invest alongside the Investar Family Office in Portfolio Investments. The Fund may not acquire or dispose of such investment at the same time as such other clients or affiliates thereof. This may create conflicts of interest, including with respect to the allocation of investment and disposition opportunities.

Expedited Transactions. Investment analyses and decisions by the Investment Manager will often be undertaken on an expedited basis in order for the Fund to take advantage of investment opportunities. In such cases, information available to the Investment Manager at the time of an investment decision may be limited, and the Investment Manager may not have access to the detailed information necessary for a full evaluation of the investment opportunity.

Leverage and Portfolio Investment Financing. The Portfolio Investments are expected to include companies whose capital structures may utilize or employ significant leverage and/or debt. The leveraged capital structure of such investments will increase carrying costs of assets and may significantly increase the exposure and sensitivity of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or declining revenue, rising costs or other deteriorations in the condition of the portfolio companies or their respective industries. In markets characterized by tight credit, portfolio companies may be unable to refinance existing indebtedness at rates and on terms that are attractive, and, as a consequence, may incur higher than expected borrowing costs. Such increased costs would reduce or eliminate returns payable to the Fund. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Fund may suffer a partial or total loss of capital invested in the portfolio company. The Fund may, at the option of the General Partner, guarantee loans and other extensions of credit to support obligations of portfolio companies. The Fund may be obligated to use Fund assets to satisfy obligations covered by any such guarantees. Under certain circumstances, the Fund may be subject to liabilities in excess of the amount of its original investment in a Portfolio Investment. If the Fund becomes liable for indebtedness of a portfolio company, creditors of that portfolio company may have recourse against all of the Fund's assets and may not be limited to a particular asset or group of assets.

Investments in Less Established Companies; Risk of Fraud in Portfolio Companies. The Fund may invest a portion of its assets in the securities of less established or start-up companies. Investments in such portfolio companies may involve greater risks than are generally associated with investments in more established companies. For example, such companies may have shorter operating histories on which to judge future performance and, if operating, may have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Such companies also may have a lower capitalization and fewer resources (including cash) and be more vulnerable to failure, which could result in a loss of some or all of the Fund's investment in any such company. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the Fund invests, the Fund may suffer a partial or total loss of capital invested in that company.

Non-Controlling Interests in Portfolio Investments and Minority Positions. The Fund is expected to hold non-controlling interests in the vast majority, if not all, of its Portfolio Investments and, therefore, will have a limited ability to protect its interests and investments in such companies, including with respect to the timing and manner of exiting its Portfolio Investments. In addition, the Fund generally will co-invest with third parties (including through joint ventures or other entities), and such third parties are expected to have larger or controlling ownership interests in such portfolio companies. Accordingly, the Fund will rely significantly on the existing management, board of directors and significant stockholders of

such companies, which will, in all likelihood, include representatives of other financial investors with whom the Fund is not affiliated and whose interests may at times conflict with the interests of the Fund. The Portfolio Investments are expected to involve risks in connection with such third-party involvement, including the substantial risk that a third-party will be in a position to take (or block) action in a manner contrary to the Fund's investment objectives (including, for example, requiring the Fund to dispose of a Portfolio Investment at the same time as such third-party consummates its disposition) or will have financial difficulties or otherwise default on its obligations, in each case resulting in a negative effect on such investment. Portfolio Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third-party partners or co-venturers, such as fees charged to monitor or manage a Portfolio Investment. Although the General Partner will endeavor to obtain contractual rights to protect the Fund's interests in its Portfolio Investments, there can be no assurance that such rights will be available or that such rights, to the extent available, will provide sufficient protection of the Fund's interests. It is possible that, in connection with certain Portfolio Investments, the Fund will only be able to obtain rights relating to transfer (such as tag-along rights and registration rights), or no minority protection rights or terms at all.

Follow-on Investments; Risk of Dilution. Subject to the terms and limitations set forth in the Partnership Agreement, the Fund may be called upon to provide funding for Follow-on Investments. There can be no assurance that the Fund will wish to make a Follow-on Investment or that it will have sufficient capital or funds to do so. Any decision by the General Partner or the Adviser not to make or pursue a Follow-on Investment or the inability of the Fund to make or pursue a Follow-on Investment may have a substantial negative effect on a portfolio company in need of such an investment or may result in a substantial dilution of the Partnership's equity interest in such portfolio company. The Fund also may be required to make a Follow-on Investment under the investment terms of a particular Portfolio Investment. For example, a private equity sponsor may require at its election all investors in a Portfolio Investment to make a future pro rata Follow-on Investment, which election, if made, may not be consistent with the Fund's investment objectives.

Long-Term Nature of Investments. The Portfolio Investments are not expected to be liquidated or realized for a significant period of time after such investment is initially made. Factors such as overall economic and market conditions, the performance of the applicable portfolio companies, the competitive environment and the availability of potential acquirers may shorten or lengthen the Fund's holding period with respect to an investment. Accordingly, it is not likely that any significant return from the disposition of a Fund investment will occur for a number of years after such investment is made.

Impact of Outstanding Borrowings on Investor Returns. In the event that the Fund uses a credit facility, it is expected that interest will accrue on any outstanding borrowings at a rate lower than the Preferred Return, which does not accrue on such borrowings and will begin accruing when capital contributions to fund such Portfolio Investments, or to repay borrowings used to fund such Portfolio Investments, are actually advanced by Investors to the Fund. As a result, the use of a credit facility with respect to Portfolio Investments and ongoing capital needs may reduce or eliminate the Preferred Return received by the Limited Partners and accelerate or increase Carried Interest distributions to the General Partner.

Competition. The business of identifying, negotiating, acquiring, monitoring, managing and selling investments within the scope of the Fund's investment program is highly competitive and involves a high degree of uncertainty. In recent years, the market for co-investment

opportunities has become even more competitive due to a substantially increased flow of capital into co-investment opportunities and investment entities and funds relating thereto. The Fund, the General Partner and the Investment Manager will encounter competition from other persons or entities with similar investment objectives, some of whom may have greater resources or experience than the Fund and the Investment Manager. In some cases, competing investment funds may be exempt from certain foreign investment and ownership limitations, generally or with respect to a particular industry, and may more easily stand ready to consummate transactions in the sellers' desired currency. Although the Investment Manager believes that significant opportunities currently exist and that the Fund should have sufficient deal flow to access such opportunities, there can be no assurance that these opportunities will continue to exist or that the Investment Manager will successfully identify, select, access, develop and consummate a sufficient number of opportunities to permit the Fund to invest some or all of its committed capital. To the extent that any portion of the Fund's committed capital is not invested, the Fund's potential returns may be diminished.

Contingent Liabilities upon Disposition of Investments. In connection with the disposition or realization of a Portfolio Investment, the Fund and other applicable investors in such Co-investment may be required to make certain representations about the business and financial affairs of the applicable company that are typical of those made in connection with the sale of a business and may be responsible for the content of disclosure documents under applicable securities laws. The Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations or disclosure documents turn out to be inaccurate or misleading. These arrangements may result in contingent liabilities, which may ultimately be required to be funded by the Fund to the extent that the Fund has received prior distributions with respect to such investment.

Need for Additional Capital. Certain of the Fund's portfolio companies, especially those in a development or "platform" phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Fund. In addition, the Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect the Fund's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Environmental Risks. Co-investments may also be subject to numerous statutes, rules and regulations relating to environmental protection, under which a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. The Fund and the Co-investments may be exposed to substantial risk of loss from environmental claims arising in respect of Co-investments.

Distressed Investments. The Fund may invest in restructurings involving companies that are experiencing or are expected to experience financial difficulties or in non-performing or other troubled assets which involve a high degree of risk. These financial difficulties may never be overcome and may cause the company to become subject to bankruptcy proceedings. Investments in companies operating in distressed or workout modes or under Chapter 11 of the U.S. Bankruptcy Code are, in certain circumstances, subject to additional potential liabilities which may exceed the value of the original investment.

Equity Investments. The Fund will make equity or equity-related investments (including investments in publicly-traded companies) which, by their nature, involve business, financial, market and/or legal risks. Holders of equity or equity-related investments generally own a residual interest in the applicable company and are junior to any obligations owed to the senior or subordinated creditors of such company.

Debt Investments. The Fund may directly or indirectly invest in bonds, notes and debentures issued by portfolio companies or Portfolio Investments. These investments may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. The Fund may invest in company debt instruments that have experienced or are contemplated to experience ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Credit ratings evaluate the safety of the principal and interest payments, not the market value risk of lower-rated instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis and, as a result, outstanding ratings may not reflect the portfolio company's current credit standing. Conversely, rating agencies may re-rate an instrument which could cause substantial loss as the ratings are downgraded. The Fund's investments may experience significant credit rating volatility. In addition, the Fund may be paid interest in kind in connection with portfolio company debt and related financial instruments. Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

Control Risks. The Fund may, but generally does not expect to, obtain a control position (either on its own or acting together with a group of investors) with respect to one or more portfolio companies, which could expose it to liabilities not normally associated with minority equity or debt investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may not be respected.

Risks of Non-U.S. Investments. The Fund may invest in non-U.S. Portfolio Investments. Because non-U.S. entities are not subject to uniform accounting, auditing and financial reporting standards, practices and disclosure comparable with those applicable to U.S. companies, there may be different types of, and lower quality, information available about non-U.S. companies. This limitation may be particularly true for private equity investments, where there may be little or no publicly available information about private companies. The Fund and its Investors may be subject to tax, reporting and other filing obligations in non-U.S. jurisdictions in which non-U.S. companies reside or operate or in which non-U.S. real estate assets are located. Moreover, non-U.S. securities markets, particularly in developing countries, may be substantially less liquid and have greater volatility than U.S. securities markets. Non-U.S. economies may unfavorably differ from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and

balance of payments positions. In addition, in certain countries there may be the possibility of expropriation or confiscatory taxation, political or social instability, limitation on the removal of funds or other assets or the repatriation of profits, withholding taxes, import duties or other protectionist measures, or political or diplomatic developments that could adversely affect the Fund's investments in those countries.

Hedging Instruments and Risks. The Fund is not required to attempt to hedge portfolio positions of the Fund, but the General Partner or the Investment Manager may in its sole discretion elect to cause the Fund to hedge all or a portion of its Portfolio Investments in its discretion. Certain vehicles through which the Fund invests in underlying Portfolio Investments may also attempt to employ or utilize hedging strategies. Furthermore, the Investment Manager and the General Partner may not anticipate a particular risk so as to hedge against it. The Fund may utilize a variety of financial instruments (including options and derivatives), both for investment purposes and for risk management purposes, in order to seek to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains (if any) in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vi) protect against increases in the price of securities the Fund anticipates purchasing at a later date; and/or (vii) for any other reason that the Investment Manager deems appropriate. The success of the Fund's hedging strategy (if any) is subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the instances when the Investment Manager hedges portfolio positions in the Fund will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into certain hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if they had not engaged in any such hedging transactions. Individual Portfolio Investments made by the Fund may also employ hedging strategies and techniques in order to enhance returns or otherwise.

Currency Risks. The investments of the Fund that are not denominated in the U.S. dollar will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Officials in foreign countries may from time to time take actions in respect of their currencies that could significantly affect the value of the Fund's assets denominated in those currencies or the liquidity of such investments. For example, a foreign government may unilaterally devalue its currency against other currencies, which would typically have the effect of reducing the U.S. dollar value of investments denominated in that currency. A foreign government may also limit the convertibility or repatriation of its currency or assets denominated in that currency. The Fund may, but is not required to and frequently may not, invest in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof for hedging purposes, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

Preferred Securities. Certain preferred securities contain provisions that allow an issuer under certain conditions to skip or defer distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred security that is deferring its distribution, it may be required to report income for tax purposes despite the fact that it is not receiving current income on this position. Preferred securities often are subject to legal provisions that allow for redemption in the event of certain tax or legal changes or at the issuer's call. In the event of redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred securities are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments and, therefore, will be subject to greater credit risk than those debt securities.

Actions by U.S. Federal Government. Public comments by key personnel within the U.S. administration have suggested that the administration may not be supportive of certain existing international trade agreements. Further, the administration has announced the withdrawal of the U.S. from certain proposed trade agreements, has supported greater restrictions on trade generally and has implemented significant increases on tariffs on goods imported into the U.S., particularly from China. At this time, it remains unclear what further actions the administration may take with respect to trade agreements, individual companies or countries, including whether and when additional tariffs may be placed on imports into the U.S., and the scope of any tariff that is imposed. The Investment Manager also cannot predict how other countries will respond to the administration's actions. For example, it is possible that legislation or regulations may be passed in other jurisdictions in response or related to any measures that may be imposed by the administration, including imposition of tariffs on U.S. goods imported into such jurisdictions. If the administration takes action to withdraw from or materially modify certain international trade agreements, or to implement greater restrictions on free trade and significant increases on tariffs or duties, the business, financial condition and results of certain of the Fund's portfolio companies, and the performance of the Fund's investments in general, could be materially adversely affected. The administration has also indicated its intention to direct federal agencies to proceed with deregulating certain industries in which the Fund may invest through a series of executive actions. However, such actions have been and may continue to be subject to judicial and/or congressional scrutiny and even if implemented, may be replaced by regulatory actions at the state level. While there can be no assurance that the administration will be successful in implementing such actions, any measures that are implemented in connection therewith may result in material changes to regulations and may impact the business operations and performance (even adversely) of the Fund's investments. Changes in U.S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the jurisdictions in which the Fund may invest, and any negative sentiments towards the U.S. as a result of such changes, could adversely affect the performance of the Fund's investments. In addition, negative sentiments towards the U.S. among non-U.S. customers and among non-U.S. employees or prospective employees could adversely affect sales or hiring and retention, respectively, in portfolio companies.

Investments in Publicly Traded Companies. A portion of the Fund's investment portfolio may consist of securities issued by publicly traded companies (e.g., as the result of an initial public offering effected by a previously private portfolio company, acquisition of a private portfolio company by a publicly traded company or a direct investment in publicly traded securities). The fact that a portfolio company is publicly traded will not necessarily reduce the business and other risks associated with an investment in such company. Investments in publicly traded companies often are subject to various risks, such as increased risks of litigation and greater

securities law and other regulatory burdens, as well as risks associated with “insider trading” and similar rules.

Cash and other Investments. The Fund may invest all or a portion of its assets in cash or cash items for various purposes, including, without limitation, for investment purposes, pending other investments or as provision for margin. These cash items may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers’ acceptances, commercial paper, repurchase agreements, bank certificates of deposit, and short-term debt securities of U.S. or non-U.S. issuers. The Fund may also hold interests in investment vehicles that hold cash or cash items. While investments in cash items generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses. Investments in cash items and money market funds may also provide less liquidity than anticipated by the Fund at the time of investment.

Portfolio Investments in Regulated Industries. The Fund may be subject to certain restrictions when considering investments in regulated industries, such as banking, insurance, food and drug, gaming or communications. For example, there may be limits on the aggregate amount of investment by affiliated investors that may not be exceeded in certain regulated industries without the grant of a license or other regulatory or corporate consent or, if exceeded, may cause the Fund to suffer disadvantages or business restrictions. As a result, the Investment Manager may restrict or limit transactions or exercise of rights for the Fund, or limit the amount of voting securities purchased for the Fund or restrict the type of governance rights it acquires or exercises in connection with its investments in regulated industries. In addition to limits that may be imposed on certain industries, it is also possible that a given product or industry could be deemed illegal after an investment has been made in such product or industry. In that case, the value of the investment would be significantly reduced, potentially to nothing, and the performance of the Fund could be materially adversely affected.

Future Techniques and Investments. The Fund may employ any variety of investment, hedging and financing techniques and invest in any other instruments that the Investment Manager believes will help achieve the Fund’s investment objective, whether or not such techniques or instruments are specifically described herein. Consistent with its investment objective, the Fund may invest in financial instruments of any and all types, which exist now or are hereafter created.

Risks Related to Leverage and Interest Rate Movements

Capital Calls and Use of Subscription Lines. The General Partner will generally call capital from Investors on an as needed basis. For administrative convenience, the General Partner may, from time to time, make larger, less frequent capital calls, with the Fund’s interim capital needs being satisfied by borrowing money under one or more credit facilities. In particular, it is expected that capital needs of the Fund during the fundraising period may be met through drawdowns from such credit facilities rather than capital calls. The interest expense and other costs of any such borrowings will be Fund Expenses and accordingly, decrease net returns of the Fund, while the use of any such borrowings may also have the effect of materially enhancing the net internal rate of return for the Fund. In addition, the making of larger, less frequent capital calls may amplify the magnitude of potential defaults by Investors as a result of there being fewer but larger capital calls, with borrowings under such credit facilities being secured against the unfunded capital commitments of Partners and potentially other assets of the Fund in the event of a default by the Fund under such credit facilities. To the extent amounts

outstanding under any such credit facility are due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on Investors and Investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. The existence of a credit facility may impair an Investor's ability to withdraw or transfer its Interest as a result of restrictions imposed on such transfers by the lender.

Borrowing and Use of Leverage. The Fund may incur or guarantee indebtedness directly, or indirectly through a special purpose or alternative investment vehicle, for various purposes, including, without limitation, to acquire new investments (including prior to the Initial Closing or the Final Closing Date), to make additional investments, to meet capital calls of the Co-investments and/or to bridge fundings for investments in advance of capital calls. To the extent permitted by applicable law, the Fund may assign and pledge assets of the Fund, including unfunded Capital Commitments of Investors in order to secure borrowings or leverage. The leveraged capital structure of an investment will increase its exposure to rising interest rates, downturns in the economy, or deterioration in the business, financial conditions, or prospects of the investment. To the extent permitted by applicable law, the Fund may assign and pledge assets of the Fund, including unfunded Capital Commitments of Investors, and/or to Co-investments in order to secure borrowings or leverage. The inability of the Fund, a Co-investment or a portfolio company in which a Co-investment invests to service its debt obligations could have a material adverse impact on the Fund, the Co-investment, and/or such investment.

Bridge Financing. From time to time, the Fund may lend money to Co-investments or potential Co-investments on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

Operational Risks

Valuation. Valuation of the Fund's securities and other investments may involve uncertainties and subjective determinations. Securities held by the Fund will be valued at their fair value employing methods determined in good faith by the General Partner or the Investment Manager. As a general matter, Investors will not have access to the details of the Investment Manager's valuation methodologies or to the information utilized by the Investment Manager and its affiliates in applying such methodologies. If such valuations should prove to be incorrect, Investors could be adversely affected. Independent pricing information may not at times be available or may be difficult to obtain with respect to certain of the Fund's investments. Accordingly, while the General Partner and the Investment Manager will use reasonable efforts to value all investments in the Fund fairly, certain investments may be difficult to value and may be subject to varying interpretations of value. The Investment Manager generally expects to rely on information provided by third parties (including portfolio companies and third-party managers and sponsors of Co-Investments) to make valuation determinations. When making an investment, the General Partner generally will seek to obtain as many information rights from the applicable company or the co-investment sponsor or lead co-investor as possible. However, the ability to obtain full or expansive information rights and the types of information rights received may vary on an investment by investment basis. The ability or inability to obtain any information rights or valuation information (including a company's financial data and performance) with respect to a Co-investment may impact the

information available to the Investment Manager that may be evaluated as part of the valuation process.

Failure by Investors in Co-investments to Fund Capital Calls. The Fund may be one of many direct or indirect investors or participants in Co-investments, many of which will have capital contribution obligations over an extended period of time. Failure by one or more of the other investors participating directly or indirectly in a Co-investment to meet a capital call could have material adverse consequences for the Fund, the other applicable investors and the Co-investment. The Fund may be required to contribute additional capital to satisfy any shortfalls caused by an investor default. If multiple investors fail to meet capital calls from a particular Co-investment, such Co-investment could default in its obligations, which could result in the termination or impairment of the Co-investment, causing a lower return, or potentially a loss, on the Fund's investments.

Internal Controls and Employee Misconduct. The Investment Manager expects to adopt compliance policies and procedures that it believes are reasonably designed to prevent misconduct and violations of law by its supervised persons and other agents of the Fund. There can be no assurance, however, that such procedures and controls will be effective. Any violation of such procedures and controls, including acts of fraud and dishonesty by employees or agents of the Investment Manager, or even unsubstantiated allegations of such misconduct, could result in material losses or costs, which generally will be borne by the Fund.

Risks Relating to Due Diligence of Co-investments. Before making investments, the General Partner and/or the Investment Manager will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may also be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced. In addition, if the General Partner and/or the Investment Manager are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the General Partner and/or the Investment Manager will rely on the resources available to them, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the General Partner and/or the Investment Manager carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at portfolio companies, even activities that occurred prior to the Fund's investment therein, could have an adverse impact on the Fund.

Third-Party Litigation and Investigations by Regulators. The Fund, the General Partner, the Investment Manager, their affiliates and each of their respective direct and indirect partners, members, managers, officers, directors, employees and agents may become involved in litigation because of their connection to Fund activities. Such involvement could, by way of example and without limitation, involve litigation with third parties (including Investors, co-investors, owners, co-investment sponsors or affiliates thereof and other stakeholders of portfolio companies and companies in which an investment was contemplated but not

ultimately consummated), formal and informal proceedings related to litigation (including being called as a witness, being deposed and being required to comply with extensive document production requests) or investigations by regulators in connection with the Fund's investment activities or matters involving actual or potential investments. These risks will be elevated where the Fund exercises control or significant influence over an issuer's direction, becomes involved in official or unofficial creditor committees or becomes involved in activities that may be considered hostile in nature to an issuer. Any expense incurred in connection with any actual or potential third-party claims or litigation, regulatory inquiries or any other of the foregoing, will be borne by the Fund, including without limitation any settlement, disgorgement or judgement, as well as fees and expenses associated with engaging experts and other providers in connection with such matters.

Cybersecurity Risks. The Fund, the General Partner, the Investment Manager, and their respective service providers depend on information technology systems and, notwithstanding the diligence that the General Partner and/or the Investment Manager may perform on service providers, they may not be in a position to verify the risks or reliability of such information technology systems. The Fund, the General Partner, the Investment Manager, and their service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. The Fund's, the General Partner's, Investment Manager's and their information and technology systems are 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 Investment Manager and its affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager, the General Partner and/or the Fund 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 Investment Manager's, the General Partner's and the Fund'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 Investment Manager's or the Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Fund or individual Partners by interfering with the operations of the General Partner, the Investment Manager and/or their respective affiliates. The Fund may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose one or more of the Fund, the Investment Manager and/or the General Partner to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Fund may be required to indemnify the General Partner and the Investment Manager against any losses incurred in connection therewith.

Privacy and Data Protection Risk. The General Partner, the Investment Manager and the Fund's Co-investments will process personal information, including by storing and maintaining personal data related to their respective members, affiliates, employees and representatives, natural person investors, service provider representatives, customers and others. Such processing of personal information, which may also include the use of third-party processors and cloud-based services, will impose legal, operational and regulatory risks on the Investment Manager, the General Partner and Co-investments. In recent years, there has been an increase in legal requirements relating to the collection, storage, use and transfer of personal information, and the legal framework around such matters is expected to continue to develop at both the international and state level. Certain activities of the Investment Manager, the Co-investments and/or their respective affiliates may, for example, be subject to the California Consumer Privacy Act and other foreign, federal and state privacy laws such as the European Union's General Data Protection Regulation. The Investment Manager and/or its affiliates may not be able to accurately anticipate the ways in which regulators and courts will apply or interpret the law, and implementation, interpretation or application of privacy and data protection laws in a manner inconsistent with the Investment Manager's expectations may adversely affect the Fund. For example, the failure of the Investment Manager, or one or more of its affiliates providing services to the Fund, to comply with privacy and data protection laws could result in negative publicity, operational disruptions, and may subject the Fund to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities or penalties and mandatory remediation. The same risks will apply to Co-investments that fail to comply with privacy and data protection laws. If the Investment Manager, a Co-investment or one or more of their respective affiliates uses or discloses information improperly or suffers a security breach impacting personal information, they may be obligated to notify government authorities, stakeholders or individuals affected, which may divert the Investment Manager's, its affiliates' and portfolio company management's time and effort and entail operational disruptions, loss of market confidence and goodwill and substantial expense, particularly if any litigation or enforcement action or mandatory remediation were to also arise out of such breach.

Risks Related to Electronic Communication. The Fund will provide to Investors statements, reports and other communications relating to the Fund and/or an Investor's Interest in electronic form, such as email or via a website ("Electronic Communications"). Electronic Communications may be modified, corrupted, or contain viruses or malicious code, and may not be compatible with an Investor's electronic system. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. These periods of inaccessibility will delay or prevent receipt of reports or other information by the Investors.

Force Majeure Risks. Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, earthquakes, war, terrorism, labor strikes, outbreaks of disease and potentially other events or occurrences. Force majeure events in the United States and elsewhere in the world may adversely affect the ability of the Investment Manager, a Co-investment, the applicable lead manager or sponsor of a co-investment opportunity or the parties with whom they do business to perform their respective obligations, under a contract or otherwise. In addition, dealing with any force majeure event will divert the Investment Manager's and a portfolio company's management's time and effort, and the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. In some cases, project agreements can be terminated if the force majeure

event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. Force majeure events that are impossible or costly to cure may also have a permanent adverse effect on the Fund or a Co-investment, and the Fund's potential returns would be diminished as a result.

Recourse to the Fund's Assets. The Fund's assets, including any Portfolio Investments made by the Fund and any capital held by the Fund, generally will be available to satisfy all liabilities and other obligations of the Fund. If the Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and may not be limited to any particular asset, such as the Portfolio Investment giving rise to the liability. Accordingly, Investors could find their Interests adversely affected by a liability arising out of a Portfolio Investment in which they did not participate because, for example, they were excluded by the General Partner. In addition, obligations of the Fund arising out of one or more Portfolio Investments could force the Fund to dispose of other Portfolio Investments for less than what the Investment Manager perceives to be their fair value in order to satisfy the Fund's obligations. To the extent the General Partner chooses to use special-purpose entities for individual transactions to reduce recourse risk (and it may, but will be under no obligation to do so), the bona fides of such entities may be subject to later challenge based on a number of theories, including veil piercing or substantive consolidation.

Custodial Risks. The Fund's brokers or custodians will have custody of the Fund's securities, cash, distributions and rights accruing to the Fund's securities accounts. SEC rules require the brokers to maintain possession and control of fully paid securities held in the Fund's account and to establish certain reserves for the benefit of customers. However, subject to these limitations, the brokers generally have the ability to loan, pledge, and rehypothecate the securities in the Fund's account, as is typical market practice, and may have insufficient assets to meet all of its obligations to customers in the event of an insolvency of the brokers. Also, even if the brokers do have sufficient assets to meet all customer claims, there could be a delay before the Fund receives assets to satisfy its claims. In order to manage the risks associated with broker insolvency, the Fund may establish relationships with multiple brokers. However, there can be no assurance that the Fund will choose or be able to establish or maintain such relationships. In addition, the Fund may not be able to identify potential solvency concerns with respect to the Fund's broker(s) or to transfer assets from one broker to another broker in a timely manner. In addition to holding the Fund's securities through third parties such as clearing corporations, other brokers, or banks, the Fund may hold securities, cash and other assets directly with banks or other third parties not associated with the applicable broker(s). As a result, the Fund may be subject to credit risk with respect to such third parties as well as with respect to the broker(s). In addition, certain of the Fund's assets may be held by non-U.S. affiliates of the Fund's broker(s) and entities other than such broker(s). Assets held by such non-U.S. affiliates may be subject to legal regimes that provide fewer or different investment protections than the United States (including with respect to the priority of any claims that the Fund may have upon a bankruptcy, insolvency or liquidation of any affiliate, which may result in the Fund being an unsecured creditor of such affiliate rather than having a priority "customer" claim). Placement of the Fund's broker(s) in bankruptcy or a similar proceeding outside of the United States could result in a great deal of uncertainty as to the status of assets or the ultimate recovery, if any, of such assets held by such custodian. The Fund may change the brokerage or custodial arrangements at any time without notice to the Investors. There may be operational and other delays associated with changes in brokerage or custodial arrangements even if the Fund decides to reduce the risks of having a particular broker or counterparty hold assets.

Risks Relating to Fund Terms and Structure

Performance History. The Fund is a newly formed entity and, as such, has a limited or no performance history for prospective investors to review in connection with their evaluation of an investment in the Fund. The General Partner and Investment Manager are also newly formed entities with limited or no operational or performance histories. The past performance of the Investment Manager (and any predecessor entities), other investment vehicles managed or advised by affiliates of the Investment Manager and the Co-investments is not necessarily indicative of the future performance of the Fund or the profitability of an investment therein. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Investment Manager's assessment of investments will prove accurate or that the Fund (or any Co-investment) will achieve its investment objective. An investment in the Fund will involve a significant degree of risk, including risk of loss. The prior performance of the Principals is not necessarily indicative of the Adviser's future results. While the Adviser intends for each Client to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Incomplete Information. Because of the broad range of potential investments and many other factors, an Investor may not have sufficient information to analyze or evaluate the risks or potential returns of the Fund's investment program currently or prospectively. In response to questions and requests and in connection with due diligence meetings and other communications, the General Partner and the Investment Manager may provide additional information to certain Investors and other persons that is not provided to other Investors. In connection with its non-discretionary investment advisory relationship with the Investar Family Office, the Investment Manager will likely provide or make available additional information and documents, including but not limited to investment committee memos, to the Investar Family Office that are not provided or made available to the Investors. Each Investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, including whether to invest in the Fund, and each Investor must decide for itself whether the limited information provided by the General Partner, the Investment Manager and the Fund is sufficient for its needs.

Limited Liquidity. Investors generally will not be permitted to voluntarily withdraw from the Fund. In addition, Investors generally may not transfer, assign or sell all or any part of their Interests to any other person, in whole or in part, without, among other things, the prior written consent of the General Partner, which may be granted or withheld in its discretion and compliance with applicable securities laws. There currently exists no public market for Interests, and none is expected to develop. Accordingly, Investors should not expect that they will be able to transfer, sell or otherwise dispose of all or any portion of their Interests during the term of the Fund, nor can they be certain that they will be able to transfer, sell or otherwise dispose of all or any portion of their Interests on a basis which reflects the value of the Fund's portfolio. The Interests have not been registered under the U.S. federal or state or any non-U.S. securities laws, and the transfer of the Interests is subject to restrictions on re-sales imposed by federal and state securities laws and the Partnership Agreement. In addition, interests in the Co-investments generally will provide limited liquidity since such interests generally are not freely transferable and, generally, the Fund does not expect to be able to voluntarily withdraw amounts from the Co-investments. An investment in the Fund is appropriate only for sophisticated investors who do not require immediate liquidity for their investment.

Mandatory Withdrawals. As described herein, the General Partner may, in its sole discretion, terminate the Interest of an Investor or require an Investor to withdraw from the Fund (in whole or in part) at any time for any reason or no reason upon prior written notice to such Investor. A mandatory withdrawal could result in material adverse tax and/or economic consequences for the withdrawn Investor.

In-Kind Distributions. Although the General Partner generally intends to make distributions to Investors in cash, it is possible that under certain circumstances (including, without limitation, in respect of the termination of the Fund), the General Partner may make in-kind distributions of financial instruments or other assets owned by the Fund to Investors, which may be illiquid. Investors may be required to hold any such securities, financial instruments or assets distributed in-kind for an indefinite period of time. There can be no assurance that the Fund will be able to liquidate any security, financial instrument or asset or that any such liquidation will be at a price favorable to Investors.

Dilution. Investors subscribing for Interests on Subsequent Closing Dates generally will participate in all existing investments of the Fund, thereby diluting the interests of existing Investors therein. Although any such new Investor will be required to contribute its pro rata share of previously made Capital Contributions (plus notional interest thereon), there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.

Use of Alternative Investment Vehicles. To address legal, tax, regulatory, jurisdictional, transactional or other considerations, the General Partner will have the authority and discretion to structure, and to cause Investors to participate directly or indirectly in all or any portion of, particular investments through alternative investment vehicles. While the terms governing any alternative investment vehicles are intended to be materially similar to those of the Fund (taking into consideration the legal, tax, regulatory, jurisdictional, transactional or other objectives sought to be achieved), the rights of the Investors in, and the obligations and duties of the General Partner as manager of, the alternative investment vehicles may differ from those applicable to the Fund by virtue of the specific terms, or jurisdiction of establishment, of the alternative investment vehicles. In addition, the structural attributes of certain alternative investment vehicles may result in divergent return characteristics for certain Investors. For example, the General Partner may elect to structure an alternative investment vehicle that may result in favorable tax treatment for one set of Investors but less favorable tax attributes for another set of Investors. The Investors participating in such structure may bear the costs and expenses (including any taxes) thereof, and the Carried Interest with respect thereto will be determined without regard to such costs and expenses.

Recycling; Reinvestment. If (i) a Co-investment or other investment is disposed of, or is realized as specified in the Partnership Agreement, within 18 months after the date of such investment, or (ii) a Bridge Financing is repaid, then an amount of the cash proceeds from such disposition or realization up to the amount of the original capital invested may, in the discretion of the General Partner, be added to unfunded Capital Commitments and will, if so added, be subject to recall by the Fund for reinvestment or to satisfy Fund Expenses, but in no case will such amount increase an Investor's Capital Commitment beyond its original amount. In addition, Capital Contributions used to fund Organizational Expenses or Fund Expenses may, to the extent Investors receive subsequent distributions from the Fund, be added back to unfunded Capital Commitments and be subject to recall. Accordingly, to the extent such recalled amounts are reinvested, an Investor will remain subject to the risks associated with such investments.

Distributions Subject to Reduction. The amount and timing of any distributions will be at the discretion of the General Partner, who may also direct that such amounts be used to satisfy, or establish reserves for, any of the Fund's current or anticipated obligations (including, without limitation, Management Fees and any other Fund Expenses as well as obligations relating to additional investments).

Defaulting Investors. The General Partner may exercise various remedies with respect to an Investor (a "Defaulting Investor") that fails to make any Capital Contributions to the Fund when due (such amounts, the "Defaulted Amounts") and the Interest held by that Defaulting Investor including, but not limited to, the following: (a) causing the Defaulting Investor to forfeit up to fifty percent (50%) of its Interest; (b) causing the Defaulting Investor to transfer all or a portion of its Interest to non-Defaulting Investors, as provided in the Partnership Agreement; (c) causing the Defaulting Investor to forfeit all distributions attributable to its Interest to non-Defaulting Investors; (d) causing the Defaulting Investor to forfeit its right to vote its Interest, or make any other decisions required or permitted to be made pursuant to the Partnership Agreement; and/or (e) requiring the Defaulting Investor to pay interest on any default amount at the default rate, as provided in the Partnership Agreement. If a Defaulting Investor fails to make Capital Contributions to the Fund when due, the Fund's ability to complete the acquisition of an investment in a Co-investment or otherwise continue operations may be substantially impaired. A default by a substantial number of Investors or by one or more Investors who had made substantial Capital Commitments would limit opportunities for investment diversification and would likely reduce returns and increase losses of the Fund and the Investors. Furthermore, non-Defaulting Investors may be required to contribute additional capital to make up for any shortfall caused by Defaulting Investor(s). Furthermore, Co-investments typically require that capital contributions be made over an extended period of time. Failure by an Investor to meet a Capital Contribution could reduce the number of investments that the Fund may make. In addition, if an Investor fails to meet a Funding Notice, the General Partner may require each non-defaulting Investor to make an additional Capital Contribution (but not in excess of each such non-defaulting Investor's unfunded Capital Commitment) to make up for the shortfall.

Reliance on the Investment Manager and its Investment Team. The success and profitability of the Fund will depend on the abilities and retention of the Investment Manager, the members of the Investment Committee, the principals of the Investment Manager and other members of the Investment Manager's investment team who are materially involved in the selection of Co-investments and the services provided by the Investment Manager with respect to the Fund. See "Management of the Fund." The Investment Manager's success on behalf of the Fund also will depend on its ability to attract and retain key employees. Any deterioration in the Investment Manager's net income or prospects, which could be expected to follow from investment losses and a reduction in assets under management, will make it more difficult to retain key personnel (including principals and employees) and could have a material adverse effect on the Fund.

Conflicts of Interest. Various actual and potential conflicts of interest exist (or may exist) among the General Partner, the Investment Manager, the members of the Investment Committee, the principals of the Investment Manager, the Investar Family Office, their respective employees, agents, and affiliates, the applicable Co-investments and the Fund, including actual and potential conflicts of interest related to fees, portfolio composition and valuation, principal and cross transactions, expense allocation, principal and other related party or conflicted transactions, treatment of other Investors, limitation of liability, indemnification, allocation of investment opportunities among various clients of the Investment Manager,

outside business activities and personal trading. Investors ultimately will be heavily dependent upon the good faith of the Investment Manager. During the Fund's term, many different types of conflicts of interest may arise and this Memorandum does not purport to identify all such conflicts. See "Conflicts of Interest." Investors should be aware that various actual and potential conflicts will arise from the overall investment activities of the Funds ("Fund"), the General Partner, the Management Company, other ICP Group Entities (as defined below) and their respective affiliates, employees, partners, members, officers, directors and managers. The following discussion identifies certain potential conflicts of interest that should be carefully considered before making an investment in the Fund. The below discussion is not a comprehensive list of all existing or potential conflicts of interests. In addition, investors should be aware that the Management Company and its employees, partners, members, officers, directors, managers and affiliates may in the future engage in further activities that may result in additional conflicts of interest not addressed below. If any matter arises that the General Partner determines in its good faith judgment constitutes an actual or potential conflict of interest, the General Partner may take any actions as it determines, in its sole discretion, to be necessary or appropriate to ameliorate such conflict (and upon taking such actions, the General Partner will be relieved of any responsibility for such conflict to the maximum extent permitted by law). These actions may include, by way of example: (i) disposing of the security or investment giving rise to the conflict of interest; (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest; or (iii) consulting with the Advisory Board regarding the conflict of interest and, if determined to be appropriate by the General Partner, in its sole discretion, either obtaining a waiver from the Advisory Board of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the Advisory Board with respect to such conflict of interest. The Principals, the Management Company and their respective affiliates engage in a broad range of activities, including investment activities for their own account, and may spend a portion of their business time and attention on investment opportunities that do not fall within the objectives, strategy, scope and investment criteria of the Fund, including transaction-related, investment advisory, management and other services to other entities, or investment opportunities in which the Fund is not permitted to participate due to investment limitations or restrictions in the Partnership Agreement. The Principals may in the future, form, manage and/or operate other investment funds, investment vehicles, investment managers, managed accounts and other entities besides the Fund, including the IMA Investments (collectively, the "ICP Group Entities"), and may direct investment opportunities to other ICP Group Entities in the manner described below. As a result of the foregoing, the Principals will manage the Fund's investments, while also spending a significant amount of business time on other opportunities, investments and entities unrelated to the Fund's investments, and certain investment opportunities identified by the General Partner, the Management Company and/or their respective employees, partners, members, officers, directors, managers and affiliates will not be presented or made available to the Fund. The General Partner believes that the significant investment of the Principals in the Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Partners, although the Principals will have economic interests in such other ICP Group Entities and investments and receive management fees and carried interests relating to such interests. The Principals, the Management Company and the General Partner are not obligated to present to the Fund any investment opportunity in which the Fund cannot participate for any reason as determined by the General Partner in its sole discretion, including due to any investment limitation or restriction in the Partnership Agreement. In addition, in the event the General Partner determines not to present an investment opportunity to the Fund for any reason, the Management Company, the General Partner, and their respective employees, partners, members, officers, directors, managers or affiliates may pursue such investment opportunities for their own accounts or through any other

ICP Group Entity. Such other ICP Group Entities and investments, including for the avoidance of doubt, the IMA Investments, may compete with the Fund or companies acquired by the Fund. Certain investments may be allocated between the Fund and any ICP Group Entity in a manner as determined by the General Partner, in its sole discretion. Additionally, conflicts may arise if the Fund chooses to proceed with an investment opportunity solely at the discretion of the Investar Family Office. For instance, if the Investar Family Office chooses to participate or not participate in a specific investment opportunity, that may directly influence the outcome of whether the Fund elects to participate or not participate. Over time, certain investment opportunities suitable for the Fund are likely also to be suitable for other investment funds sponsored by the General Partner or its affiliates, including the ICP Group Entities. In determining which investment funds should participate in such investment opportunities, subject to the Partnership Agreement, the General Partner, the Principals and their affiliates are subject to potential conflicts of interest among the investors in the Fund and investors in the other investment funds sponsored by the General Partner and the Principals, including the ICP Group Entities. To determine whether the Fund or other investment funds sponsored by the General Partner or its affiliates will participate in the relevant investment opportunity, the General Partner and the Management Company generally assess whether an investment opportunity is appropriate for each relevant entity based on factors they determine, in their sole discretion, to be appropriate at such time, which may include each entity's investment restrictions and objectives (including those set forth in the relevant entity's governing agreements, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. The Management Company's and the General Partner's allocation of investment opportunities among the Fund and any other ICP Group Entity may not always, and often will not, be proportional. Therefore, such allocations may be more or less advantageous to the Fund relative to one or all of such other entities. There can be no assurance that the allocation of any investment opportunity, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the General Partner and the Management Company may be subject did not exist. Additionally, conflicts of interest can arise if the Fund makes an investment in a portfolio company in conjunction with an investment made by another ICP Group Entity. For instance, the Fund may not invest through the same holding companies or subsidiaries, have the same access to credit or employ the same hedging or investment strategies as such other ICP Group Entity. This may result in differences in price, investment terms, leverage and associated costs between the Fund and any other ICP Group Entity. There can be no assurance that the Fund and the other investing entities will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other ICP Group Entity or other entity participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund. In addition, because the Fund has a fixed investment period after which capital from Limited Partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times, calculated based upon the invested capital, the Management Fee structure may create an incentive for the General Partner to deploy capital when it might not otherwise have done so.

Drawdown Schedule. Capital Commitments may be drawn before such amounts are actually needed for investment and, as a result, it is possible that a significant portion of the amounts contributed to the Fund will be held in temporary investments for a period of time pending investment. As a result, the rate of return for amounts contributed may be significantly lower than if such amounts were called by the Fund on an "as needed" basis and invested immediately.

Compensation Arrangements. The Management Fee, which will be payable without regard to the Fund's performance, could motivate the Investment Manager to gather more assets than it can manage effectively, thereby diluting returns to Investors. The Carried Interest allocable to the SLP could motivate the Investment Manager, due to its affiliation with the SLP, to make investment decisions that are riskier or more speculative than would be the case if such arrangements were not in effect. From time to time, the Investment Manager may have an investor invest directly into the SLP vehicle rather than the Fund, which could provide additional motivation for the Investment Manager to make riskier investment decisions. Individual employees of the Investment Manager or its affiliates who are compensated to some extent based upon trading profits for which they are responsible will face the same potential conflict. In addition, Co-investments generally impose management fees and may also be subject to carried interest distributions (in addition to asset-management fees), which generally will be borne by the Fund. Fees and expenses charged by Co-investments generally will be borne by the Fund. See "Conflicts of Interest."

Side Letters. The Fund, the General Partner and/or the Investment Manager may from time to time enter into side letter agreements or other similar agreements (collectively, "Side Letters") with one or more Investors, including, without limitation, affiliated Investors and select third parties, that alter, modify or change the terms of the Interests held by such Investors. Side Letters may provide such Investor(s) with additional and/or different rights (including, without limitation, with respect to a reduction in the Management Fee, Carried Interest, minimum Capital Commitment amounts, informational rights, capacity rights and other rights) than the other Investors. Except to the extent required by applicable law, the Fund is not required to notify any or all of the other Investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Investors. Notwithstanding the foregoing, under no circumstances may the General Partner and a particular Investor enter into any Side Letter that would reasonably be expected to have a material adverse effect upon any other Investor, without the consent of the individual Investor affected thereby.

Limitation of Liability and Indemnification. Certain exculpation and indemnification provisions will be contained in the Partnership Agreement, the Management Agreement, and other applicable documents. As a result of these provisions, the Investment Manager, the General Partner and their affiliates and personnel, and any member of the Advisory Committee generally will not be liable to the Fund or Investors for any act or omission (including employee negligence and similar human errors), absent bad faith, fraud, willful misconduct or gross negligence, and the Fund generally will be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Fund, absent bad faith, willful misconduct, fraud or gross negligence. The foregoing limitations on liability and indemnification obligations will not be construed to relieve any Indemnified Party of any liability to the extent that such liability may not be waived, modified or limited under applicable law (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons acting in good faith). These are important provisions that could materially affect an Investor's rights in the Fund. Investors having any questions or concerns about these provisions should seek advice from qualified counsel. See "Conflicts of Interest."

Clawback of Carried Interest Distributions May be Insufficient. Carried Interest distributions may be distributed to the SLP prior to the final liquidation of the Fund and its investments and prior to returning all of the capital invested by the Partners. If the Fund experiences significant

losses after having made Carried Interest distributions to the SLP, then it is possible that the aggregate cumulative amount distributed to all of the Investors upon final liquidation of the Fund would be less than the Investor's aggregate Capital Contributions plus the cumulative unpaid amount of the Preferred Return. In such event, the SLP generally would be required to contribute to the Fund (for distribution to the applicable Investors) all or a portion of such Carried Interest distributions previously received by it to restore the deficiency in the returns to the Investors; provided, however, the SLP's clawback obligation will be computed on an "after-tax" basis. Such amounts may not be sufficient to ensure that an Investor receives a return of its Capital Contributions or amounts necessary to achieve the Preferred Return.

Removal of the General Partner. If, pursuant to and in accordance with the terms of the Partnership Agreement, the General Partner is removed by the Investors and a successor general partner is appointed, the General Partner and the Investment Manager will cease to be involved in the management or control of the business of the Fund. Therefore, there can be no certainty regarding the Fund's ability to consummate investment opportunities thereafter. Similar risks exist if the Investment Period is cancelled or terminated earlier than anticipated pursuant to the Partnership Agreement. Moreover, it is possible that the Fund may be dissolved and terminated prematurely and, as a result, may not be able to accomplish its objectives and may be required to dispose of its Investments at a disadvantageous time or make an in-kind distribution (resulting in Investors not having their capital invested and/or deployed in the manner originally contemplated).

Responsibility for this Memorandum. The General Partner prepared this Memorandum on behalf of the Fund and has ultimate authority with respect to the statements, disclosures and other content herein. No other person or entity has authority with respect to, or responsibility for, the statements, disclosures and other content in this Memorandum.

Restrictions on Transferability. Each Investor will be required to represent that it is acquiring Interests for investment purposes only and not with a view to distribution or resale; that it understands that it must bear the economic risk of an investment for an indefinite period of time because the Interests have not been registered with the SEC, CFTC or any other state or governmental agency; and that it understands Interests cannot be sold unless an exemption from such registration is available. In addition, transfers of Interests require, among other things, the prior written consent of the General Partner, which consent may be withheld in the General Partner's discretion and may include such terms and conditions as the General Partner deems appropriate. There will be no independent market for Interests, and none is expected to develop. Consequently, the Interests should be considered only as a long-term and illiquid investment and are suitable only for sophisticated Investors.

Lack of Management Control. The management of the affairs of the Fund will be vested in the General Partner, and in such other persons, such as the Investment Manager and the Administrator, to which the General Partner will delegate authority. Notwithstanding the foregoing, oversight and control of the Fund will remain the responsibility of the General Partner. Pursuant to the Management Agreement, the Investment Manager will have wide latitude, authority and discretion in making investment management and certain other decisions with respect to the Fund and its investment activities, including the authority to delegate investment management authority to others. With limited exceptions, the Investors generally will have no right to participate in the decisions made by the General Partner and the Investment Manager on behalf of the Fund, or otherwise participate in the affairs of the Fund. The Fund typically does not expect to be in a position to control or significantly influence the management and operations of Co-investments.

Liability for Return of Distributions. Under Delaware law, any Investor that receives a distribution that such Investor knows leaves the Fund insolvent may be liable to return such distribution. In addition, an Investor may be liable under applicable U.S. federal and state bankruptcy laws to return a distribution made immediately prior to or during the Fund's insolvency.

Investor Giveback. Subject to the terms and conditions set forth in the Partnership Agreement, an Investor in the Fund may be required to return distributions it has received from the Fund if the Fund is obligated to return distributions it has received to satisfy obligations, liabilities or commitments relating to any investment in a Co- investment or in connection with an indemnification obligation of the Fund.

Material Non-Public Information. From time to time, the Investment Manager, the Co-investments or their affiliates may come into possession of material non-public information concerning specific portfolio companies or other investments. The possession of such information may limit or preclude the ability of Investment Manager to buy, sell or otherwise dispose of an investment on behalf of the Fund or Co-investment until such time as the information becomes publicly available. The Fund's or the Co-investments' investment flexibility may be constrained as a consequence of this inability to use such non-public information for investment purposes.

Definitive Terms and Conditions. Portions of this Memorandum describe specific terms and conditions set forth in the Partnership Agreement, the Management Agreement and various other documents or agreements. The actual terms and conditions set forth in such documents or agreements may vary materially from those described in this Memorandum for a variety of reasons, including but not limited to formal amendments to the Partnership Agreement and negotiations with prospective investors. Moreover, the Partnership Agreement will contain highly detailed terms and conditions, many of which are not described fully or at all in this Memorandum. In all cases, the Partnership Agreement will supersede this Memorandum, and, in the event of a conflict between this Memorandum and the Partnership Agreement, the provisions of the Partnership Agreement shall control. Investors are urged to carefully review the Partnership Agreement, and must also be aware that, pursuant to the rules governing amendments set forth therein, certain amendments to the Partnership Agreement may be adopted without the consent or approval of any Investor.

Reliance on Information from Third Parties. Certain of the factual statements in this Memorandum are based upon information from various sources believed by the General Partner to be reliable. Nevertheless, neither the General Partner nor the Investment Manager has independently verified any such information and shall not have liability or responsibility for any inaccuracy or inadequacy thereof. Except to the extent that legal counsel has been engaged solely to advise as to matters of law, no other party (including legal counsel to the Fund, the General Partner or the Investment Manager) has been engaged to verify the accuracy or adequacy of any of the factual statements contained in this Memorandum or the attachments hereto.

Certain ERISA Related Risks

Risks Arising from Management Rights. The Fund may determine to structure Investments so that it will qualify as a "venture capital operating company" within the meaning of regulations promulgated by the Department of Labor under ERISA. This would require that the Fund

obtain rights to participate substantially in and to influence the conduct of the management of the majority (valued at cost) of its portfolio companies. The Fund may designate a person to observe the boards of directors of portfolio companies and may advise and/or consult with the management of such companies. The designation of representatives and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors. Although unlikely as a minority investor, these measures also could potentially result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company and could expose the Fund to claims that it has interfered in management to the detriment of a portfolio company. While the General Partner intends to operate the Fund in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Risks Relating to the Admission of Benefit Plan Investors. The General Partner intends to use commercially reasonable efforts to conduct the operations of the Fund so that the assets of the Fund are not deemed to constitute “plan assets” for purposes of ERISA or Section 4975 of the Code. However, there can be no assurance that the assets of the Fund will not otherwise be deemed to constitute “plan assets.” If the Fund were deemed to hold “plan assets,” (a) ERISA’s fiduciary standards could apply to the Fund, which could materially affect the operations and profitability of the Fund, and (b) any transaction between the Fund and certain persons could constitute a prohibited transaction under ERISA and/or Section 4975 of the Code and may have to be rescinded, unless an exemption applies. In order to avoid having the Fund’s assets treated as “plan assets,” the General Partner may limit investments by “benefit plan investors” (as defined in Section 3(42) of ERISA), or the General Partner may seek to manage the assets and activities of the Fund so as to qualify the Fund as a “venture capital operating company.” Operating the Fund as a venture capital operating company may potentially adversely affect the operations of the Fund. For example, the Fund may decide not to make an otherwise favorable investment because it would not count as a qualifying investment for purposes of the operating company requirements, or the Fund may decide to liquidate a given investment at an otherwise disadvantageous time based on those requirements. If at any time the General Partner determines that assets of the Fund may be deemed to be “plan assets” subject to ERISA or Section 4975 of the Code, the General Partner may take certain actions it determines necessary or appropriate, including requiring one or more Investors to withdraw all or part of their Interests in the Fund. See “Certain ERISA Considerations.”

Certain Tax Risks

Tax Risks Generally. An investment in the Fund or a Feeder Fund may involve complex tax considerations that will differ for each Investor depending on an Investor’s particular circumstances. No assurance can be given that changes in tax law (or in the interpretation or administration thereof by tax authorities) that are adverse to the Fund, the Feeder Funds or to Investors will not occur. The tax treatment of an investment may be changed at any time by legislative, judicial or administrative action, and any such change may have retroactive effect with respect to existing transactions and investments. Each prospective investor is advised to consult its own tax advisors as to the tax consequences of an investment in the Fund (including through a Feeder Fund).

Risk of Tax Audit. An audit of the Fund by the Service or another applicable taxing authority could result in adjustments to the tax consequences initially reported by the Fund and may result in an audit of the returns of some or all of the Investors, which examination could affect items not related to an Investor’s investment in the Fund. If audit adjustments result in an increase in an Investor’s U.S. federal income tax liability for any year, such Investor may also

be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund. The cost of any audit of any Investor's tax return will be borne solely by that Investor.

Tax on Profits Whether or Not Distributed or Received. If the Fund has taxable income in a fiscal year, for U.S. federal income tax purposes, each Investor will be taxed on this income in accordance with its distributive share of the Fund's profits, whether or not such profits have been distributed. It is therefore possible that the Investors could incur income tax liabilities without receiving sufficient distributions from the Fund to defray such tax liabilities. In order to satisfy its tax liability in such a case, an Investor would need sufficient funds from sources other than the Fund. Furthermore, the Fund may make investments with respect to which the Fund recognizes income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Fund may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. Such recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Investors.

Delayed Schedules K-1. The Fund will provide Schedules K-1 as soon as practical after receipt of all of the necessary information. However, the Fund may be unable to provide final Schedules K-1 to Investors for any given tax year until significantly after April 15 of the following year. Investors should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state, and local level.

Limitations on Use of Losses. Non-corporate and closely-held corporate investors considering investing in the Fund should be aware that certain investments of the Fund may cause certain losses generated by such investments to be subject to the "at risk" and the passive loss rules under the Code. Application of these and other rules may limit the ability of such investors to recognize currently their allocable shares of losses from the Fund.

Multi-Jurisdiction Tax Issues. In the event that the Fund, directly or indirectly, conducts activities or otherwise does business in any state or foreign jurisdiction, the Fund and/or the Investors may be subject to one or more types of tax (including withholding tax, such as a 25% withholding tax under the Income Tax Act (Canada) on distributions from Canadian portfolio companies) and may be required to file tax returns in such state(s) or jurisdiction(s).

Certain Tax Risks for Non-U.S. and U.S. Tax-Exempt Investors. The Fund (through its Co-investments) may make investments that will cause a tax-exempt Investor to have "unrelated business taxable income," within the meaning of Section 512(a) of the Code ("UBTI") or a non-U.S. Investor to have income "effectively connected" with the conduct of a trade or business within the United States within the meaning of Section 871(b) of the Code ("ECI"). In addition, a non-U.S. Investor may be subject to withholding on its distributive share of the Fund's income. A non-U.S. Investor's share of Fund income and gain that is ECI (including operating income from such a partnership or limited liability company and gain from sale of equity interests in, or the assets of, such a partnership or limited liability company) will be subject to tax at graduated U.S. federal income tax rates applicable to U.S. persons and, to the extent the non-U.S. Investor is a corporation for federal income tax purposes, may also be subject to U.S. branch profits taxes. A non-U.S. Investor will generally be required to file a U.S. federal income tax return with respect to the non-U.S. Investor's share of the Fund's ECI. The Fund will be required to withhold federal income tax with respect to the non-U.S. Investor's share of the Fund's ECI. A non-U.S. or tax-exempt Investor who invests through a

Feeder Fund should generally avoid incurring any ECI or UBTI. See “Certain Tax Consequences - Investments by Non-U.S. and Tax-Exempt Investors in a Feeder Fund” below.

C. See Section 8.B. above.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its Clients. However, in the interest of full disclosure, for services rendered to ICP Group, the Firm pays Live Young Nutrition, Ltd. the compensation that would normally go to Tomas Diaz Mathe. The Firm has no other affiliation with Live Young Nutrition, Ltd.
- D. The Adviser selects other investment advisers for its Clients, which includes RCP Advisors 2, LLC and ICP Group Corp. RCP Advisors 2, LLC subadvises ICP Group funds on a non-discretionary basis. While ICP Group Corp. is disclosed as a related adviser, this is solely because management fees are paid to the Adviser but then to ICP Group Corp. where payroll and other office expenses are paid out. All investment advisory activity is actually done at the Adviser ICP Group Investment Manager, LLC level, and management fees are sent to the Adviser first before going to ICP Group Corp.

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

- A. The Adviser has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser requires pre-clearance of purchases in IPOs or private placements; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

As part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the Firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. The Adviser's affiliates may serve as the General Partners of Private Funds that the Adviser advises, and the Adviser, its affiliate, or its Principals may invest in such Private Funds pursuant to their General Partner commitments or personal investments. Such investments are designed to align the interests of the Adviser's personnel with those of its clients. These arrangements do, however, also present potential conflicts of interest. For example, the Adviser or its Principals may have an incentive to recommend the acquisition or disposition of assets based on their personal interests rather than the best interests of the applicable Private Fund. The Adviser has implemented policies and procedures, including the Code, that are reasonably designed to help mitigate these potential conflicts and ensure that the Adviser's personnel act in the best interests of the Adviser's clients at all times.
- C. See Item 13.B. above.
- D. The Adviser may recommend investments to Clients, or make investments for Clients, at or about the same time that the Adviser or its related persons buys or sells the same investments for their own account. As indicated in Item 13.B. above, the Adviser has implemented policies and procedures, including the Code, that are reasonably designed to help mitigate potential conflicts of interests and ensure that the Adviser's personnel act in the best interests of the Adviser's clients at all times.
- E. Conflicts

Certain conflicts of interest encountered by Clients include those discussed below, although the discussion below does not describe all of the conflicts that may be faced by a Client. Other

conflicts are disclosed throughout this brochure, and the brochure should be read in its entirety, along with the Governing Documents for the applicable Client, for other conflicts.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser will consider various factors, including the interests of the applicable Clients with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) A Client will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of such Client;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Governing Documents for the Clients;
- (3) Generally, the General Partner of the Funds has established a limited partner advisory committee (an "Advisory Committee") composed of representatives of Fund investors. While the Advisory Committee will not have a direct role in management of the Funds, the Advisory Committee may be consulted with respect to transactions involving conflicts of interest;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Client, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Client.

In addition, certain provisions of a Client's governing documents are designed to protect the interests of investors in situations where conflicts exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Client and its ability to achieve its investment objectives.

F. Conflicts Related to Purchases and Sales

Conflicts could arise if a Client makes investments in conjunction with an investment being made by other Clients or in a transaction where another Client has already made an investment. Investment opportunities are, from time to time, appropriate for Clients at the same, different or overlapping levels of a portfolio company's capital structure. In addition, conflicts may arise if the Investar Family Office's decision to purchase or sell an investment opportunity directly influences the Fund's decision to purchase or sell the same investment opportunity. Conflicts arise in determining the terms of investments, particularly where these Clients invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring

or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest, particularly in Clients that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Clients would not necessarily provide such additional capital, and if provided each Client will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by either a Client or a portfolio company of another Client. Investments by more than one Client of the Adviser in a portfolio company also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser, or that a Client remains passive in a situation in which it is entitled to vote. The Adviser also reserves the right to express inconsistent or contrary views of commonly held investments or of market conditions more generally.

Employees and related persons of the Adviser and its affiliates have made (and are permitted to make) capital investments in or alongside certain Clients, and therefore often have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Client participating in a transaction would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Funds are permitted to invest in opportunities that other Funds have declined, and likewise Funds are permitted to decline to invest in opportunities in which other Funds have invested.

From time to time, the Adviser is permitted, in its discretion, to enter into transactions with investors in one or more Clients to dispose of all or a portion of certain investments held by one or more Clients (subject to the Governing Documents and applicable law). In exercising its discretion to select the purchaser(s) of such investments, the Adviser is permitted to consider a variety of factors it determines relevant in its sole discretion. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Client(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Client(s). Any such transactions will comply with the Governing Documents of the applicable Client(s).

The Adviser is permitted to cause Clients to sell down interests in portfolio companies to co-investors. Subject to the Governing Documents, the Adviser is permitted to charge (or to decide not to charge) a co-investor (such as a Fund Investor or third party) interest costs for the time period between the closing of the applicable Client's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

Cross Transactions

In certain cases, the Adviser has the right to cause a Fund to purchase investments from another Fund, or to cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund would not necessarily receive the best price otherwise possible. The Adviser also has an incentive to improve the performance of one Fund by selling underperforming assets to another

Fund in order, for example, to earn fees. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Governing Documents of certain Funds could provide for the rebalancing of investments at certain times and at a cost set forth in those Governing Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). Furthermore, any cross transaction must be reviewed and approved by the Adviser's Chief Compliance Officer.

To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale price and other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Borrowings

In determining whether to borrow on behalf of a Fund and the terms of such borrowing, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. For instance, in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return (or fees accrue on such facility irrespective of whether amounts are outstanding), the Adviser is expected to have incentives to cause the Fund to borrow (or arrange for commitments for future borrowing) 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 Fund called capital and enhances the Fund's internal rate of return calculations, 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 would likely 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, including but not limited to commitment fees, arranger fees and other fees, will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are 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.

The Adviser will affect such borrowings in a manner it believes to be fair and equitable to the relevant Fund, and consistent with the Adviser's obligations to the Fund under the Governing Documents.

Management of the Clients

The Adviser manages a number of Clients that have investment objectives that are the same or similar to each other. The Adviser expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Clients. Allocation of available investment opportunities between the Clients and any such investment fund could give rise to conflicts of interest. The Adviser is permitted to give advice or take actions with respect to, the investments of one or more Client that are not be given or taken with respect to other Clients with similar investment programs, objectives or strategies. As a result, Clients with similar strategies would not hold the same securities or achieve the same performance. In addition, a Client should expect not to always be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another Client. These differences would likely result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that employees of the Adviser responsible for managing a particular Client will have responsibilities with respect to other Clients managed by the Adviser, including funds raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

The Adviser reserves the right to consider and reject an investment opportunity on behalf of one Fund, and the Adviser or an affiliate of the Adviser is permitted to subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

The Clients will enter into borrowing arrangements that require the Clients to be jointly and severally liable for the obligations. If one Client defaults on such arrangement, the other Clients would likely be held responsible for the defaulted amount. The Clients will only enter into such joint and several borrowing arrangements when the Adviser determines it is in the best interests of the Clients.

Additionally, the Investment Process as currently contemplated could result in related Conflicts of Interest. Please see Item 8 for a discussion of those potential conflicts.

Follow-on Investments

Investments to finance follow-on acquisitions can present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Client in a portfolio company in which another Client has previously invested. In addition, a Client will in certain cases participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Client has already invested or will invest. Conflicts of

interest can be expected to arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

The Adviser is permitted, in its discretion, to contract with any related person of the Adviser (including but not limited to a portfolio company of a Client) to perform services for the Adviser in connection with its provision of services to the Clients. When engaging a related person to provide such services, the Adviser has an incentive to recommend the related person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally is permitted, in its discretion, to recommend to a Client or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Client) or (ii) an entity with which the Adviser or its affiliates, or a member of their personnel has a relationship or from which the Adviser or its affiliates, or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals, and employees of the Adviser and its affiliates are permitted to buy or sell securities or other instruments that the Adviser has recommended to Clients. Officers, principals, and employees of the Adviser are also permitted to buy securities in transactions offered to but rejected by Clients. A conflict of interest could arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Client. In such circumstances, the investing Adviser personnel will not share or reimburse the relevant Client(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments will vary from those of the Clients. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Clients they will have conflicting interests with respect to these investments. While the significant interests of the officers and employees of the Adviser generally aligns the interest of such persons with the Clients, such persons will nonetheless in certain cases have different interests from the Client with respect to such investments (for example, with respect to the availability and timing of liquidity).

Because certain expenses are paid for by a Client and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Client and/or its portfolio companies, the Adviser is not fully incentivized to seek out the lowest cost options when incurring (or causing a Client or its portfolio companies to incur) such expenses.

The Adviser generally is permitted, in its discretion, to enter into sub advisory agreements with entities either under common control with the Adviser or advisers entirely separate and apart from ICP Group. While ICP Group Corp. is disclosed as a related adviser, this is solely because management fees are paid to the Adviser but then to ICP Group Corp. where payroll and other office expenses are paid out. All investment advisory activity is actually done at the Adviser

ICP Group Investment Manager, LLC level, and management fees are sent to the Adviser first before going to ICP Group Corp. This entity is entirely owned and controlled by Christian Fuentes and Tomas Diaz Mathe, the same owners as the Investment Manager disclosed in Schedule A of the Form ADV Part 1. However, ICP U.S. Lower Mid Market Fund, L.P. has been caused to enter into a non-discretionary sub-advisory agreement with RCP Advisors 2, LLC by ICP Group Investment Manager, LLC in its sole discretion as the Adviser.

Fee Structure

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

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Performance Fees under the terms of the Governing Documents of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Performance Fees creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Governing Documents, the General Partner could be required to return excess amounts of Performance Fees as a "clawback". The existence of such a clawback obligation creates an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund in the event that such disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Additionally, since the Adviser's personnel are assigned varying percentages of carried interest from the Funds, 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.

Diverse Membership

The investors in the Clients are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax, and other interests with respect to their investments in a Client. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Client, the structuring of the acquisition of investments, and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Client, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Client, not the investment, tax, or other objectives of any investor individually.

Business with Portfolio Companies and Investors

The Adviser generally has an incentive to recommend the products or services of certain investors or prospective investors in the Clients, certain third parties, or their related businesses to the Clients or their portfolio companies for use or purchase, even if the products or services recommended are not the best available to the Clients or the portfolio companies.

In addition, certain portfolio companies controlled by a Client could engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that do not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions could also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This could be expected to result in the assets of a Client and/or a portfolio company being used to satisfy the obligations or liabilities of another Client or its portfolio company.

The Advisers and/or its affiliates are permitted to engage in business opportunities arising from a Client's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Client's investment and vary from the applicable Client's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Client).

In certain instances, a Client's portfolio company competes with, is a customer of, or is a service provider to, another Client's portfolio company. In providing advice to a portfolio company's business, the Adviser is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Clients. As a result, a conflict of interest could arise in these instances if advice and recommendations provided by the Adviser to a portfolio company has adverse consequences to a separate portfolio company owned by another Client.

The Adviser may cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies, and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company (including related to a portion of the savings achieved by a portfolio company). While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such arrangements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with, the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Client and its portfolio companies.

Certain members of a Fund's Advisory Committee are, and in the future other members may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund will, from time to time, utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

Service Providers

The Adviser and/or its affiliates engage certain service providers to provide services to the Adviser, the Clients, and/or the portfolio companies, including services during the due diligence and acquisition process. Generally, it is not prohibited for such service providers to be investors in a Client or affiliates of such investor and to include, for example, investment or commercial bankers, outside legal counsel, pension consultants, and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider could be concurrent with an investor's admission to a Client or during the term of such investor's investment in the Client. This creates a conflict of interest, and an incentive for the Adviser to give such investor preferred economics or other terms with respect to its investment in a Client or to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, employees of the Adviser or its affiliates and/or their family members or relatives can in certain cases be expected to have ownership, employment, or other interests in such service providers. These relationships that an Adviser will in certain cases have with a service provider can influence the Adviser in determining whether to select, or recommend such service provider to perform services for a Client or a portfolio company. The Adviser will have a conflict of interest with the Clients in recommending the retention or continuation of a service provider to the Clients or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Clients or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. Although the Adviser generally seeks appropriate rates for services and selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Client(s)), 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. Additionally, because of financial, business interest, or other reasons, the Adviser could in certain cases have an incentive to favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. 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. The Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets or services to which such rates or terms relate. While the Adviser often does not have visibility or influence regarding advantageous service rates or arrangements, there will be situations in which the Adviser receives more favorable service rates or arrangements than the Clients or their portfolio companies.

The Adviser or its affiliates and service providers, often charge varying amounts or have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Clients and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Clients and/or its portfolio companies.

Side Letter Agreements; Advisory Committee Rights

The Adviser often enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms. Except as otherwise agreed with an investor, the Adviser (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund.

Generally, each Fund will establish an Advisory Committee as appropriate and as permitted by the relevant Governing Documents, consisting of representatives of investors. A conflict of interest can be created when some, but not all limited partners are permitted to designate a member to the Advisory Committee. The Advisory Committee has the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the Advisory Committee. Representatives of the Advisory Committee have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships could in certain cases influence the decisions made by such members of the Advisory Committee.

In addition, members of one Client's Advisory Committee are permitted also to be a member of another Client's advisory committee. In such instances, a conflict of interest exists because the Clients on which such overlapping Advisory Committee members have conflicting interests and such Advisory Committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

Other Potential Conflicts

The Governing Documents of Clients establish complex arrangements among the Clients, the Adviser, investors, and other relevant parties. From time to time, questions will arise regarding certain parties' rights and obligations in certain situations, some of which were not contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Governing Documents, if any, will be broad, unclear, general, conflicting, ambiguous, and vague and allow for multiple reasonable interpretations. In other instances, there will not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used will not be the most favorable to a Client or its investors.

In addition, investors should note that the Governing Documents of the Clients contain provisions that, subject to applicable law, rule and regulation: (i) reduce, modify, waive or eliminate the duties, including fiduciary duties, that the General Partner otherwise would owe to a Client and its limited partners; (ii) consent to the conduct of the General Partner that might not otherwise be permitted pursuant to its duties owed to a Client and its limited partners; and (iii) limit the remedies of a limited partner with respect to breaches of duties that the General Partner owes to a Client and its limited partners. Further, the Governing Documents of the Clients generally contain exculpation and indemnification provisions that, subject to the specific exceptions identified therein, provide that the relevant General Partner(s), the Adviser, their respective affiliates and their respective current and former shareholders, officers, directors, employees, partners, members, managers and agents of any of the General Partner, the Adviser and each of their respective affiliates will be held harmless and indemnified, respectively, for matters relating to the operation of Clients, including matters that involve one or more potential or actual conflicts of interest.

The Adviser and the Clients will generally engage common legal counsel and other advisers in a particular transaction, including transactions in which there are conflicts of interest. Members of the law firms engaged to represent the Clients have been and may in the future be investors in a Client and or could represent one or more portfolio companies or investors in a Client. In the event of a significant dispute or divergence of interest between Clients, the Adviser, and/or its affiliates, the parties are permitted to engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Clients and the portfolio companies of the Clients will, from time to time, engage other common service providers. In certain circumstances, the service provider could charge varying rates or engage in different arrangements for services provided to the Adviser, the Clients, and/or the portfolio companies. This in certain cases would result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Clients and/or the portfolio company, or the Adviser receiving a discount on services even though the Clients and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Clients and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Clients and/or the portfolio companies.

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Client expenses result in “miles” or “points” or credit in loyalty/status programs to the Adviser and/or its personnel, and such rewards and/or amounts will exclusively benefit the Adviser and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Client, its investors, and/or the portfolio companies.

The Adviser has the discretion to cause the Clients and/or their portfolio companies to have, ongoing business dealings, arrangements, or agreements with persons who are former employees or executives of the Adviser. The Clients and/or their portfolio companies would in such cases bear, directly or indirectly, the costs of such dealings, arrangements, or agreements. In such circumstances, there would be a conflict of interest between the Adviser and the Clients (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements, or agreements, including the possibility that the Adviser favors the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Adviser causes Clients to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Clients, the applicable general partner, the Adviser and/or their respective directors, officers, employees, agents, representatives, members of the Advisory Committee and other indemnified parties, against liability in connection with the activities of the Clients. This generally includes a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Clients and/or the Adviser (including their respective directors, officers, employees, agents, representatives, members of the Advisory Committee and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Clients, and/or the Adviser on

a fair and reasonable basis, and is permitted to make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons has the discretion to seek to alleviate conflicts of interest among the Funds or other persons.

Item 12 - Brokerage Practices

- A. The Adviser's investment strategy involves making investments for Clients to invest in private equity investments. As a result, the Adviser does not select or recommend broker-dealers for the purchase and sales of securities. Furthermore, the Adviser does not maintain any trading accounts and does not use "soft" dollars received from broker-dealers from the purchase and sales of securities for its Clients.
- B. Not Applicable.

Item 13 - Review of Accounts

- A. The Adviser maintains comprehensive review procedures for the ongoing monitoring of the portfolio investments of its Clients. In connection therewith, the Adviser conducts periodic reviews of all portfolio company investments held in each Client portfolio. All Firm investment and operational staff participate in the ongoing monitoring of Client portfolios, although responsibilities vary by individual.
- B. See Item 13.A. above.
- C. The Adviser provides written periodic reports to all of its Clients at a frequency determined by each Client, but at least annually. Reports typically disclose holdings, transactions, and other related information regarding Client portfolios.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to its Clients.
- B. The Adviser does not compensate any third party for providing Client referrals.

Item 15 - Custody

Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client’s accounts or ownership of or access to client funds or securities.

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of a Private Fund by virtue of the common control of the Adviser and the General Partner of a Private Fund. All assets and securities of a Private Fund are held by qualified custodians. As noted in Item 13 above, Clients receive periodic reports on at least an annual basis. Fund investors are urged to carefully review these reports.

Item 16 - Investment Discretion

The Adviser contractually assumes discretionary authority with each Client account under an investment management agreement with the Client. The Adviser's authority to manage Client accounts is in all cases subject to the specific objectives, guidelines, and limitations set forth in the applicable investment management agreement.

Item 17 - Voting Client Securities

The Adviser's investment strategy involves private equity investments. As a result, the Adviser does not generally hold Clients investments in public equity securities and therefore does not generally receive proxies on behalf of its Clients.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of any fees greater than 6 months in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.