

Sandbrook Capital LLC

Part 2A of Form ADV
Firm Brochure

Greenwich, CT

September 30, 2021

This brochure (the “Brochure”) provides information about the qualifications and business practices of Sandbrook Capital LLC (“Sandbrook Capital” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Sandbrook Capital’s Chief Compliance Officer at gc@sbcinvestor.com. 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.

The Firm may refer to itself as a “registered investment adviser” or “RIA”. Registration as an investment adviser does not imply that Sandbrook Capital or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

This is Sandbrook Capital's initial filing, so there are no material changes to report. In the future, this Item 2 will discuss any material changes that have been made since the last annual filing.

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Item 4: Advisory Business

*Please note that Sandbrook Capital LLC (“**Sandbrook Capital**”, the “**Firm**”, “**we**”, “**us**”, or “**our**”) is a newly formed entity that has not yet commenced operations. Responses relating to the Firm’s business activities reflect the Firm’s business as it is expected to be conducted.*

Sandbrook Capital is a Delaware limited liability company, formed in 2021 that intends to commence operations during the fourth quarter of 2021.

Sandbrook Capital is ultimately managed and controlled by the following individuals: Kenneth Ryan, Alfredo Marti, German Gabriel Cueva Lopez, and Christopher Hunt (collectively, the “**Principals**”).

Sandbrook will serve as an investment adviser on a discretionary basis to private funds for targeting and sourcing private equity investments (each, a “**Private Fund**”). Any Private Funds are clients (collectively, the “**Clients**”) of Sandbrook Capital. Initially, Sandbrook Capital will advise the following Private Funds:

1. Sandbrook Capital Master Fund I LP, a Delaware limited partnership (the “**Master Fund**”)
2. Sandbrook Capital Feeder Fund I LP, a Cayman Islands exempted limited partnership (the “**Feeder Fund**”)

The Feeder Fund invests substantially all of its assets in the Master Fund and all Feeder Fund investments generally are expected to be made through the Master Fund.

Sandbrook Capital provides advice to the Clients based on their specific investment objectives and strategies. Sandbrook Capital does not tailor advisory services to the individual needs of specific investors in the Clients.

The general partner of the Master Fund and the Feeder Fund is Sandbrook Capital GP I LLC, a Delaware limited liability company (the “**General Partner**”).

Sandbrook Capital offers discretionary investment management services to Clients. Depending on their investment objectives, clients have the ability to select from a number of investment strategies offered by Sandbrook Capital. Investment guidelines and restrictions are determined jointly by Sandbrook Capital and the client at the onset of the relationship. Clients’ assets can be managed in separately managed accounts or by investing in Private Funds sponsored by Sandbrook Capital.

As of the date hereof, Sandbrook Capital does not have any regulatory assets under management, but Sandbrook Capital believes that within 120 days of becoming registered with the SEC, Sandbrook Capital will have the necessary regulatory assets under management.

Item 5: Fees and Compensation

Management Fees

As described more fully in each Private Fund's confidential private placement memorandum (the "PPM"), the Private Funds pay the Firm a management fee (the "**Management Fee**") calculated as of the close of business in New York, New York on the first day of each calendar quarter (each such date, the "**Management Fee Calculation Date**") in an amount equal to (i) during the investment period of the applicable Private Fund, 1.50% *per annum* of capital commitments of limited partners of the Private Fund (the "**Limited Partners**"), and (ii) after the expiration of the investment period of such Private Fund, 1.0% of the Private Fund's Invested Capital, in each case payable quarterly in advance as of such Management Fee Calculation Date. For purposes of the calculation of the Management Fee, "**Invested Capital**" means amounts called and utilized, reserved or committed for portfolio investments that have not yet been realized or written off. Sandbrook Capital charges the Management Fee solely at the Master Fund level but retains the flexibility to charge a Management Fee at the Feeder Fund level with an appropriate offset of the amount charged at the Feeder Fund level against any Management Fee then due at the Master Fund level.

The Management Fees with regard to the first and last calendar quarterly periods of the Private Fund shall be pro-rated as to the percentage of such period that the Private Fund operates. For such purposes, the Private Fund shall be deemed to commence operations upon its initial closing and cease operations upon the earlier of (x) the final liquidating distribution by the Private Fund and (y) the withdrawal of the General Partner who is then the sole General Partner, unless an assignee or transferee is substituted in its place as contemplated in the Private Fund's agreement of limited partnership (as amended, the "**Partnership Agreement**"). Such fees will be paid out of current income and/or disposition proceeds or, to the extent such amounts are not available, from unfunded commitments that will be drawn down, or borrowings of the Private Fund.

Sandbrook Capital reserves the right, in its sole discretion, to waive the Management Fee to which it is entitled in respect of any limited partner's interest or to impose different fees (including fees that are higher, lower, calculated in a different manner or payable at a different time) in respect of any limited partner's interest, without notice to other limited partners. The Private Fund will reflect any difference in fees charged in respect of a limited partner in the drawdown of capital from, and/or distributions and allocations to, such limited partner.

Prospective investors should refer to the respective Private Fund's PPM for a more comprehensive description of such fee arrangements.

Incentive Compensation/Carried Interest

See Item 6 below for information with respect to incentive compensation/carried interest payable to the General Partner.

Expenses

Salaries and Related Expenses. Sandbrook Capital and the General Partner will be responsible for their own general operating and overhead costs such as the salaries and expenses of their personnel responsible for providing services to the Private Fund. For the avoidance of doubt and as described in more detail in the PPM, salaries, fees and expenses of any service providers and operating partners as well as advisory board members are treated as operating expenses of the applicable Private Fund and not borne by the General Partner or Sandbrook Capital.

Operating and Organizational Expenses. Each Private Fund will each (directly or indirectly) bear its pro rata share of (i) all of its fees, costs, expenses and liabilities, all of its investment-related fees, costs, expenses and liabilities (including with respect to amounts incurred prior to the Private Fund's initial closing) and all of its other operating fees, costs, expenses and liabilities, including all fees, due diligence costs and other fees, costs, expenses and liabilities related to the identification, sourcing, evaluation, pursuit, acquisition, holding, valuation and appraisals, asset management, restructuring and disposing of investments (whether consummated or unconsummated), including all reasonable travel-related fees, costs, expenses and liabilities, including lodging and meals, all fees, costs, expenses and liabilities of legal counsel and financial and other advisers (including advisory board members) incurred in connection therewith, all fees, costs, expenses and liabilities of information technology services relating to the ongoing management of investments, "broken deal" expenses, including legal and other advisory fees (and including without limitation broken deal expenses in respect of co-investors' proportionate share of the applicable unconsummated investment) and all other investment-related fees, costs, expenses and liabilities (to the extent not reimbursed by the relevant portfolio company); (ii) all fees, costs, expenses and liabilities related to any audits or agreed upon procedures, tax forms and return preparations and filings, custodian fees and expenses, fund accounting, administrator services, financial statement preparation and reporting, web services for the benefit of limited partners, delivery costs and expenses in connection with reporting obligations and communications and compliance services; (iii) all fees, costs, expenses and liabilities relating to insurance policies (including director and officer and errors and omissions liability insurance) maintained by or for the benefit of the Private Fund, including in respect of portfolio investments and/or personnel of the Sandbrook Capital and their affiliates, the advisory board, any service providers and any operating partners; (iv) other administrative fees, costs, and liabilities; (v) all fees, costs, expenses and liabilities of brokers, transaction finders and other intermediaries, including brokerage commissions and spreads, and all other transaction-related fees, costs, expenses and liabilities, including reverse break-up fees; (vi) all fees, costs, expenses and liabilities relating to derivatives and hedging transactions; (vii) all principal amounts of, and interest expense on, borrowings and guarantees, and all other fees, costs, expenses and liabilities arising out of borrowings and guarantees, including the arranging and maintenance thereof, whether incurred by the Private Fund or incurred or facilitated by a special purpose vehicle that makes portfolio investments; (viii) Management Fees; (ix) all fees, costs, expenses and liabilities incurred through the use or engagement of service providers and operating partners; (x) all fees, costs, expenses and liabilities of annual and other Fund meetings (including meetings with any limited partners); (xi) all fees, costs and expenses of any limited partner advisory committee, including reasonable travel-related costs and expenses (such as lodging and meals) and other reasonable costs and expenses incurred by any member of any limited partner advisory committee in connection with such member's service on any limited partner advisory committee; (xii) all taxes, fees, penalties and other governmental charges levied against the Private Fund (except to the extent reallocated to the partners) and all fees, costs, expenses, penalties and liabilities related to tax compliance, including those of the partnership representative; (xiii) all fees, costs, expenses and liabilities of the Private Fund's legal counsel including those related to extraordinary matters, including expenses for any dispute resolution (including litigation and regulatory-related legal expenses); (xiv) all fees, costs, expenses and liabilities relating to legal and regulatory filings, including securities law filings relating to portfolio investments; (xv) all fees, costs, expenses and liabilities related to the Private Fund's indemnification or contribution obligations; (xvi) all fees, costs, expenses and liabilities for subscription services; (xvii) all fees, costs, expenses and liabilities of liquidating the Private Fund; (xviii) transfer agent services; (xix) subject to any offsets, placement agent fees; (xx) the Private Fund's pro rata, allocable share of the fees, costs and expenses of the advisory board, including reasonable travel-related costs and expenses (such as lodging and meals) and other reasonable costs and expenses incurred by any member of the advisory board in connection with such member's service on the advisory board; and (xxi) any other fees, costs, expenses and liabilities related to the

Private Fund (whether related to its investments, operations or otherwise) not specifically assumed by Sandbrook Capital, including all extraordinary expenses and all investment-related expenses (collectively, “**Operating Expenses**”).

Sandbrook Capital and/or its affiliates may advance to a Private Fund organizational fees, costs, expenses and liabilities of such Private Fund, including legal expenses, incurred in connection with the initial offering of interests and the formation and establishment of such Private Fund (including one or more feeder funds) (the “**Organizational Expenses**”). Sandbrook Capital (or such affiliate) will be reimbursed by such Private Fund and all parallel investment vehicles for such advanced expenses in an amount (together with amounts so reimbursed by any parallel investment vehicles in respect of their organizational expenses) subject to any expense caps set forth in the applicable Private Fund’s PPM.

Any Private Fund and each parallel investment vehicle will be responsible for and pay (or reimburse) its *pro rata* share of organizational expenses and parallel investment vehicle organizational expenses. However, notwithstanding anything to the contrary herein, any such fees, costs, expenses and liabilities that are specific to one or more related investing vehicles (as determined in the sole discretion of the General Partner and equivalent governing bodies of the related investing vehicles), including fees, costs, expenses and liabilities relating to AIFMD compliance in connection with such related investing vehicles’ formation and establishment, may (in the sole discretion of the General Partner and equivalent governing bodies of the related investing vehicles) be borne solely by such related investing vehicles and will not be subject to any cap on or other limitations relating to organizational expenses.

Offset for Transaction Fees Payable to the General Partner, Sandbrook Capital or their Respective Subsidiaries. If the General Partner, Sandbrook Capital or any of their subsidiaries receives any Transaction Fees (as defined below), or if the applicable Private Fund receives any Transaction Fees and distributes such Transaction Fees to the General Partner, Sandbrook Capital or any of their subsidiaries (other than as a result of a distribution by the applicable Private Fund to the partners generally pursuant to the distribution mechanics described above), Management Fees for the period or periods following the receipt of such Transaction Fees will be reduced by an amount equal to 100% of such Transaction Fees. The term “**Transaction Fees**” means the applicable Private Fund’s portion (based on the applicable Private Fund’s *pro rata* portion of the relevant portfolio investment and if not consummated, such portion as determined by the General Partner in its reasonable discretion) of any directors’, transaction, break-up, advisory or other fees paid to the General Partner, Sandbrook Capital or any of their respective subsidiaries, or related or affiliated person by any third party in connection with any proposed or existing portfolio investments; provided that in each case, Transaction Fees shall not include (i) any amounts paid as reimbursement for out-of-pocket expenses (excluding expenses related to any tax obligation) incurred in connection with providing services in respect of which Transaction Fees were paid, (ii) any amounts paid to Service Providers (as defined in the PPM) or Operating Partners (as defined in the PPM) in connection with any portfolio investment, (iii) any amounts paid by any investor or investment vehicle making a co-investment with the applicable Private Fund or investing alongside the applicable Private Fund or (iv) fees that comprise or constitute Operating Expenses.

Offset for Placement Agent Fees Borne by the applicable Private Fund. To the extent that any Placement Agent Fees (as defined below) are borne by the applicable Private Fund rather than individual limited partners or Sandbrook Capital, the Management Fee will be reduced by an amount equal to such Placement Agent Fees.

In determining the applicable Private Fund’s portion of any Transaction Fees, the General Partner may take into account the applicable Private Fund’s proportionate ownership of a portfolio investment’s entire capital structure (including both debt and equity). The General Partner,

Sandbrook Capital or any of its subsidiaries may take actions to give effect to the above arrangement other than reducing Management Fees (*e.g.*, rebating or waiving Transaction Fees at the portfolio investment level), in which case Transaction Fees will not reduce Management Fees as described above.

For a complete enumeration of the treatment of expenses, please refer to the operating fees and expenses section of each Private Fund's PPM.

For further details on the Firm's brokerage practices refer to Item 12 of this Brochure.

If any of the expenses listed above are incurred on behalf of more than one Client, such expenses will generally be allocated among such Clients either in proportion to the size of the investment made by each Client to which such expense relates (in respect of trading and investment-related expenses), based upon the capital in each respective Client (in respect of non-trading and investment related expenses), or in such other manner as Sandbrook Capital consider fair and equitable.

From time to time in the future, the Firm may permit certain investors to co-invest in investments alongside one or more of the Clients, subject to the relevant governing documents, as well as the considerations described in Item 8 below. Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Clients. For co-investments, expense allocations may not be *pro rata* based on invested capital but will be in line with disclosures in the governing documents for those Clients.

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

As described in the Private Fund's Memorandum, the General Partner is entitled to carried interest (the "**Carried Interest**") equal to twenty percent (20%) of the amount distributed to the investors in each Private Fund, after the return of capital contributions to the Private Fund (including amounts contributed to pay Management Fees, organizational expenses and other fund expenses) and subject to an eight percent (8%) per annum preferred return.

The General Partner may enter into arrangements with respect to the reduction or waiver of the Carried Interest to which it is entitled with respect to certain current or former employees of the General Partner, Sandbrook Capital, or their affiliates or any third party investors. The General Partner may also elect not to receive all or any portion of the Carried Interest that would otherwise be distributed to it and may cause any or all amounts subsequently available for distribution to the partners to be distributed to the General Partner until it has received the same aggregate amount of Carried Interest had it not previously waived receipt of a Carried Interest distribution.

The General Partner may, in its sole discretion, cause the Master Fund to distribute in cash to the General Partner, Sandbrook Capital, and/or each of its affiliates and other parties entitled to receive a share of the Carried Interest amounts necessary to pay taxes (at an assumed highest marginal rate) on Private Fund-related income and gains allocated to any of the foregoing in respect of their interests in the Private Fund (including the Carried Interest). Any such tax distributions will be treated as advances of (and credited against) subsequent distributions that would be made to such parties in respect of the relevant Private Fund interest.

The General Partner will be entitled to withhold from any distributions, in its discretion, any required tax withholdings. Amounts of taxes paid or withheld from amounts otherwise distributable to a Limited Partner will be deemed distributed for purposes of the calculations above.

Conflicts Related to Performance Based Fees

The existence of performance-based compensation creates a possible incentive to cause us to make investments that are more speculative than would otherwise be the case in the absence of such performance-based compensation. However, we believe this incentive is mitigated by the personal investment in such vehicles by our principals and the fact that losses will reduce the Private Fund's performance and, thus, their returns as well.

We make investments through the Private Funds. Our allocation policy provides that transactions and investment opportunities shall be handled on a fair and equitable basis over time. Performance-based compensation creates a potential incentive to favor accounts that are subject to higher compensation rates over other accounts in the allocation of investment opportunities. In addition, our related persons may in the future invest in one or more Clients. As a result, Sandbrook Capital would have a possible incentive to favor the Client(s) in which our related persons have a greater economic interest and/or have a potential conflict of interest in allocating investment opportunities among those Client accounts. In order to mitigate these potential conflicts, we will generally follow the allocation policy and procedures described in Item 12 below.

Item 7: Types of Clients

The Firm's Clients are the Private Funds. The investment minimums and investor eligibility requirements are stated in the respective Private Fund's offering materials. Sandbrook Capital and/or the General Partner of each Client have the discretion to waive or modify the investment minimums, depending on the complexity and nature of the advisory services provided.

We may in the future advise additional private funds or separately managed accounts for institutional, non-retail investors such as high net worth individuals, pension and profit sharing plans, charitable organizations, pooled investment vehicles, corporations and other types of businesses.

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

As a general matter, the investment strategies utilized by the Firm are described in the Clients' offering and governing documents, which are provided to such Clients' investors prior to the time of an investment. The information contained herein is a summary only, and investors should refer to the Client's relevant offering and governing documents for a complete overview of the Firm's investment strategies and the risks associated therewith.

General Risks Related to Investment Strategy

Portfolio investments of a Private Fund (the "**Portfolio Investments**") may be made mainly in private companies ("**Portfolio Companies**") and other securities as described in each Private Fund's offering and governing documents. Portfolio Companies are subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Regulatory Risk. Portfolio Companies may be subject to substantial governmental regulation and may also be affected by governmental regulation of rates charged to services, the imposition of special tariffs and changes in tax laws, environmental laws and regulations, regulatory policies, accounting standards and general changes in market sentiment. For example, Portfolio Companies engaged in businesses with monopolistic characteristics, such as electricity distribution, could face caps placed by regulators on allowable returns. Often these price determinations are final with limited or no right of appeal. Given the public interest aspect of the services that such assets provide, political oversight of the sector is likely to remain pervasive and unpredictable and, for political reasons, governments may attempt to take actions, which may negatively affect the operations, revenue, profitability or contractual relationships of portfolio investments, including through expropriation. Portfolio Companies' inability to predict, influence or respond appropriately to changes in law or regulatory schemes could adversely impact their results of operations.

Government and Agency Risks. In many instances, the making or acquisition of investments involves an ongoing commitment to a municipal, state or federal government, quasi-government, industry, self-regulatory or other relevant regulatory authority, body or agency ("**Regulatory Agencies**"). The nature of these obligations exposes the owners of investments to a higher level of regulatory control than typically imposed on other businesses.

There can be no assurance that a Portfolio Company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a Portfolio Company, the completion of a previously announced acquisition or sales to third parties or could otherwise result in additional costs to a Portfolio Company and the Private Fund.

There can be no assurance that the relevant government will not legislate, impose regulations, or change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of a Portfolio Company. The profitability of certain types of investments may be materially dependent on government subsidies being maintained. Reductions or eliminations of such subsidies may have a material adverse impact on the Private Fund.

Technology Risk. This risk arises where a change could occur in the way a service or product is delivered, rendering the existing technology obsolete. Any technology change that occurs over the medium term could threaten the profitability of a Portfolio Company. If such a change were to occur, these assets may have very few alternative uses should they become obsolete.

Regional or Geographic Risk. This risk arises where a Portfolio Company's assets are not movable. Should an event that somehow impairs the performance of a Portfolio Company's assets occur in the geographic location where the issuer operates those assets, the performance of the issuer may be adversely affected.

Force Majeure Risk. The use of any Portfolio Company's assets may be interrupted or otherwise affected by a variety of events outside the Private Fund's control, including serious traffic accidents, natural disasters (such as earthquakes, flood, lightning, hurricanes and wind), man-made disasters, defective design and construction and other unforeseen circumstances. Extreme weather patterns, or the threat thereof, could result in substantial damage to the facilities of certain companies located in the affected areas. While the Private Fund will seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely, or even partially, cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation.

Through-Put Risk. The revenue of many Portfolio Companies may be impacted by the number of users who use the products or services produced by such company. A significant decrease in the number of users may negatively impact the profitability of a Portfolio Company.

Project Risk. To the extent the Private Fund invests in Portfolio Companies which are dependent to a significant extent on new or development-stage projects, the Private Fund may be exposed to the risk that the project will not be completed within budget, within the agreed time frame or to agreed specifications. During the construction or development phase, the major risks of delay include political opposition, regulatory and permitting delays, site procurement delays, strikes, disputes, environmental issues, force majeure, or failure by one or more of the investment participants to perform in a timely manner their contractual, financial or other commitments. Each of these factors may adversely affect the Private Fund's return from a particular investment.

Strategic Asset Risk. Portfolio Companies may control significant strategic assets. Strategic assets are assets that have a national or regional profile and may have monopolistic characteristics. The very nature of these assets could generate additional risk not common in other industry sectors. Given the national or regional profile and/or their irreplaceable nature, strategic assets may constitute a higher risk target for terrorist acts or political actions. Given the essential nature of the products or services provided by Portfolio Companies, there is also a higher probability that the services provided by such issuers will be in constant demand. Should a Portfolio Company fail to make such services available, users of such services may incur significant damage and may, due to the characteristics of the strategic assets, be unable to replace the supply or mitigate any such damage, thereby heightening any potential loss.

Operation Risk and Maintenance Risk. The long-term profitability of a Portfolio Company may be partly dependent on the efficient operation and maintenance of its assets. Should a Portfolio Company fail to efficiently maintain and operate the assets, the Portfolio Company's ability to maintain payments of dividends or interest to investors may be impaired. The destruction or loss of an asset may have a major impact on the Portfolio Company. Failure by the Portfolio Company to

carry adequate insurance or to operate the asset appropriately could lead to significant losses and damages. In addition, the operations of the issuers of the Private Fund's investments may rely on government permits, licenses, concessions, leases or contracts. For example, certain portfolio investments may need to use public ways or may operate under easements. Under the terms of agreements governing the use of public ways or easements, government authorities may retain the right to restrict the use of such public ways or easements or to require Portfolio Companies to remove, modify, replace or relocate their facilities at the company's expense. If a government authority exercises these rights, a Portfolio Company could incur significant costs, and its ability to provide service to its customers could be disrupted, which could adversely impact the performance of the relevant portfolio investment. Government entities generally have significant influence over such companies in respect of the various contractual and regulatory relationships they may have, and these government entities may exercise their authority in a manner that causes delays in the operation of the business of the issuers of the Private Fund's investments, obstacles to pursuit of such issuers' strategy or increased administrative expenses, all of which could materially and adversely affect the business and operations of the Private Fund.

The operations of certain Portfolio Companies are exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. Business interruption insurance is not always available, or economic, to protect the business from these risks.

Customer Risk. Portfolio Companies can have a narrow customer base. Should these customers or counterparties fail to pay their contractual obligations, significant revenues could cease and not be replaceable. This would affect the profitability of the Portfolio Company and the value of any securities or other instruments it has issued.

Interest Rate Risk. Portfolio Investments can be highly leveraged. As such, movements in the level of interest rates may affect the returns from these assets more significantly than other assets in some instances. The structure and nature of the debt encumbering an asset may therefore be an important element to consider in assessing the interest risk of such asset. In particular, the type of facilities, maturity profile, rates being paid, fixed versus variable components and covenants in place (including the manner in which they affect returns to equity holders) are crucial factors in assessing any interest rate risk.

Inflation Risk. Many Portfolio Companies may have fixed income streams and, therefore, be unable to pay higher dividends. The market value of Portfolio Companies may decline in value in times of higher inflation rates. The prices that a Portfolio Company is able to charge users of its assets may not be linked to inflation. In addition, the market value of portfolio investments may decline in times of higher inflation rates given that the most commonly used methodologies for valuing investments (e.g., discounted cash flow analysis) are sensitive to rising inflation and real interest rates. Finally, wage and price controls have been imposed at times in certain countries in an attempt to control inflation, which could significantly affect the operation of portfolio investments. Accordingly, changes in the rate of inflation may affect the forecast profitability of the Portfolio Company.

Developing Industries Risk. Some Portfolio Companies are focused on developing new technologies and are strongly influenced by technological changes. Product development efforts by such companies may not result in viable commercial products. These companies may bear high research and development costs, which can limit their ability to maintain operations during periods of

organizational growth or instability. Some Portfolio Companies in which the Private Fund may invest may be in the early stages of operations and may have limited operating histories and smaller market capitalizations on average than companies in other sectors. As a result of these and other factors, the value of investments in such issuers may be considerably more volatile than that in more established segments of the economy.

Financing Risk. From time to time, Portfolio Companies may encounter difficulties in obtaining financing for construction programs during inflationary periods. Issuers experiencing difficulties in financing construction programs may also experience lower profitability, which can result in reduced income to the Private Fund.

Other factors that may affect the operations of Portfolio Companies include difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, inexperience with and potential losses resulting from a developing deregulatory environment, increased susceptibility to terrorist acts or political actions and general changes in market sentiment towards the industries in which the Portfolio Companies operate.

Environmental Risk. The assets in which a Private Fund may invest may be subject to numerous laws, rules and regulations relating to environmental protection. Under various environmental statutes, rules and regulations, 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. These laws often impose liability, whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury or property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. The Private Fund may be exposed to substantial risk of loss from environmental claims arising in respect of its investments, and such loss may exceed the value of such investments. Furthermore, changes in environmental laws or in the environmental condition of a portfolio investment may create liabilities that did not exist at the time of acquisition of an investment and that could not have been foreseen. For example, new environmental regulations may create costly compliance procedures for a Portfolio Company.

Impact Investing Risk. Since the Private Fund seeks to make sustainable investments that are consistent with the Private Fund's social and environmental standards, it may choose to sell, or not purchase, investments that are otherwise consistent with its investment objective. In general, the application of Sandbrook Capital's social and environmental standards will affect each Fund's exposure to certain companies, issuers, industries, sectors, regions, and countries and may impact the relative financial performance of the Private Fund —positively or negatively — depending on whether such investments are in or out of favor. The Private Fund's results may be lower than other funds that do not seek to invest in companies based on expected societal impact outcomes and/or screen out certain companies or industries. The Private Fund seeks to identify companies that it believes may have a societal impact outcome, but investors may differ in their views of what constitutes positive or negative societal impact outcomes. As a result, the Private Fund may invest in companies that do not reflect the beliefs and values of any particular investor.

Investing primarily in responsible investments carries the risk that, under certain market conditions, the Private Fund may underperform funds that do not utilize a responsible investment strategy. The application of responsible investment criteria may affect the Private Fund's exposure to certain sectors or types of investments and may impact the Private Fund's relative investment performance depending on whether such sectors or investments are in or out of favor in the market. An

investment's environmental, social and governance performance, or the Manager's assessment of such performance, may change over time, which could cause the Private Fund to temporarily hold investments that do not comply with the Private Fund's responsible investment criteria.

Information Risk. The Private Fund generally relies on information that is provided by third parties or is self-reported by issuers to apply its social and environmental standards to issuers and/or certain industries, markets, sectors or regions for the Private Fund. Therefore, there is a risk in certain circumstances that sufficient information may not be readily available, complete, or accurate, or may be biased. This may affect the way the Private Fund's standards are applied in a particular situation, which may negatively impact Fund performance. In certain circumstances, this may also lead the Private Fund to avoid certain issuers, markets, industries, sectors, or regions.

Risk of Terrorist Activities. Terrorist attacks of unprecedented scope have, in certain cases, caused instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for electricity, coal, oil and gas and could affect the Private Fund's financial results. Further, the United States government has issued public warnings indicating that energy assets might be a specific target of terrorist organizations. As a result of such a terrorist attack or terrorist activities in general, the Private Fund may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for an investment. As a result, not all investments of the Private Fund may be insured against terrorism. If a major uninsured loss occurs, the Private Fund could lose both invested capital in and anticipated profits from the affected investments.

Availability of Insurance Against Certain Catastrophic Losses. With respect to Portfolio Investments made by the Private Fund, liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that the General Partner or Investment Manager believe are customary for similar properties will be maintained. However, certain losses of a catastrophic nature, such as wars, natural disasters, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related Portfolio Investments.

General Leverage Risks. The Private Fund expects to employ leverage and otherwise incur indebtedness with respect to the portfolio both on a recourse or non-recourse basis (including potentially through guarantees, derivatives, forward commitments and reverse repurchase agreements), subject to the guideline described in the Private Fund's governing documents. The Private Fund will not be required to take any action (including unwinding or liquidating any position) in the event that such guideline is exceeded subsequent to the borrowing date, whether in the event of changes in the market value of the Private Fund's portfolio or otherwise. Prospective investors in the Private Fund should expect that the effective leverage utilized by the Private Fund may exceed such guideline, which only applies to direct borrowings; for instance, economic leverage inherent in the Private Fund's derivatives transactions and other investments will not be counted for purposes of such guideline, notwithstanding that such investments will be subject to many of the leverage-related risks described herein. In addition, determinations relating to leverage are inherently subjective and will involve the exercise of discretion by Sandbrook Capital (for instance, Sandbrook Capital may deem the amount of the Private Fund's direct borrowings to be reduced by cash and cash equivalents held by the Private Fund or by a counterparty).

The use of leverage will allow the Private Fund to make additional investments, thereby increasing

its exposure to assets, such that its total assets may be greater than its capital. However, leverage has the potential to magnify the gains or the losses on investments and to make the Private Fund's returns more volatile. The effect of the use of leverage by the Private Fund in a market that moves adversely to its investments could result in substantial losses to the Private Fund, which would be greater than if the Private Fund were not leveraged. Further, the Private Fund's ability to achieve attractive rates of return will depend in part on its and its Portfolio Companies' ability to access sufficient sources of indebtedness at attractive rates. A decrease in the availability of financing or an increase in either interest rates or risk spreads demanded by leverage providers, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, could make it more expensive to finance the Private Fund's investments on acquisition and throughout the term of the Private Fund's investment and could make it more difficult for the Private Fund to compete for new investments with other potential buyers who have a lower cost of capital. Moreover, if the Private Fund is required to de-lever as a result of changing market conditions or otherwise, it may be forced to sell Portfolio Investments at inopportune times or at disadvantageous prices. On the other hand, while the Private Fund will have the flexibility to use leverage, there can be no guarantee that leverage can be obtained, or obtained on terms and pricing Sandbrook Capital finds attractive, especially in the current market environment. As a result, prospective investors in the Private Fund should recognize that Portfolio Investments may not be leveraged or may be leveraged at an amount below any leverage level otherwise expected by Sandbrook Capital. Moreover, even if leverage can be arranged, the Private Fund is not obligated to utilize such leverage and may do so at the sole discretion of Sandbrook Capital. Should leverage not be obtained or utilized by the Private Fund, the returns for the Private Fund may be lower than they would have been had such leverage been obtained and utilized.

In connection with any leverage utilized by the Private Fund, the Private Fund may secure its obligations with respect thereto with any and all of its assets, including its right to receive capital contributions from the Limited Partners, pursuant to a pledge or other security agreement on terms that the General Partner determines are fair and reasonable to the Private Fund. If the Private Fund were to default on its obligations under such transactions, the counterparty could foreclose on the collateral and take possession of the Private Fund's assets and/or call capital from the Limited Partners for purposes of repaying debt.

The terms of any leverage utilized by the Private Fund are likely to impose significant restrictions on the Private Fund's operations and investment program, including as to the Private Fund's ability to pay distributions, incur additional leverage and engage in certain transactions.

Collateral. The instruments and borrowings utilized by the Private Fund to leverage investments may be collateralized by all or a portion of the Private Fund's portfolio. Accordingly, the Private Fund may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the Private Fund's margin accounts decline in value, the Private Fund could be subject to a "margin call," pursuant to which the Private Fund must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Private Fund can apply essentially discretionary margin, "haircut," financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Private Fund may have similar rights. There can be no assurance that the Private Fund will be able to secure or maintain adequate financing.

Costs. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return

on the Private Fund's portfolio.

Hedging Risks. The Private Fund may engage in hedging transactions, such as hedging for interest rate risks, as well as other risks. In particular, as many of the Private Fund's Portfolio Investments are expected to consist of relatively illiquid securities whose price behavior is not particularly correlated to general fixed income or equity index returns, such Portfolio Investments are expected to be difficult or expensive to hedge, and as such the Private Fund may not employ any hedging strategy in respect of such Portfolio Investments (including with respect to their credit risk). Hedging techniques could involve a variety of derivative transactions, including transactions in forward contracts and swaps (collectively, "**Hedging Instruments**"). While these transactions may be implemented in an attempt to reduce certain risks, they do not eliminate potential losses arising from fluctuations in the value of the Private Fund's investments or related securities, currencies, interest rates or other assets, and entail other risks. Unanticipated changes in securities prices or other rates may result in a poorer overall performance for a party than if it had not entered into any transactions involving Hedging Instruments. In addition, it may not be possible to hedge fully or perfectly against any particular risk. Moreover, Hedging Instruments may not be available at all or at a reasonable cost to the Private Fund.

To the extent Sandbrook Capital employs a hedging strategy for the Private Fund, the success of any such hedging strategy will depend, in part, upon Sandbrook Capital'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 being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Private Fund's hedging strategy will also be subject to Sandbrook Capital's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Private Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Private Fund than if it had not engaged in such hedging transactions. For a variety of reasons, Sandbrook Capital may not seek to establish a precise correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imprecise correlation may prevent the Private Fund from achieving the intended hedge or expose the Private Fund to risk of loss. Additionally, Sandbrook Capital may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. Moreover, there is no guarantee that the Private Fund's intended hedging strategy will be successful in hedging out the subject risks.

Minority Investments. The Private Fund may make minority investments in entities where the Private Fund may not be able to protect its investments or to control or influence effectively the business or affairs of such entities. In such cases, the Portfolio Company may have economic or business interests or goals that are inconsistent with those of the Private Fund and, as a result, the Private Fund may be adversely affected by actions taken by the majority holder(s) of the Portfolio Company.

Dilution from Subsequent Closings. Limited Partners subscribing for Interests at subsequent closings will participate in existing Investments of the Private Fund, diluting the interest of existing Limited Partners therein. Although such Limited Partners will contribute their pro rata share of previously made capital contributions (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Private Fund's existing Investments at the time such additional Limited Partners subscribe for Interests.

Provision of Managerial Assistance or Control Positions. The Private Fund, the General Partner, Sandbrook Capital and / or their respective affiliates may serve on, or designate members to serve on, the supervisory boards or boards of directors of Portfolio Companies. Serving on such bodies and / or designation of supervisory board members and of directors and other measures contemplated exposes the Private Fund, the General Partner, Sandbrook Capital and / or their respective affiliates

to potential liability and exposes the assets of the Private Fund to claims by an investment, the Portfolio Company, its security holders and its creditors. While the General Partner intends to reduce exposure to these risks to the extent practicable, the possibility of successful claims cannot be precluded. Regulators and courts in some jurisdictions may find a basis for attributing liability to the Private Fund even where the nexus between the Private Fund and the activities at the Portfolio Company that led to the liability being incurred in the first place is attenuated.

Investments Not Liquid and Not Transferable. Most investments made by the Private Fund initially will not have a readily available public market. In addition, the transferability of certain investments may be restricted under the terms of the documents governing the Private Fund's investments. There can be no assurance that the Private Fund will be able to liquidate a particular security or investment at the time and upon the terms it desires. There is no assurance that the Private Fund's investments can ultimately be resold, and, in such event, an investor may receive a distribution of illiquid securities from the Private Fund.

Suitable Investment Opportunities May Not Be Available. The Private Fund will be dependent solely on the Principals and their designees to identify suitable investments. It is possible that such opportunities may not in fact prove to be available. In addition, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

Competition from Other Similar Funds. The Private Fund will be competing for investments with other investors, including private equity funds and hedge funds, large and well-capitalized industrial groups and commercial, investment and merchant banks, all with similar investment objectives. Some of these competitors could have financial and strategic resources significantly in excess of those of the Private Fund, may be willing to provide financing and other operational assistance to investments on more favorable terms than the Private Fund and may make competing offers for investment opportunities that are identified by the Private Fund. Even after an agreement in principle to make an investment has been reached, consummating the transaction is subject to numerous uncertainties, only some of which are foreseeable or within the control of Sandbrook Capital. To the extent that the Private Fund encounters competition for investments, returns to Limited Partners may be reduced.

Contingent Liabilities on Disposition. In connection with the disposition of an investment, the Private Fund may be required to make representations about such investment. The Private Fund also may be required to indemnify the purchasers of such investment in case any such representations are inaccurate. These arrangements may create contingent liabilities, which might have to be funded by the Limited Partners to the extent of their available Commitments or for which the General Partner may need to establish reserves or escrow accounts.

Litigation and Claims. The Private Fund, the General partner, Sandbrook Capital, Portfolio Companies, the Principals and other key personnel may be subject to the risk of litigation and government investigations in connection with their ongoing business activities, particularly claims and suits brought against directors and controlling persons of the Private Fund's Portfolio Companies. Generally, it is anticipated that investments made by the Private Fund will be structured to require that the Portfolio Company provide indemnification for any claims or suits brought against the Private Fund, its affiliates and employees; provided, however, there can be no assurance that such indemnification will be sufficient to fully cover all such liabilities and costs and some services may not be available from third party service providers unless the Private Fund or its Portfolio Companies are willing to provide indemnification to the service provider without reciprocal indemnification. In addition to any Portfolio Company indemnification, the Private Fund will fully indemnify the

General Partner, Sandbrook Capital, the Principals and other key personnel against costs and expenses (including legal fees), as incurred, in connection with their activities on behalf of the Private Fund including service on the boards of Portfolio Companies, except in cases where an indemnified liability has been finally determined to have resulted from an indemnified party's gross negligence, willful malfeasance, fraud or willful violation of the Private Fund Agreement. To the extent indemnification from a contract party, service provider or a Portfolio Company is not available, the Private Fund's indemnification would be called upon by the General Partner, Sandbrook Capital, the Principals and their affiliates, employees and agents. Accordingly, the Private Fund could be materially and adversely affected by its obligation to fund such indemnification. Further, irrespective of the merit of the claims, the General Partner, Sandbrook Capital and their affiliates and employees may also be required to spend time and attention to defend claims brought against them or any Portfolio Company.

Risk of Bankruptcy. Each Portfolio Company is subject to the risk that the business and / or the assets of such entity may be pledged to third parties, including senior lenders, and could be foreclosed upon or otherwise acquired by such third parties under certain circumstances, including an incipient and / or unremedied default. In the event of the bankruptcy of such an entity, prior distributions to the Private Fund from such entity may be reclaimed if such prior payments are determined to have been a "preference" payment under applicable bankruptcy and related laws and regulations. In such an instance, the Private Fund would be required to return any such preferential payment and would only be entitled to receive its share of such entity's assets after payment to all other creditors and, possibly, other equity holders with a preferred interest.

Availability of, or Default Under, Debt Issued to Portfolio Companies. To the extent that debt capital is available upon attractive terms, the Private Fund's investments in Portfolio Companies will be subject to the risks inherent in any business that uses debt as a component of its capital structure. Such investments involve a degree of risk that adverse fluctuations in cash flow or increased interest rates may impair the ability of these companies to meet their obligations, which could result in a loss of all or a substantial portion of the Private Fund's equity investment.

Certain Restrictions on Ownership. Current U.S. laws give the President of the United States authority to block an acquisition by foreign persons of U.S. entities if that acquisition threatens to impair national security. In addition, many jurisdictions restrict foreign investment in certain categories of assets. These laws could limit the Private Fund's ability to invest in some entities or impose burdensome notification requirements, operational restrictions, or delays in pursuing and consummating transactions, and could result in the Private Fund excluding (in whole or in part) the participation of certain Limited Partners in any such transaction.

In the U.S., the Foreign Investment and National Security Act of 2007 imposes additional government regulation on non-U.S. investment in certain assets, including national investments. These regulations may result in (i) new or extended governmental reviews (including the investment's effect on national and / or economic security) and / or governmental or regulatory approvals (including by the President, Congressional committees and / or various agencies); (ii) new or extended notification periods prior to consummation of an investment; and (iii) additional restrictions and prohibitions on the ownership, management and operation of assets or companies by non-U.S. persons. As a result, the Private Fund may incur significant delays and costs or be altogether prohibited from making a particular investment, all of which could adversely affect the Private Fund's ability to meet its investment objectives. In addition, the above laws may prevent syndication or sale of Private Fund assets to certain buyers. Further, political attention surrounding any potential transaction could increase governmental scrutiny.

Equity Securities. As with other Portfolio Investments, the value of equity securities held by the Private Fund may be adversely affected by actual or perceived negative events relating to the issuer

of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities may be even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities, and the market price of equity securities owned by the Private Fund is more susceptible to moving up or down in a rapid or unpredictable manner. In addition, equity securities often lose a significant amount of their value and may become worthless as a result of a bankruptcy proceeding or reorganization.

Corporate Debt Securities. The Private Fund expects to invest in a variety of bonds and related debt obligations of varying maturities issued by U.S. and non-U.S. companies, banks, savings and loan holding companies, insured depository institutions and other corporate entities. Corporate debt securities include bills, notes, debentures, money market instruments and similar instruments and securities, and are generally used by corporations and other issuers to borrow money from investors for such purposes as working capital or capital expenditures. The issuer pays the investor a variable or fixed rate of interest and normally must repay the amount borrowed on or before maturity. Certain bonds are "perpetual" in that they have no maturity date.

The investment return of corporate debt securities reflects interest earnings, changes in the market value of the security and the expected principal recovery amount. The market value of a corporate debt obligation may be expected to rise and fall inversely with interest rates generally. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. In addition to interest rate risk, corporate debt securities also involve the risk that the issuers of the securities may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. The rate of return or return of principal on some debt securities may be linked or indexed to the level of exchange rates between the U.S. Dollar and a foreign currency or currencies. Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

High Yield Debt and Unrated Securities. High yield securities are typically junior to the obligations of companies to senior creditors, trade creditors and employees. High yield securities and unrated securities (which are not rated by a rating agency) may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment-grade securities. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in the prices of high yield securities and unrated securities, because the advent of a recession could lessen the ability of an issuer to make principal and interest payments on its debt obligations. In addition, such securities have historically experienced greater default rates than investment grade securities. The ability of holders of high yield debt to influence a company's affairs will be substantially less than that of senior creditors, especially during periods of financial distress or following insolvency.

As with other Portfolio Investments, there may not be a liquid market for certain high yield debt which is held by the Private Fund, which could result in the Private Fund being unable to sell such securities for an extended period of time, if at all. In addition, as with other types of Portfolio Investments, the market for high yield debt has historically been subject to disruptions that have caused substantial volatility in the prices of such securities. Consolidation in the financial services industry has resulted in there being fewer market makers for high yield debt, which may result in further risk of illiquidity and volatility with respect to high yield debt held by the Private Fund, and this trend may continue in the future. Furthermore, high yield debt which is held by the Private Fund may not be registered under the Securities Act, and, unless so registered, the Private Fund will not be able to sell such high yield debt except pursuant to an exemption from registration under the

Securities Act. Unrated securities may be less liquid than comparable rated securities and may also involve the risk that Sandbrook Capital may not accurately evaluate the security's comparative credit rating.

Analysis of creditworthiness of issuers of high yield and unrated securities may be more complex than for issuers of higher-quality fixed income securities. Since it is expected that most of the Private Fund's assets will not be rated by any rating agency or could be rated below investment grade, the Private Fund will be more dependent on Sandbrook Capital's creditworthiness analysis than if the Private Fund invested exclusively in higher-quality and rated securities.

Convertible Securities Risk. Convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, a convertible security's market value tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the convertible security's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the underlying common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. Generally, in the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations. There is also a risk that, under certain circumstances, a bankruptcy court may order that convertible securities are treated as equity.

The Private Fund may invest in synthetic convertible securities, which are created through a combination of separate securities that possess the two principal characteristics of a traditional convertible security, i.e., an income-producing security ("income-producing component") and the right to acquire an equity security ("convertible component"). The income-producing component is achieved by investing in non-convertible, income-producing securities such as bonds, preferred stocks and money market instruments. The convertible component is achieved by purchasing warrants or options to buy common stock at a certain exercise price, or options on a stock index. The values of synthetic convertible securities will respond differently to market fluctuations than a traditional convertible security because a synthetic convertible is composed of two or more separate securities or instruments, each with its own market value. Synthetic convertible securities are also subject to the risks associated with derivatives. In addition, if the value of the underlying common stock or the level of the index involved in the convertible element falls below the strike price of the warrant or option, the warrant or option may lose all value.

Preferred Securities Risk. In addition to credit risk, investment in preferred stocks involves certain other risks. Certain preferred stocks contain provisions that allow an issuer under certain conditions to skip or defer distributions. If the Private Fund owns a preferred stock that is deferring its distribution, the Private Fund may be required to report income for tax purposes despite the fact that it is not receiving current income on this position. Preferred stocks 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 Private Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred stocks 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. Preferred stocks may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks, corporate debt securities and

U.S. government securities.

Public Health Crises Risk. Periods of market volatility have occurred and could continue to occur in response to pandemics or other events outside of the Private Fund's control. These types of events have adversely affected and could continue to adversely affect operating results for the Private Fund and for the Private Fund's prospective portfolio companies. For example, in December 2019, a novel strain of coronavirus (also known as "COVID-19") surfaced in China and has since spread and continues to spread to other countries, including the United States. This outbreak has led and for an unknown period of time will continue to lead to disruptions in local, regional, national and global markets and economies affected thereby.

This outbreak has resulted in, and until fully resolved is likely to continue to result in, the following among other things: (i) government imposition of various forms of shelter-in-place orders and the closing of "non-essential" businesses, resulting in significant disruption to the businesses of many middle-market loan borrowers including supply chains, demand and practical aspects of their operations, as well as in lay-offs of employees, and, while these effects are hoped to be temporary, some effects could be persistent or even permanent; (ii) increased draws by borrowers on revolving lines of credit; (iii) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans; (iv) volatility and disruption of these markets including greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility, and liquidity issues; and (v) rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general which will not necessarily adequately address the problems facing the loan market and middle market businesses. This outbreak is having, and any future outbreaks could have, an adverse impact on the markets and the economy in general, which could have a material adverse impact on, among other things, the quality of investments available to the Private Fund and returns to the Private Fund, among other things.

As of the date of this Memorandum, it is impossible to determine the scope of this outbreak, or any future outbreaks, how long any such outbreak, market disruption or uncertainties may last, the effect any governmental actions will have or the full potential impact on the Private Fund and its prospective portfolio companies. Any potential impact to the Private Fund's results of operations will depend to a large extent on future developments and new information that could emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact, all of which are beyond Sandbrook Capital's control.

The Private Fund will also be negatively affected if the operations and effectiveness of the Private Fund or a portfolio company (or any of the key personnel or service providers of the foregoing) is compromised or if necessary or beneficial systems and processes are disrupted.

Any public health emergency, including the COVID-19 pandemic or any outbreak of other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the Private Fund and the fair value of the Private Fund's investments. These potential impacts, while uncertain, could adversely affect the Private Fund's and its portfolio companies' operating results.

General Risks Related to the Private Fund

Risk of Loss. An investment in the Private Fund is highly risky. There can be no assurance that the Private Fund will achieve its investment objective or any particular level of returns. An investor may lose all of its money invested in the Private Fund. Among other things, the Private Fund may invest

in assets that are underperforming or non-performing and/or in securities of issuers who are under financial stress. By their nature, such investments are considered speculative and entail substantial risks that are generally higher than the risks of investments in performing assets and securities of issuers that are not under financial stress. Any losses in the Private Fund will be borne solely by investors in the Private Fund and not by Sandbrook Capital, the General Partner or any of their respective affiliates (except to the extent they invest capital in the Private Fund, in which case they, with respect to such capital invested, will bear their pro rata portion of such loss).

Lack of Operating History. The Private Fund will begin operations upon the initial closing and have no operating history with which to evaluate their future performance. The past performance of other investment vehicles managed by Sandbrook Capital or any of its personnel at their prior firms cannot be relied upon as an indicator of the Private Fund's success. An investor in the Private Fund must rely upon the ability of Sandbrook Capital in identifying Portfolio Investments and implementing the Private Fund's investment strategy.

No Market for Interests. Pursuant to the Agreement of Limited Partnership of the Private Fund (as amended, restated or otherwise modified from time to time, the "**Partnership Agreement**"), an Interest is not generally transferable and voluntary withdrawal of an Interest is not allowed (other than to accommodate certain regulatory and other considerations, including in connection with ERISA, as set forth in the Partnership Agreement). A Limited Partner may not sell, assign or transfer its Interest without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole and absolute discretion. In addition, transfers of Interests may be affected by restrictions on resales imposed by federal and state securities laws. The Interests will not be registered under the Securities Act or any state securities laws and may not be transferred unless registered under applicable federal and state securities laws or unless an exemption from such laws is available. No market exists for the Interests, and none is expected to develop. Therefore, an investment in the Private Fund must be considered illiquid and must only be made by persons that are able to bear the risk of their investment in the Private Fund for an indefinite period of time.

Management Risk and Reliance on Management. The Private Fund is subject to management risk because Sandbrook Capital actively manages its investment portfolio. Sandbrook Capital will apply investment and disposition techniques and risk analyses in making investment and disposition decisions for the Private Fund, but there can be no guarantee that these will produce the desired results. In addition, as Limited Partners may not participate in the management of the Private Fund, only investors who are willing to entrust all aspects of the management of the Private Fund to the General Partner and Sandbrook Capital should subscribe for Interests.

The success of the Private Fund will be highly dependent on the financial and managerial expertise of Sandbrook Capital and any consultants or other service providers retained by the Private Fund. The success of Sandbrook Capital is highly dependent on the financial and managerial expertise of the Principals and their designees, who may not continue to be employed by or associated with Sandbrook Capital during the entire term of the Private Fund. In addition, a number of members of the professional staff of Sandbrook Capital may in the future be investors in other investment vehicles advised by Sandbrook and are actively involved in managing the investment decisions of these investment vehicles, as well as investment decisions of other clients of Sandbrook Capital. Accordingly, the members of the professional staff of Sandbrook Capital will have demands on their time for the investment, monitoring and other functions of other funds and other clients advised by Sandbrook Capital. In addition, competition in the financial services, private equity and alternative asset management industries for qualified investment professionals is intense. Sandbrook Capital's continued ability to effectively manage the Private Fund's investments depends on its ability to attract new investment professionals and to retain and motivate its existing investment professionals.

At any time during the Private Fund's term, without the consent of any Limited Partner or the LPAC,

(i) Sandbrook Capital may in its sole discretion assign the full and exclusive authority and responsibility granted to it under the Investment Management Agreement to an investment adviser affiliated with Sandbrook Capital and/or (ii) the General Partner may in its sole discretion assign all or any part of its interest as the general partner of the Private Fund or any Related Investing Vehicle to an entity affiliated with Sandbrook Capital, in each case subject to applicable law. Sandbrook Capital and the General Partner may take any actions that are necessary or incidental to any such assignment (which will not require the consent of any Limited Partner or the LPAC), including assigning the Investment Management Agreement or causing the Private Fund to enter into a new investment management agreement. Although it is expected that the management fee and Carried Interest payable by the Private Fund to such entities would be identical to that payable to Sandbrook Capital (or its affiliates) and the General Partner and certain of the Principals would continue to be responsible for managing the Private Fund's assets, there is no guarantee that any or all such characteristics will apply to any such new investment adviser or general partner. See also "Competition; Potential for Insufficient Investment Opportunities" below for information about potential limits on the Private Fund's investment team's ability to utilize Sandbrook Capital's full panoply of issuer-specific resources in the management of the Private Fund's portfolio.

Sandbrook Capital may delegate non-investment decisions (including decisions relating to cash management and similar non-material transactions (which will not be considered "investments" for these purposes), diligence decisions, decisions relating to transactions involving material non-public information and decisions relating to the engagement of consultants, law firms and other service providers) to other investment professionals in their sole discretion. Any decisions made by such subset or other investment professionals may be materially different and/or less optimal than decisions that would have been made by Sandbrook Capital.

Referral Relationships with Financial Sponsors. Sandbrook Capital expects that the professional staff of Sandbrook Capital will maintain and develop their relationships with financial sponsors, including venture capital sponsors, and the Private Fund will rely to a significant extent upon these relationships to provide the Private Fund with potential investment opportunities. If the professional staff of Sandbrook Capital fail to maintain their existing relationships or develop new relationships with other sponsors or sources of investment opportunities, the Private Fund will not be able to grow its investment portfolio. In addition, individuals with whom the professional staff of Sandbrook Capital have relationships are not obligated to provide the Private Fund with investment opportunities, and, therefore, there is no assurance that such relationships will generate investment opportunities for the Private Fund. If Sandbrook Capital is unable to source investment opportunities, the Private Fund may hold a greater percentage of its assets in cash and cash equivalents than anticipated, which could impact potential returns on the Private Fund's portfolio.

Recourse to the Private Fund's Assets. The Private Fund's assets, including any Portfolio Investments made by the Private Fund and any capital held by the Private Fund, are available to satisfy all liabilities and other obligations of the Private Fund. In addition, the General Partner may pledge its right to call capital from Limited Partners. If the Private Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Private Fund's assets generally and may not be limited to any particular asset, such as the Portfolio Investment giving rise to the liability. 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. Accordingly, Limited Partners 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.

Unspecified Use of Proceeds. Limited Partners will not have an opportunity to evaluate for

themselves the relevant economic, financial and other information regarding the investments in which the proceeds from the issuance of the Interests will be invested and, accordingly, will be dependent upon the judgment and ability of Sandbrook Capital in investing and managing the capital of the Private Fund.

Identification of Potential Investment Opportunities. There is no assurance that Sandbrook Capital's analysis in this regard, as implemented, will take into consideration all appropriate factors, or appropriately weigh the factors that are considered in its analysis, especially given the heightened difficulty of the analysis required to evaluate certain Portfolio Investments. In particular, catalysts and/or exit strategies that initially appear to be viable may be precluded over time due to economic, legal, political or other factors. In addition, because the successful implementation of the Private Fund's investment strategy depends, in part, on its ability to successfully predict and take advantage of changing market conditions, to the extent it is unable to do so, returns may be adversely affected. These considerations are particularly relevant in light of the current uncertain economic and regulatory environment.

Competition; Potential for Insufficient Investment Opportunities. The business of identifying and effecting investments of the types contemplated by Sandbrook Capital is competitive and there can be no assurance that Sandbrook Capital will be able to identify and obtain a sufficient number of investment opportunities to invest the full amount of capital that may be committed to the Private Fund. Increased competition for, or a diminishment in the available supply of, potential Portfolio Investments could result in lower returns on such Portfolio Investments. The Private Fund may engage in auction or similar bidding processes with respect to certain Portfolio Investments, which processes are often highly competitive and may involve numerous other bidders about which the Private Fund possesses limited or no information; as a result, the foregoing considerations will be applicable with respect to any such processes.

Insufficient Capital for Follow-On Investments. Following its initial investment in a Portfolio Investment, the Private Fund may have the opportunity to increase its investment in such Portfolio Investment. There is no assurance that the Private Fund will make follow-on investments or that the Private Fund will have sufficient resources to, or be permitted to, make such investments. Any decision not to make follow-on investments or the Private Fund's inability to make them may have a substantial negative impact on the company in need of such an investment, may result in missed opportunities for the Private Fund or may result in dilution of the Private Fund's investment.

Concentration of Portfolio Investments. The Private Fund may participate in a limited number of Portfolio Investments and, as a consequence, the aggregate return of the Private Fund may be substantially adversely affected by the unfavorable performance of any single investment. The Private Fund has a broad and flexible investment mandate, and the Private Fund will not be subject to any limits or proportions with respect to the mix of permitted Portfolio Investments. As a result, the Private Fund's Portfolio Investments could potentially be concentrated in relatively few strategies, issuers, industries, markets, geographies or investment types. Such non-diversification would make the Private Fund more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be. The Private Fund could be subject to significant losses if it holds a relatively large position in a single strategy, issuer, industry, market, geographic region or a particular type of Portfolio Investment that declines in value, and the losses could increase even further if the Portfolio Investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

Third-Party Involvement. The Private Fund may hold a portion of its investments through partnerships, joint ventures, securitization vehicles or other entities with third-party investors (collectively, "**joint ventures**"). Joint venture investments involve various risks, including the risk

that the Private Fund will not be able to implement investment decisions or exit strategies because of limitations on the Private Fund's control under applicable agreements with joint venture partners, the risk that a joint venture partner may become bankrupt or may at any time have economic or business interests or goals that are inconsistent with those of the Private Fund, the risk that a joint venture partner may be in a position to take action contrary to the Private Fund's objectives, the risk of liability based upon the actions of a joint venture partner and the risk of disputes or litigation with such partner 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, including in connection with foreclosure on partner loans, because of risks arising under state law. In addition, the Private Fund may be liable for actions of its joint venture partners.

Leveraged Companies. The Private Fund will invest in Portfolio Investments whose capital structures have significant leverage. Such Portfolio Investments are inherently more sensitive to declines in revenues and asset values and to increases in expenses and interest rates. The leveraged capital structure of such Portfolio Investments will increase the exposure of the Portfolio Investments to adverse economic factors such as downturns in the economy or deterioration in the condition of the Portfolio Investment, its underlying assets or its industry. Additionally, the securities acquired by the Private Fund may be the most junior securities in what may be a complex capital structure, and thus subject to the greatest risk of loss. In addition, for purposes of clarity, any direct borrowings by a non-SPV Portfolio Investment will not be included in the investment guidelines of the Private Fund.

Portfolio Turnover. The Private Fund will not place any limit on the rate of portfolio turnover, and Portfolio Investments may be sold or otherwise disposed of without regard to the time they have been held when, in the judgment of Sandbrook Capital, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate, may act to reduce the Private Fund's investment gains or create a loss for investors and may result in significant tax costs for investors depending on the tax provisions applicable to such investors.

Potential Retention of Portfolio Investment Proceeds. The amount and timing of distributions of Portfolio Investment proceeds will in all cases be subject to the availability of cash after the Private Fund has satisfied obligations (including discretionary pay-downs of any liabilities) or set aside reserves for existing or anticipated obligations of the Private Fund or for permitted reinvestment. Accordingly, no assurance can be made as to the amount and timing of such distributions to Limited Partners. In addition, the Private Fund's term may be extended by the General Partner, and the Private Fund's term may be further extended with the consent of the LPAC or a majority in interest of the Limited Partners. Any such extensions may further delay any distributions to Limited Partners.

No Assurance of Cash Distributions. All distributions that are made will be at the discretion of the General Partner and will depend on earnings and financial condition and other factors as the General Partner may deem to be relevant. The Private Fund's ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this Memorandum, including the COVID-19 pandemic described herein. For example, if the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories in the jurisdictions, including the United States, affected by the COVID-19 pandemic were to continue for an extended period of time it could result in reduced cash flows to the Private Fund from its prospective portfolio companies, which could reduce cash available for distribution to Limited Partners. If the Private Fund violates certain covenants under its future credit facilities or other leverage, the Private Fund may be limited in its ability to make distributions.

U.S. Dollar Denomination of Interests. Interests are denominated in U.S. Dollars. Investors subscribing for Interests in any country in which U.S. Dollars are not the local currency should note

that changes in the rate of exchange between U.S. Dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange regulations applicable to investments in non-U.S. currencies in certain jurisdictions. Each prospective investor should consult with its own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the Interests.

Forward-Looking Statements. This Memorandum contains forward-looking statements, including observations about market and industry and regulatory trends as of the original date of this Memorandum. Those forward-looking statements reflect the General Partner's and/or Sandbrook Capital's current view in respect of future events. Actual events could differ materially from those in the forward-looking statements as a result of factors beyond the General Partner's, Sandbrook Capital's or the Private Fund's control. Investors are cautioned not to place undue reliance on such statements. No party has an obligation to update any of the forward- looking statements in this Memorandum.

Projections. The Private Fund may rely upon projections, forecasts or estimates developed by Sandbrook Capital, the Private Fund or an issuer in which the Private Fund is invested concerning the issuer's future performance and cash flow. Projections, forecasts and estimates are forward-looking statements, are inherently uncertain and are based upon certain assumptions. Actual events are difficult to predict and beyond the Private Fund's control. Actual events may differ from those assumed. Some important factors which could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates; domestic and foreign business, market, financial or legal conditions; leverage amounts and costs; and the degree to which the Portfolio Investments are hedged and the effectiveness of such hedges. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be materially lower than those estimated therein.

Valuation of Illiquid Assets. It is expected that the majority of the Private Fund's investments will be in securities or other financial instruments for which market quotations are not available. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such securities, from values placed on such securities by other investors and from prices at which such securities may ultimately be sold. In addition, third-party pricing information may at times not be available regarding certain of the Private Fund's assets or, if available, may not be considered reliable. The Private Fund's governing documents will discuss the fair value of securities, loans or other instruments for which market quotes are not readily available (or if extraordinary events occur after the last readily available quotation). There can be no assurance that such valuations will be reliable, accurate or reflective of the prices at which such investments are ultimately realized. In addition, certain of the securities or other assets that the Private Fund seeks to sell or acquire via cross trade may be illiquid and difficult to value, therefore there can be no assurance that such valuation will be accurate.

Assets Believed to Be Undervalued or Incorrectly Valued. Securities that Sandbrook Capital believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the timeframe Sandbrook Capital anticipates. As a result, the Private Fund may lose all or substantially all of its investment in any particular instance.

Model Risks. Sandbrook Capital may employ financial/analytical models to aid in the selection of the Portfolio Investments, to allocate investments across various strategies and risks and to determine the risk profile of the Private Fund. If any such models are employed, the success of the Private Fund's investment activities will depend, in large part, upon the viability of these models. There can be no assurance that the models are currently viable or will remain viable during the term of the Private Fund, due to various factors, including the quality of the data input into the models and the

assumptions underlying such models, which to varying degrees involve the exercise of judgment, as well as the possibility of errors in constructing or of using the model. Even if the models function as anticipated, they cannot account for all factors that may influence the returns on the Portfolio Investments. Also, there can be no assurance that the investment professionals utilizing the models will be able to (i) determine that any model is or will become not viable or not completely viable or (ii) notice, predict or adequately react to any change in the viability of a model. The use of a model that is not viable or not materially viable could, at any time, have a material adverse effect on the performance of the Private Fund.

Uncertainty of Target Returns. There can be no assurance that any target return (a “**Target Return**”) will be achieved. In considering the Target Return prospective investors should bear in mind that such targeted performance is not a guarantee, projection or prediction and is not indicative of future results of the Private Fund. Actual gross returns in any given year may be lower than the Target Return. Even if the Target Return is met, actual returns to investors will be lower due to expenses, taxes, structuring considerations and other factors. In addition, the Target Return may be adjusted without notice to investors in light of available investment opportunities and/or changing market conditions. Sandbrook Capital believes that the Target Return for the Private Fund set forth in this Memorandum is reasonable based on a combination of factors, including the Private Fund’s investment team’s general experience, the availability of leverage and financing at expected times, amounts, costs and other terms and assessment of prevailing market conditions and investment opportunities. There are, however, numerous assumptions that factor into the Target Return that may not be consistent with future market conditions and that may significantly affect actual investment results. Such assumptions include (i) the ability to source and acquire attractively priced assets; (ii) the expected response of specific investments to market conditions; (iii) the availability of leverage for certain investments at expected terms; and (iv) Sandbrook Capital’s outlook for certain global and local economies and markets as it relates to potential changes to the regulatory environment, interest rates, growth expectations, consumer fundamentals and the health of the economy. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in calculating the Target Return have been stated or fully considered. Prospective investors reviewing the Target Return contained herein must make their own determination as to the reasonableness of the assumptions and the reliability of the Target Return. Actual results and events may differ significantly from the assumptions and estimates on which the Target Return is based.

Third-Party Litigation. The Private Fund’s investment activities may subject it to the risks and costs of becoming involved in litigation with third parties due to, among other reasons, the fact that different investor groups may have qualitatively different, and frequently conflicting, interests with respect to certain Portfolio Investments. The risk of litigation with third parties will be elevated in situations where an issuer is stressed or distressed. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments, or bringing claims against third parties, would generally be borne by the Private Fund and would reduce net assets. In addition, the Private Fund’s investment activities may subject it to certain risks inherent in restructuring, bankruptcy and similar proceedings.

Broad Indemnification. The Private Fund and/or Sandbrook Capital on behalf of the Private Fund may enter into various agreements or arrangements which limit the liability of its Service Providers, including Sandbrook Capital and its affiliates, the administrator, the custodian, any Placement Agents or other distribution agents, and their affiliates, employees, officers and directors, and require the Private Fund to indemnify and/or provide broad representations, warranties and covenants in favor of such persons. U.S. federal and state securities laws impose liabilities under certain circumstances on persons that cannot be waived by contract, other agreements or documents. Therefore, nothing in those agreements should be deemed or construed in a manner that purports to waive or limit any right

to the extent prohibited by law.

The Private Fund will be required to indemnify the General Partner, Sandbrook Capital and their respective affiliates, each of the former, current and future shareholders, partners, members, other equity holders, officers, directors, employees, managers, trustees, agents and other representatives of the General Partner, Sandbrook Capital and their respective affiliates, members of the Advisory Board and other persons set forth in the Partnership Agreement as an “Indemnatee” for Proceedings (as defined in the Partnership Agreement) that may accrue to or be incurred by an Indemnatee, in connection with any claim, demand, investigation, suit, proceeding or action in which an Indemnatee may become involved, as a party or otherwise, or with which an Indemnatee may be threatened, relating to or arising out of the investments or other activities of the Private Fund, activities undertaken in connection with the Private Fund, or otherwise relating to or arising out of the Partnership Agreement or the Subscription Agreement, and otherwise as provided in the Partnership Agreement or the Subscription Agreement. Such Claims may be material and have an adverse effect on the returns to the Limited Partners. The Private Fund may also provide broad indemnities, representations, warranties and covenants in connection with the acquisition, management and disposition of Portfolio Investments or otherwise in connection with the Private Fund’s investment program.

Any indemnification obligations of the Private Fund would be payable from the assets of the Private Fund, including the unfunded Commitments of the Limited Partners, and would adversely affect the Private Fund’s returns.

LPAC. None of the General Partner, Sandbrook Capital or their respective affiliates will be obligated to refer matters to the LPAC or to act in accordance with the LPAC’s advice and counsel, except as otherwise expressly set forth in the Partnership Agreement. Decisions of the General Partner, Sandbrook Capital and/or their respective affiliates on matters approved by the LPAC will be final and binding on the investors in the Private Fund and investors in the Related Investing Vehicles. In addition, consent by the LPAC will constitute the consent of the client (i.e., the Private Fund) for purposes of the Advisers Act, including consents required under Section 206(3) thereof and, subject to applicable law, consent to a “change of control” of Sandbrook Capital or the General Partner.

Adverse Consequences of Default. A Limited Partner in default with respect to its unfunded Commitment may experience material adverse effects on its investment. When a Limited Partner defaults, the General Partner, in its discretion, may cause the defaulting Limited Partner to forfeit a portion of the distributions to which the defaulting Limited Partner may otherwise have been entitled. The General Partner may also require a forced sale of the defaulting Limited Partner’s Interest. In addition, the General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys’ fees, to be paid by the defaulting Limited Partner. Upon the default of a Limited Partner, the General Partner may deliver an amended funding notice to the non-defaulting Limited Partners increasing their capital contributions by up to an aggregate amount equal to the capital contribution that the defaulting Limited Partner failed to make, not in excess of a Limited Partner’s unfunded Commitment.

The General Partner may require a defaulting Limited Partner to contribute the entirety of its remaining Commitment to the Private Fund. For any such Limited Partner, the return on its Fund investment may be materially lower than returns to Limited Partners who do not pre-fund their Commitments.

Exclusion or Withdrawal of a Limited Partner. If the General Partner permits a Limited Partner to opt out of indirectly participating in a prospective Portfolio Investment in a Prohibited Issuer or requires or permits a Limited Partner to withdraw from the Private Fund (including in connection with any actual or potential violation of any applicable law or to ensure that the assets of the Private

Fund will not be treated as “plan assets” within the meaning of the U.S. Employee Retirement Income Security Act of 1974 (“ERISA”) and the regulations thereunder), any election to opt out of a particular prospective Portfolio Investment or to withdraw from the Private Fund may increase another Limited Partner’s pro rata interest in that particular Portfolio Investment (in the case of an opt-out) or all future Portfolio Investments (in the case of a withdrawal).

Distributions in Kind. If distributions are made of assets held by the Private Fund in lieu of cash, the amount of any such distribution will be accounted for at the fair market value of such assets as determined in accordance with procedures set forth in the Partnership Agreement. An independent appraisal generally will not be required and is not expected to be obtained. Assets distributed in kind may not be readily marketable or disposable, and Limited Partners therefore must be prepared to bear the risks of owning such assets for an indefinite period of time (and to incur costs and expenses in connection with any disposition thereof). In addition, there can be no assurance that the value of such assets as determined in accordance with procedures set forth in the Partnership Agreement will ultimately be realized.

Risks Related to Electronic Communications/Cybersecurity Risk. The Private Fund expects to provide to Limited Partners statements, reports and other communications relating to the Private Fund and/or the Limited Partner’s Interest in electronic form, such as e-mail or via a password protected website (“**Electronic Communications**”). Electronic Communications may be modified, corrupted, or contain viruses or malicious code, and may not be compatible with a Limited Partner’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 may delay or prevent receipt of reports or other information by the Limited Partners.

While Sandbrook Capital employs various measures to address cybersecurity-related issues, Sandbrook Capital, the Administrator, the Private Fund and their respective Service Providers may nevertheless be subject to operational and information security risks resulting from cybersecurity incidents. A cybersecurity incident refers to both intentional and unintentional events that may cause Sandbrook Capital, the Private Fund or their respective Service Providers to lose or compromise confidential information, suffer data corruption or lose operational capacity. Cybersecurity incidents include stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other operational disruptions. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to Limited Partners (and their beneficial owners) and material nonpublic information. The systems the Private Fund has implemented to manage risks relating to these types of events could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm, and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in the Private Fund’s and Sandbrook Capital’s operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to Limited Partners, material nonpublic information and other sensitive information in Sandbrook Capital’s possession.

A disaster or a disruption in the infrastructure that supports Sandbrook Capital’s business, including a disruption involving electronic communications or other services used by Sandbrook Capital or third parties with whom Sandbrook Capital conducts business, or directly affecting Sandbrook Capital’s headquarters, could have a material adverse impact on its ability to continue to operate its

business without interruption. Sandbrook Capital's disaster recovery programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse Sandbrook Capital for losses, if at all.

Cybersecurity incidents may adversely impact the Private Fund and its Limited Partners. There is no guarantee that Sandbrook Capital, the Private Fund and/or their respective Service Providers will be successful in protecting against cybersecurity incidents.

In addition, cybersecurity has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. If Sandbrook Capital fails to comply with the relevant laws and regulations, Sandbrook Capital could suffer financial losses, a disruption of its businesses, liability to investors, regulatory intervention or reputational damage.

The Private Fund and its Service Providers are currently impacted by procedures being enacted by governments in response to the global COVID-19 pandemic, which are obstructing the regular functioning of business workforces (including requiring employees to work from external locations and their homes). Accordingly, the risks described above are heightened under current conditions.

Tax Considerations. An investment in the Private Fund may involve complex U.S. federal, state and local and, in some cases, non-U.S. income tax considerations that will differ for each Limited Partner.

Tax Treatment of the Private Fund. The Master Fund is intended to be treated as a partnership for U.S. federal income tax purposes. If the Master Fund were treated as a corporation for U.S. federal income tax purposes, (i) the Master Fund would be subject to corporate-level U.S. federal income tax, as well as any applicable state and local taxes, on its net income, (ii) any non-liquidating distribution made by the Master Fund would be taxable to the Limited Partners as a dividend to the extent of the Master Fund's earnings and profits and (iii) Limited Partners would not include their shares of the Master Fund's items of income, gain, loss, deduction and credit in computing their own tax liabilities. The Feeder Fund will elect to be treated as a corporation for U.S. federal income tax purposes.

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in the Private Fund are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Private Fund. Each prospective investor should have the tax aspects of an investment in the Private Fund reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles.

Phantom Income. Assuming that the Master Fund is treated as a partnership for U.S. federal income tax purposes, a Limited Partner of the Master Fund will be required to recognize its share of the Master Fund's taxable income in each taxable year for U.S. federal income tax purposes, regardless of whether the Master Fund makes any distribution to such Limited Partner. The Master Fund will not be required to make distributions to its Limited Partners for the purpose of permitting the Limited Partners to satisfy their tax liabilities in respect of their investments in the Master Fund. In particular, proceeds received by the Master Fund during the Investment Period may be reinvested in Portfolio Investments, rather than distributed. Moreover, the Master Fund may recognize "original issue discount" and other taxable income in respect of certain Portfolio Investments prior to receiving a corresponding cash amount. In order to satisfy its tax liability, a Limited Partner of the Master Fund would need sufficient funds from sources other than the Master Fund.

Character of Income. A substantial portion of the Private Fund's income may constitute ordinary income. The Private Fund expects to recognize interest income, "original issue discount" and "market discount" in respect of Portfolio Investments in debt obligations. In addition, the Private Fund may recognize gains from the sales of "dealer" property, dividends that are taxable as ordinary income and other types of ordinary income.

Risk of Adverse Determination. There can be no assurance that the conclusions set forth in this Memorandum will not be challenged successfully by the U.S. Internal Revenue Service (the "**IRS**"), or significantly modified by new legislation, changes in the IRS's positions or court decisions. The Private Fund has not applied for, nor does it expect to apply for, any advance rulings from the Internal Revenue Service ("**IRS**") with respect to any of the U.S. federal income tax consequences described in this Memorandum. No representation or warranty of any kind is made by the General Partner with respect to the tax consequences relating to an investment in the Private Fund. The Private Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the IRS or other applicable taxing authority, there could be a materially adverse effect on the Private Fund, and a Limited Partner might be found to have a different tax liability for that year than that reported on its U.S. federal income tax returns.

Tax Audits. Pursuant to the U.S. Bipartisan Budget Act of 2015, as amended, or any similar state or local tax rules ("**BBA**"), the IRS is generally permitted to determine adjustments to items of income, gain, deduction, loss or credit of the Master Fund, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Master Fund level. Although certain elections or other procedures may be available to mitigate the impact of such determination, assessment or collection, there can be no assurances that the Master Fund will avoid, or be able to avoid, any entity-level determination, assessment or collection. In addition, any such elections or procedures may have differing results on the tax liability of Limited Partners of the Master Fund depending on the tax status of each such Limited Partner, and the Master Fund may not be able to take into account the particular facts or circumstances of a Limited Partner. A Limited Partner of the Master Fund may be required to bear a share of the economic burden of taxes so assessed or collected without regard to whether such person was a Limited Partner, or without regard to his relative ownership interest, during the taxable year of the Master Fund to which such taxes relate. Each partnership required to file, or that files, a U.S. income tax return, must designate a representative under the BBA (the "**Partnership Representative**") with the sole authority to act on behalf of, and to bind, the partnership, its partners, and any other person whose tax liability is determined by taking into account adjustments under the BBA. Limitations on the authority of the Partnership Representative in the Master Fund Partnership Agreement or in any other agreement will not be binding during examinations upon audit or any other proceedings. In addition, Limited Partners of the Master Fund will not be able to participate in any such examinations or proceedings without permission of the IRS. Limited Partners of the Master Fund should note that the BBA regime is complex and that the impact on any current or future allocations made or cash available for distributions or withdrawals by the Private Fund is uncertain. The Master Fund may also be exposed to the risk that these rules apply to any entity treated as a partnership for U.S. federal income tax purposes in which the Master Fund directly or indirectly invests. The legal and accounting costs incurred in connection with any audit of the Master Fund will be borne by the Master Fund. The cost of any audit of any Limited Partner of the Master Fund will be borne solely by the Limited Partner. Prospective Limited Partners of the Master Fund should consult their own tax advisors in this regard.

Tax Considerations for Tax-Exempt Investors and Non-U.S. Investors. There are no restrictions on the Master Fund's ability to derive "unrelated business taxable income" ("**UBTI**") or income that is treated as effectively connected with the conduct of a trade or business in the U.S. ("**ECI**"). The Master Fund is expected to generate UBTI, and the Master Fund expects that it will be treated as

engaged in a trade or business in the U.S. (a “**U.S. trade or business**”) and will generate ECI. As a result, non-U.S. Limited Partners of the Master Fund (such as the Feeder Fund) may incur U.S. federal (and, potentially, state and local) taxes on a net income basis (and, under certain circumstances, “branch profits” taxes) that could materially and adversely affect the economic returns of such non-U.S. Limited Partners, and the Master Fund would generally be required to withhold at the highest applicable U.S. federal marginal income tax rate from ECI allocable to non-U.S. Limited Partners. Non-U.S. Limited Partners of the Master Fund (such as the Feeder Fund) are also expected to become subject to a variety of filing requirements as a result of an investment in the Master Fund. In addition, a non-U.S. Limited Partner’s share of a substantial portion of the Master Fund’s non-ECI income may be subject to U.S. withholding tax at the rate of 30% (or such lower rate as may be provided by an applicable tax treaty). In particular, interest that does not qualify for the portfolio interest exemption and dividends that the Master Fund receives from a U.S. entity that is treated as a corporation for U.S. federal income tax purposes will generally be subject to this 30% withholding tax.

Tax Withholding. To the extent that the Private Fund determines it is appropriate, in its sole discretion, to withhold and pay certain amounts to taxing authorities for or on behalf of one or more Limited Partners, under the terms of the Partnership Agreement, the amounts withheld will be treated as a distribution to such Limited Partner. In addition, each Limited Partner will indemnify the Private Fund and the General Partner, and hold each of them harmless, for any liability with respect to taxes, penalties or interest required to be withheld or paid to any taxing authority by the Private Fund or the General Partner for or on behalf of such Limited Partner and for its attributable share of amounts withheld by third parties from allocations or distributions to the Private Fund.

Filing Requirements. Limited Partners may be subject to state and local taxes in jurisdictions in which certain of the Private Fund’s investments are located and may be required to file tax returns in those jurisdictions. The number of states in which a Limited Partner is required to file returns may be substantial. Limited Partners may also be subject to various information reporting requirements as a consequence of an investment in the Private Fund, particularly in connection with any investments by the Private Fund in non-U.S. entities.

Each prospective Limited Partner is urged to consult with its own tax advisors regarding its investment in the Private Fund.

Regulatory Risks Relating to the Private Fund

Regulatory Risks Relating to the Private Fund. Legal and regulatory changes could occur during the term of the Private Fund that may adversely affect the Private Fund. The Private Fund may be subject to, and adversely affected by, new federal, state or non-U.S. laws or new regulation by the SEC, the Commodity Futures Trading Commission (the “**CFTC**”), the Board of Governors of the Federal Reserve System (the “**Federal Reserve Board**”), the Federal Deposit Insurance Corporation (the “**FDIC**”), the European Commission and other federal, state and non-U.S. securities or banking regulators, and other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The Private Fund may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by courts and/or these governmental regulatory authorities or self-regulatory organizations. Moreover, legal and regulatory changes may adversely affect the Private Fund’s ability to obtain financing by (among other things) reducing the availability of financing and/or adversely impacting financing costs and other terms.

The regulatory environment for private investment funds is evolving, and changes in the regulation or taxation of private investment funds may adversely affect the value of the investments held by the Private Fund and the ability of the Private Fund to execute its investment strategy.

In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC and other U.S. and non-U.S. regulators, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of 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. The effect of any future regulatory change on the Private Fund could be substantial and adverse.

Financial Services and Government Intervention. From time to time, certain governments and regulatory authorities, such as the U.S. federal government, the U.S. Federal Reserve and the governments and regulatory authorities of certain member countries of the European Union, have taken actions to provide or arrange credit support to financial institutions whose operations have been compromised by credit market dislocations and to restore liquidity and stability to the financial system in such jurisdictions. The implementation of any current or future governmental interventions (which may be significantly altered or terminated prior to implementation or during their terms), and their impact on both the credit markets generally and the Private Fund's investment program in particular, are uncertain.

Legal and Regulatory Environment for Private Investment Funds and their Managers; Increased Regulatory Oversight. The legal, tax and regulatory environment worldwide for private offered investment funds (such as the Private Fund) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their investing activities may have a material adverse effect on the value of the Private Fund and its ability to pursue its investment program. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law on July 21, 2010, and which imposes a regulatory framework over the U.S. financial services industry, non-U.S. financial entities that are regulated by or affiliated with entities regulated by U.S. financial regulators, and the consumer credit markets in general, and proposed and final regulations adopted thereunder, as well as proposed and final regulations to implement the Basel III regulatory capital accords. For example, the U.S. Financial Stability Oversight Council ("**FSOC**") created by the Dodd-Frank Act has the authority to designate asset management firms as a "systemically important financial institution" ("**SIFI**"). If Sandbrook Capital, or one of its affiliates, were designated as a SIFI, it would be subject to a variety of regulations, including capital requirements and limitations on leverage, which could have a material adverse effect on the ability of the Private Fund to pursue its investment strategy.

New laws and regulations or actions taken by regulators that restrict the ability of the Private Fund to pursue their investment programs or employ counterparties could have a material adverse effect on the Private Fund and the Limited Partners' investments therein. In addition, Sandbrook Capital may, in its sole discretion, cause the Private Fund to be subject to certain laws and regulations if it believes that an investment or business activity is in the Private Fund's interest, even if such laws and regulations may have a detrimental effect on one or more Limited Partners. Given the broad scope and sweeping nature of these changes, the potential impact of these actions on Sandbrook Capital and the Private Fund is unknown, and no assurance can be made that the impact of such changes would not have a material adverse effect on Sandbrook Capital or the Private Fund.

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. In recent months, the SEC has demonstrated an increased focus on privately offered investment managers. Such scrutiny may increase the Private Fund's, the General Partner's and Sandbrook Capital's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on the General Partner and Manager, including,

without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the General Partner's and Manager's attention and resources from portfolio management activities. In addition, regulatory investigations could harm the Private Fund's reputation, which could adversely affect its ability to consummate transactions.

Changes to Derivatives Regulation. Through comprehensive new global regulatory regimes impacting derivatives (e.g., the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), European Market Infrastructure Regulation ("**EMIR**"), Markets in Financial Investments Regulation ("**MIFIR**")/Markets in Financial Instruments Directive ("**MIFID II**")), certain over-the-counter derivatives transactions in which the Private Fund may engage are either now or will soon be subject to various requirements, such as mandatory central clearing of transactions which include additional margin requirements and in certain cases trading on electronic platforms, pre-and post-trade transparency reporting requirements and mandatory bi-lateral exchange of initial margin for non-cleared swaps. The Dodd-Frank Act also created new categories of regulated market participants, such as "swap dealers," "security-based swap dealers," "major swap participants," and "major security-based swap participants" who are subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements. The European Union and some other jurisdictions are implementing similar requirements. Because some of these requirements are new and evolving (and some of the rules are not yet final), their ultimate impact remains unclear. However, even if the Private Fund itself is not located in a particular jurisdiction or directly subject to the jurisdiction's derivatives regulations, the Private Fund may still be impacted to the extent the Private Fund enters into a derivatives transaction with a regulated market participant or counterparty that is organized in that jurisdiction or otherwise subject to that jurisdiction's derivatives regulations.

Based on information available as of the date of this Memorandum, the effect of such requirements will be likely to (directly or indirectly) increase the Private Fund's overall costs of entering into derivatives transactions. In particular, new margin requirements, position limits and significantly higher capital charges resulting from new global capital regulations, even if not directly applicable to the Private Fund, may cause an increase in the pricing of derivatives transactions entered into by market participants to whom such requirements apply or affect the overall ability of the Private Fund to enter into derivatives transactions with certain counterparties. Such new global capital regulations and the need to satisfy the various requirements by counterparties are resulting in increased funding costs, increased overall transaction costs, and significantly affecting balance sheets, thereby resulting in changes to financing terms and potentially impacting the Private Fund's ability to obtain financing. Administrative costs, due to new requirements such as registration, recordkeeping, reporting, and compliance, even if not directly applicable to the Private Fund, may also be reflected in the Private Fund's derivatives transactions. New requirements to trade certain derivatives transactions on electronic trading platforms and trade reporting requirements may lead to (among other things) fragmentation of the markets, higher transaction costs or reduced availability of derivatives, and/or a reduced ability to hedge, all of which could adversely affect the performance of the Private Fund. In addition, changes to derivatives regulations may impact the tax and/or accounting treatment of certain derivatives, which could adversely impact the Private Fund.

"Bad Actor" Restrictions for Private Placements Conducted Under Rule 506 of Regulation D

An issuer is precluded from conducting offerings that rely on the exemption from registration under the Securities Act provided by Rule 506 of Regulation D ("**Rule 506 Offerings**") if a "covered person" of the issuer has been the subject of a "disqualifying event" (each as defined below). "Covered persons" include, among others, the issuer, affiliated issuers, any investment manager or solicitor of the issuer, any director, executive officer or other officer participating in the offering of the issuer, any general partner or managing member of the foregoing entities, any promoter of the

issuer and any beneficial owner of 20% or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power. A "disqualifying event" includes, among other things, certain (a) criminal convictions and court injunctions and restraining orders issued in connection with the purchase or sale of a security or false filings with the SEC, (b) final orders from the CFTC, U.S. Federal banking agencies and certain other regulators that bar a person from associating with a regulated entity or engaging in the business of securities, insurance or banking or that are based on certain fraudulent conduct, (c) SEC disciplinary orders relating to investment advisers, brokers, dealers and their associated persons, (d) SEC cease-and-desist orders relating to violations of certain anti-fraud provisions and registration requirements of the U.S. Federal securities laws, (e) suspensions or expulsions from membership in a self-regulatory organization ("SRO") or from association with an SRO member, and (f) U.S. Postal Service false representation orders.

A disqualification will occur only in the case of a disqualifying event of a covered person that occurs on or after September 23, 2013, although issuers must disclose to potential investors in a Rule 506 Offering disqualifying events of covered persons that occurred before September 23, 2013. The rule provides an exception from disqualification if the issuer can show that it did not know and, in the exercise of reasonable care could not have known, that the issuer or any other covered person had a disqualifying event, although an issuer will not be able to establish that it has exercised reasonable care unless it has made, in light of the circumstances, factual inquiry into whether any disqualifications exist.

Sandbrook Capital and the General Partner have made, and on a periodic basis will continue to make, inquiries into whether any persons that either Sandbrook Capital or the General Partner has determined to be affiliated issuers have been subject to any disqualifying events; however, in some circumstances Sandbrook Capital's or the General Partner's ability to determine whether the Private Fund would be disqualified from relying on Rule 506 may depend on cooperation of third parties over whom Sandbrook Capital or the General Partner may have limited control and influence.

If any covered persons with respect to the Private Fund, including any affiliated issuer of the Private Fund, is subject to a disqualifying event, the Private Fund could lose the ability to raise capital in a future Rule 506 offering for a significant period of time and the Private Fund's business, financial condition and results of operations could be materially and adversely affected.

Changes to Accounting Standards. The Financial Accounting Standards Board's Accounting Codification Standards and updates, and additional provisions of U.S. generally accepted accounting principles ("GAAP") (or to the extent applicable, International Financial Reporting Standards or other applicable accounting or financial reporting standards), that may be adopted in the future may impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting.

Lack of Registration under the Investment Company Act. The Private Fund is not, and does not expect to be, registered or otherwise regulated under the Investment Company Act. As a result, the Private Fund will not be subject to the provisions of the Investment Company Act that apply to registered investment companies. These provisions, among other things, (i) place restrictions on certain investment practices, such as short sales and leverage, (ii) require securities to be held by a qualified custodian for the account of the investment company and (iii) regulate the relationship between the investment company and its investment adviser and its affiliates.

OFAC, FCPA and Related Considerations. Economic sanction laws in the U.S. and other jurisdictions may prohibit Sandbrook Capital, its personnel and the Private Fund from transacting with or in certain countries and with certain individuals and companies. In the U.S., the U.S. Department of the Treasury's Office of Foreign Assets Control administers and enforces laws,

Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These types of sanctions may restrict the Private Fund's investment activities.

In some countries, there is a greater acceptance than in the U.S. of government involvement in commercial activities, and of corruption. The Private Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Private Fund to act successfully on investment opportunities and for Portfolio Investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the U.S. Securities and Exchange Commission ("SEC") have devoted greater resources to enforcement of the U.S. Foreign Corrupt Practices Act (the "FCPA"). In addition, the United Kingdom has recently significantly expanded the reach of its anti-bribery laws. Violations of the FCPA or other applicable anti-corruption laws or anti-bribery laws could result in, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the Private Fund's ability to achieve its investment objective and/or conduct its operations.

Other Risks Related to Portfolio Investments

General Economic and Market Risk. The value of the Private Fund's investments could be affected by factors affecting the economy and securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for certain markets or corporate earnings, interest rates, announcements of political information or adverse investor sentiment generally. The market values of the Private Fund's investments may decline for a number of reasons.

Events such as war, terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect individual issuers and securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Private Fund's investments.

Continuing market uncertainty may have a significant impact on the business of the Private Fund. Among other things, the level of investment opportunities may decline from Sandbrook Capital's current expectations. One possible consequence is that the Private Fund may take a longer than anticipated period to invest capital and/or the Private Fund may be relatively concentrated in a limited number of investments. Consequently, during this period, the returns (if any) realized by Limited Partners may be substantially adversely affected by the unfavorable performance of a small number of these investments. Furthermore, market conditions may unfavorably impact the Private Fund's ability to secure leverage on terms as favorable as more established borrowers in the market, or to obtain any leverage on commercially favorable terms. To the extent the Private Fund is able to secure financing for investments, increases in interest rates or in the risk spread demanded by financing sources would make the use of leverage more expensive and could limit the Private Fund's ability to structure and consummate its investments. Although Sandbrook Capital believes that recent market dislocations will result in attractive investment opportunities, the Private Fund may not be able to time the acquisition or disposition of its investments correctly, which could result in further depreciation in values.

Unsecured Loans or Debt. The Private Fund may invest in unsecured loans which are not secured

by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore result in a loss of investment to the Private Fund. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

Defaults. The Private Fund may make investments in loans, or securities backed by loans, that may be at the time of their acquisition, or may become after acquisition, non-performing loans. In the event of any default under a loan directly held by the Private Fund or a loan underlying a security held by the Private Fund, the Private Fund will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the loan, which could have a material adverse effect on the Private Fund's cash flow from operations. Other non-performing loans may require workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the original principal amount of such loans. Further, even if a restructuring were successfully accomplished, unless the restructuring provided for full amortization on or prior to maturity and the borrower strictly complied with that restructuring, a risk exists that upon maturity of such loans, replacement financing will not be available and such loans may not be repaid. In the event of the bankruptcy of a borrower, the loan to that borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law, and realizing any value under such circumstances can be an expensive and lengthy process that could have a substantial negative effect on the anticipated return on the loan and on the security backed by such loan. Other risks attendant to a bankruptcy filing are described below. The foregoing statement does not apply in the context of a borrower insolvency case commenced under chapter 13 of the U.S. Bankruptcy Code where the underlying collateral is used as the principal residence of the borrower, but in such instances, the lender will nonetheless be stayed from the collection of its claim, taking possession of the collateral, and enforcing its lien unless and until the lender obtains relief from the automatic stay under the U.S. Bankruptcy Code.

Due Diligence Risk. When conducting due diligence and making an assessment regarding a Portfolio Investment, Sandbrook Capital will rely on the resources available to it, including internal sources of information as well as information provided by third parties. The due diligence process may at times be required to rely on limited or incomplete information. Sandbrook Capital expects to select Portfolio Investments in part on the basis of information and data filed with various government regulators and publicly available or made directly available by prospective portfolio companies or third parties. Sandbrook Capital expects that it will not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and will therefore be dependent upon the integrity of the management of the entities filing such information and of such portfolio companies and third parties providing such information. In addition, there can be no assurance that any consultants or experts engaged by Sandbrook Capital will accurately evaluate such Portfolio Investments. Investment analyses and decisions by Sandbrook Capital may be undertaken on an expedited basis to enable the Private Fund to take advantage of investment opportunities with accelerated timelines. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Accordingly, Sandbrook Capital cannot guarantee that its due diligence investigations will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Furthermore, the Private Fund will bear its proportionate share of all due diligence-related fees, costs, expenses and liabilities (including in respect of investments that are not ultimately consummated); such fees, costs, expenses and liabilities

may be significant and could reduce Fund returns.

Interest Rate Risk. Interest rate risk refers to the risks associated with market changes in interest rates. In general, rising interest rates will negatively impact the price of fixed rate debt instruments and falling interest rates will have a positive effect on the price of such debt instruments. It is possible that some of the Private Fund's investments will be variable rate loans with interest that adjusts with market rates. These loans will generally also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). The Private Fund's other investments and transactions (e.g., derivatives) may also be affected by changes in interest rates. Declines in market value, if not offset by any corresponding gains on hedging instruments, may ultimately reduce earnings or result in losses to the Private Fund.

The prices of long-term debt obligations generally fluctuate more than prices of short-term debt obligations as interest rates change. To the extent the Private Fund invests in longer-term Portfolio Investments, it will be impacted to a greater degree by changes in market interest rates than if the Private Fund invested primarily in short-term debt securities.

Further, rising interest rates could also adversely affect the Private Fund's performance if the Private Fund holds investments with floating interest rates, subject to specified minimum interest rates, while at the same time engaging in borrowings subject to floating interest rates not subject to such minimums. In such a scenario, rising interest rates may increase interest expense, even though the Private Fund's interest income from Portfolio Investments is not increasing in a corresponding manner as a result of such minimum interest rates.

Liquidity Risk. Most of the Private Fund's Portfolio Investments at any given time are expected to be illiquid, such that either no market exists for them, or they are restricted as to their transferability under federal, state or foreign securities laws. Similarly, Sandbrook Capital may from time to time possess material, non-public information about an issuer, which could limit the ability of the Private Fund to buy and sell Portfolio Investments. The illiquid nature of the Private Fund's positions may make it difficult, if not impossible, for the Private Fund to (i) close out unprofitable positions and redeploy capital, except when a viable exit strategy can be developed (which may require a much longer commitment than Sandbrook Capital had anticipated), and (ii) meet margin calls or similar requirements of Fund transaction counterparties to furnish additional liquid collateral. In addition, the sale of the Private Fund's investments may be made at substantial discounts and/or otherwise disadvantageous terms.

Inflation/Deflation Risk. Inflation risk is the risk that the value of assets or income from the Private Fund's Portfolio Investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of the Private Fund's portfolio could decline and the interest payments on Fund borrowings, if any, may increase. Deflation risk is the risk that prices throughout the economy decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely or materially impair the ability of distressed issuers to restructure, which may result in a decline in the value of the Private Fund's portfolio. Though the Private Fund may enter into instruments related to inflation or deflation (such as inflation-indexed bonds), it will be under no obligation to do so.

Counterparty Risk. The Private Fund may experience a loss to the extent a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption; in addition, any such events may result in the complete or partial loss of any collateral posted as margin. The Private Fund is not subject to any limits on its exposure to any one counterparty nor to a requirement that counterparties maintain a specific rating by a nationally recognized rating organization to be considered for potential transactions. To the extent that Sandbrook Capital's view

with respect to a particular counterparty change (whether due to external events or otherwise), existing transactions are not required to be terminated or modified.

Financial Fraud. Instances of fraud and other deceptive practices committed by management, employees or Service Providers of the Private Fund's Portfolio Investments or by other financial institutions may undermine Sandbrook Capital's due diligence efforts with respect to, and/or negatively affect the valuation of, the Private Fund's Portfolio Investments. In addition, financial fraud may contribute to overall market volatility, which can negatively impact the Private Fund's investment program.

Risk of Non-U.S. Investments and Emerging Markets Investments. The Private Fund may invest in securities or obligations collateralized by assets located outside of the U.S., or of issuers organized under the laws of jurisdictions other than, or the principal place of business or a substantial portion of the assets or business operations of which is located outside of, the U.S. Such investments, in addition to bearing the risks generally discussed herein, are also subject to fluctuations in foreign currency exchange rates, unexpected changes in regulatory requirements, political and economic instability in certain geographic locations, less developed securities markets, difficulties in managing international operations, potentially adverse tax consequences, different or less rigorous accounting, auditing and financial reporting standards, practices and requirements than those in the U.S., the possibility of repatriation restrictions or costs, enhanced accounting and control expenses and the burden of complying with a wide variety of foreign laws.

Where securities or obligations are collateralized by assets in emerging markets, such investments involve not only the risks described above with respect to non-U.S. investments, but also other risks, including exposure to economic structures that are generally less diverse and mature than, and to political systems that can be expected to have less stability than, those of developed countries. Other characteristics of emerging markets that may affect such investments include certain national policies that may restrict investment by foreigners in issuers or industries deemed sensitive to relevant national interests and the absence of developed structures governing private and foreign investments and private property. Although the legal systems in emerging market countries now typically recognize basic commercial relationships and rights, they still typically lack the extensive body of law and practice normally encountered in business environments within the U.S. Laws and regulations in emerging market countries affecting U.S. business and investment, particularly those involving taxation, foreign investment and trade, can change quickly and unpredictably in a manner far more volatile than in the U.S. or other developed market economies. Additionally, attempts at judicial enforcement of existing laws, judgments or arbitral awards will likely encounter significant delay and difficulty, and courts might not be totally impartial in adjudicating disputes between foreigners and local persons or companies. The typically small size of the markets of securities of issuers located in emerging markets and the possibility of a low or nonexistent volume of trading in those securities may also result in a lack of liquidity and in price volatility of those securities. In comparison to securities markets in developed countries, securities markets in developing countries may be substantially less liquid, and may have greater volatility, greater fluctuations in the rate of exchange between currencies, greater costs associated with currency conversions, greater transaction costs and greater counterparty risk.

Currency Exchange Risk. Investments of the Private Fund may be denominated in, or linked to, currencies other than the U.S. Dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. Dollar. The Private Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. Dollar. A change in the value of a non-U.S. currency relative to the U.S. Dollar will result in a corresponding change in the dollar value of the Private Fund's assets denominated in that non-U.S. currency as well as the dollar value of non-U.S. currency held by the Private Fund. Changes in

currency exchange rates may also affect the value of dividends and interest earned and gains and losses realized on the sale of securities held by the Private Fund.

The Private Fund may enter into forward currency exchange contracts or invest in currency futures contracts and options on currencies and futures as well as swap agreements and options on swaps to manage the Private Fund's exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another with respect to the Private Fund. A forward currency exchange contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces the Private Fund's exposure with respect to its investment to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Private Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell foreign currency would limit any potential gain which might be realized if the value of the hedged currency increases. The Private Fund may enter into these contracts to hedge against currency exchange risk to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another.

The Private Fund is not obligated to engage in any currency hedging operations, and there can be no assurance that the Private Fund will engage in such transactions at any given time or from time to time. Additionally, suitable hedging transactions may not be available in all circumstances, or such transactions may not be successful and may eliminate any chance for the Private Fund to benefit from favorable fluctuations in relevant currencies. The Private Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when Sandbrook Capital believes that exchange rates between the two currencies are positively correlated.

Exit from European Union. On June 23, 2016, the U.K. held a referendum with respect to its continued membership of the European Union (the "EU") (the "**EU Referendum**"). The result of the EU Referendum was a vote in favor of leaving the EU. It is difficult to know what the economic, tax, fiscal, legal, regulatory and other implications of the U.K.'s withdrawal from the EU will be for the private investment funds industry and the broader European and global markets generally and for the Portfolio Investments or the Private Fund. It is also difficult to predict how the U.K.'s withdrawal will impact the composition of workforces and businesses operating in the U.K.

The U.K. government served notification on Article 50 of the Treaty on European Union on March 29, 2017, triggering the beginning of a two-year period ("**Article 50 Period**").

On November 25, 2018, a negotiated withdrawal agreement was endorsed by leaders at a special meeting of the European Council. However, the U.K. Parliament voted against the approval to ratify the negotiated withdrawal agreement.

On March 22, 2019, the European Council unanimously decided to extend the Article 50 Period to (i) May 22, 2019, if the negotiated withdrawal agreement is approved by the U.K. Parliament or (ii) otherwise, April 12, 2019. In response to two separate requests from the U.K. government, the Article 50 Period was extended until January 31, 2020.

A revised withdrawal agreement was approved by the U.K. Parliament on January 9, 2020, and ratified on January 23, 2020, by passing the European Union (Withdrawal Agreement) Act 2020 (the "**Withdrawal Act**"). Separately, the withdrawal agreement was approved by the European Parliament on January 20, 2020, and subsequently concluded by the European Council on January 30, 2020 (the "**EU Withdrawal Agreement**"). The Article 50 extension period subsequently expired on January 31, 2020, and the Withdrawal Act came into force at 11.00 pm on January 31, 2020 (the "**Exit Day**").

Upon the Exit Day and in accordance with the Withdrawal Act, the U.K. has formally withdrawn from the EU and entered into an implementation period (the “**Implementation Period**”) which lasted until 11.00 pm on December 31, 2020 (the “**IP Completion Day**”).

Following the Implementation Period, EU laws (other than those EU laws transposed into English law) have ceased to apply to the U.K. This was achieved by the U.K. ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972 under the Withdrawal Act. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time as they are repealed, replaced, or amended. Over the years, English law may change and it is difficult at this time to predict the consequences on the Private Fund’s business, financial condition, results of operations, or prospects. Such changes could be materially detrimental to the investors.

Brexit – Market Risk

Following the results of the EU Referendum, financial markets have experienced volatility and disruption. It is difficult to predict whether such volatility and disruption will continue, and investors should consider the effect thereof on the market.

Investors should be aware that the result of the U.K.’s withdrawal from the EU and any subsequent negotiations and changes to legislation may introduce potentially significant new uncertainties and instabilities in the financial markets. These uncertainties and instabilities could have an adverse impact on the business, financial condition, results of operations, and prospects of the Private Fund, the General Partner, Sandbrook Capital and the other parties to the Private Fund’s investments and could therefore also be materially detrimental to investors.

Further, the U.K.’s withdrawal from the EU has led to a decline in the value of the British Sterling against other currencies, including the Euro. In the event of a reversal of this decline, the potential non-sterling cost of potential investments denominated in sterling may increase and may continue to increase, making such investments more expensive and, potentially, less attractive for the Private Fund.

Brexit – Exposure to Counterparties

The Private Fund will be exposed to a number of counterparties throughout its life. Such counterparties may be unable to perform their obligations due to changes in regulation or the costs of such transactions with such counterparties may increase. Such inability could adversely impact the Private Fund and could be materially detrimental to investors.

Risks Associated with the Eurozone

Some of the Private Fund’s investments may be in the Eurozone. The General Partner shall not be responsible for any economic or financial event relating to the Euro or the Eurozone that may affect the investment objectives and/or performance of the Private Fund. Changes in currency exchange rates may adversely affect the value of portfolio investments, interest received by the Private Fund, gains and losses realized on the sale of portfolio investments, and the amount of distributions, if any, to be made by the Private Fund. In addition, the Private Fund may incur costs in the event of converting investment principal and income from one currency to another.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the “**EFSF**”) and the European Financial Stability Mechanism (the “**EFSM**”) to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011,

the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the “ESM”), which was activated to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries from June 2013 onwards.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily) and could have a negative impact on the Private Fund’s activities in Europe, as the impact of these events on Europe and the global financial system could be severe.

This situation as well as the United Kingdom’s referendum as discussed in the risk factors above have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone. The departure or risk of departure from the Euro by one or more Euro zone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. This could have adverse effects on the Private Fund. Practical consequences for the Private Fund may include but are not limited to: (i) increased risk of default by the Private Fund’s creditors; (ii) increased risk of default by the Private Fund’s counterparties; (iii) loss in the value of the portfolio of the Private Fund; (iv) difficulty in valuing assets due to a lack of reliable data or market disruption; and (v) difficulty in liquidating assets due to introduction of capital controls or general market disruption. If the Euro is dissolved entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the shares.

Forwards and Derivatives Transactions. The Private Fund may engage in a variety of derivatives transactions. A derivative is a financial contract the value of which depends upon, or is derived from, the value of underlying assets, reference rates or indices. Derivatives may relate to securities, interest rates, currencies or currency exchange rates, inflation rates, commodities and related indices, and include foreign currency contracts, swap contracts, options, forward and futures contracts (including options thereon), repurchase or reverse repurchase agreements or other over-the-counter contracts. The Private Fund may use derivatives for many purposes, including as a substitute for direct investment, as a way to adjust its exposure to various securities, markets and currencies without actually having to sell existing investments and/or make new investments, and as a means to hedge other investments and to manage liquidity and excess cash. The Private Fund’s use of derivatives may result in losses, reduce the Private Fund’s return, and/or increase the volatility of the Private Fund (particularly since many derivatives are inherently leveraged), especially in unusual or extreme market conditions.

All derivatives transactions involve risks different from, and potentially greater than, the risks associated with investing directly in securities and other more traditional assets, including:

Market Risk. This is the general risk that the value of a particular investment or transaction will change in a way detrimental to the Private Fund’s interests.

Management Risk. Derivatives contracts are specialized contracts that require investment techniques and risk analyses with additional levels of complexity associated with the underlying investments. In addition to risks associated with the underlying instruments, counterparty and unsecured risk (among others) need to be computed and tracked in relation to the Private Fund’s overall risk profile.

Counterparty Risk. With respect to derivatives transactions, estimating counterparty risk exposure

entails (among other things) reviewing the current market value of open positions, collateral posted in (or out) against positions, unsettled or failing movements of any cash payments or collateral obligations due from the counterparty and potential replacement cost of positions. When derivatives transactions are collateralized, each party is exposed to the additional risk that its counterparty, clearing broker or the central counterparty does not provide collateral for the mark-to-market of positions in a timely manner. While different derivatives transactions have different counterparty risk characteristics, in general cleared derivatives transactions can have a lower level of counterparty risk, while bilateral OTC derivatives and unsettled transactions can have a more significant level of counterparty risk.

Documentation Risk. Many derivatives transactions also have documentation risk. Because contracts for over-the-counter derivatives transactions are individually negotiated with specific counterparties, there exists the risk that the parties may interpret contractual terms (e.g., the definition of default) differently than the Private Fund. If that occurs, the cost and unpredictability of the legal proceedings required for the Private Fund to enforce its contractual rights may lead the Private Fund to decide not to pursue its claims against the counterparty. The Private Fund, therefore, assumes the risk that it may be unable to obtain payments Sandbrook Capital believes are owed to it under derivatives transactions, or those payments may be delayed or made only after the Private Fund has incurred the costs of litigation. Also, payment amounts calculated in connection with standard industry conventions for resolving contractual issues (e.g., ISDA Protocols and auction processes) may be different than would be realized if a counterparty were required to comply with the literal terms of the derivatives transaction (e.g., physical delivery). There is little case law interpreting the terms of most derivatives or characterizing their tax treatment.

Regulatory Risk. The derivatives market is subject to various risks related to existing as well as new and evolving regulation both within and outside the U.S. Additional regulation of the derivatives markets may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives. Any such adverse future developments could impair the effectiveness of a Fund's derivatives transactions and cause the Private Fund to lose value. They may also render certain strategies in which the Private Fund might otherwise engage impossible or so costly that they will no longer be economical to implement.

Other Risks. Derivatives also involve the risk that changes in their value may not correlate perfectly with the assets, rates or indices they are designed to track. Suitable derivatives may not be available in all circumstances. Under the terms of certain contracts governing derivatives transactions, the occurrence of certain events with respect to the Private Fund (such as a decline in the Private Fund's NAV) may cause the Private Fund's derivatives transactions to be terminated early, including at an inopportune time or at an unfavorable price.

Swaps Generally. Swap contracts are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to a number of years. Under a typical fixed income swap, one party may agree to pay a fixed or variable amount determined by reference to one or more specified instruments, rates, or indices, multiplied in each case by a specified amount ("**notional amount**"), while the other party agrees to pay an amount equal to a different rate multiplied by the same notional amount. Other swaps may be used to provide or hedge exposure to other assets, such as stocks, bonds or currencies. The Private Fund may enter into swaps for speculative or hedging purposes. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose the Private Fund to unlimited risk of loss. Swaps may be used as an alternative to futures contracts.

Under current law, "swaps" (as defined in Section 1.3 of the Commodity Exchange Act (the "**CEA**") and applicable regulations) are regulated by the CFTC, while "security-based swaps" (as defined in

Section 1.3 of the CEA and applicable regulations) are regulated by the SEC and “mixed swaps” (as defined in Section 1a of the CEA and applicable regulations) are jointly regulated by the CFTC and SEC. “Swaps” include, but are not limited to, certain foreign exchange and currency swaps, forwards and options, interest rate swaps and options, commodity swaps, and swaps referencing broad-based securities indices. “Security-based swaps” include, but are not limited to, swaps referencing single securities or narrow-based securities indices. These definitions are subject to change. “Mixed swaps” include total return swaps on a single security that also incorporates a foreign exchange hedge and basket swaps that include a narrow-based index of securities and an index or basket of commodities.

Swaps are either subject to a bilateral agreement with a counterparty or are cleared through a central clearing organization. To the extent the Private Fund enters into swaps, forwards, options and other transactions that are not cleared by a central clearing organization, counterparty exposures can develop and the Private Fund takes the risk of nonperformance by the other party on the contract. Swaps, futures, options and other instruments that are cleared by a central clearing organization, which generally are supported by guarantees of the clearing organization’s members, daily marking-to-market and settlement and segregation and minimum capital requirements applicable to intermediaries, are subject to different risks, including the creditworthiness of the central clearing organization and its members.

The U.S. government, the European Union and certain other jurisdictions have enacted legislation that provides for new regulation of the derivatives market, which could restrict the Private Fund’s ability to engage in swap transactions or increase the cost or uncertainty involved in such transactions.

Credit Default Swaps, Total Return Swaps and Other Credit Derivatives. The Private Fund may have exposure to credit default swaps, total return swaps and other credit derivatives (e.g., credit default indices) in connection with its investments and/or may enter into such derivatives for speculative or hedging purposes. These transactions generally provide for the transfer from one counterparty to another of certain credit risks and return characteristics inherent in the ownership of a financial asset such as a stock, bank loan or a debt security. Such risks include the risk of default and insolvency of the issuer of such asset, and the risk that the credit of the issuer or any underlying collateral will decline or that credit spreads for like assets will change (thus affecting the market value of the financial asset). The transfer of credit risk pursuant to a credit derivative may be complete or partial and may be for the life of the related asset or for a shorter period. Credit derivatives may be used as a risk management tool for a pool of financial assets, providing the Private Fund with the opportunity to gain exposure to one or more reference loans or other financial assets (each, a “**reference asset**”) without actually owning such assets in order, for example, to reduce a concentration risk or to diversify the portfolio.

The use of leverage will significantly increase the sensitivity of the market value of the total return swaps or other credit derivatives to changes in the market value of the reference assets. The reference assets are subject to the risks related to the credit of the underlying issuers, many of which are described herein. These risks include the possibility of a default or bankruptcy of the issuer or a claim that the pledging of collateral to secure a loan constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the issuers or nullified under applicable law.

Interest Rate Swaps. Interest rate swaps typically involve the exchange of the two parties’ respective commitments to pay or receive interest on a notional principal amount (e.g., an exchange of floating rate payments for fixed rate payments). Whether the Private Fund’s use of interest rate swaps will be successful in furthering its investment objective will depend on Sandbrook Capital’s ability to predict correctly whether certain types of investments are likely to produce greater returns than other investments. The Private Fund will also bear the risk that Sandbrook Capital will not accurately forecast future market trends, reference rates or the values of assets, indexes or other economic

factors in establishing interest rate swap positions for the Private Fund. There is no assurance that interest rate swaps will be available for utilization by the Private Fund, or that they will be successful in any of their intended objectives. Any termination of an interest rate swap transaction could also result in a termination payment by or to the Private Fund.

Structured Notes and Indexed Securities. Structured notes are derivative debt securities, the interest rate or principal of which is determined by an unrelated indicator. Indexed securities include structured notes as well as securities other than debt securities, the interest rate or principal of which is determined by an unrelated indicator. Indexed securities may include a multiplier that multiplies the indexed element by a specified factor and, therefore, the value of such securities may be very volatile. The terms of the structured and indexed securities may provide that in certain circumstances no principal is due at maturity and therefore may result in a loss of invested capital. Structured and indexed securities may be positively or negatively indexed, so that appreciation of the reference may produce an increase or a decrease in the interest rate or the value of the structured or indexed security at maturity may be calculated as a specified multiple of the change in the value of the reference; therefore, the value of such security may be very volatile. Structured and indexed securities may entail a greater degree of market risk than other types of debt securities because the investor bears the risk of the reference. Structured or indexed securities may also be more volatile, less liquid, and more difficult to accurately price than less complex securities or more traditional debt securities. Structured securities also may involve significant credit risk and risk of default by the counterparty.

Forward Contracts. The Private Fund may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price movements of forward contracts. Banks and other dealers with whom the Private Fund may maintain accounts may require the Private Fund to deposit margin with respect to such trading, although margin requirements are often minimal or nonexistent. The Private Fund's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually widespread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than such arrangements that were made with numerous counterparties. The imposition of credit controls by governmental authorities or the implementation of regulations pursuant to the Dodd-Frank Act might limit such forward trading to less than that which Sandbrook Capital would otherwise recommend, to the possible detriment of the Private Fund. In addition, disruptions can occur in any market traded by the Private Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to the Private Fund. In addition, the Private Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default. Such risks could result in substantial losses to the Private Fund.

Options. The Private Fund may purchase and sell put and call options of any type, including options on securities, indices (both narrow- and broad-based), currencies, swaps, futures and forwards contracts, U.S. government securities, commodities, realized volatility and realized variance. The Private Fund may also invest in auto-hedged options.

The Private Fund may purchase and sell both put and call options in standardized contracts traded on U.S. or non-U.S. securities exchanges, boards of trade, or similar entities, or quoted on NASDAQ or on an over-the-counter market, and agreements, sometimes called cash puts, which may accompany the purchase of a new issue of bonds from a dealer. The Private Fund may write covered straddles consisting of a combination of a call and a put written on the same underlying security.

An option on a security or index is a contract that gives the holder of the option, in return for a premium, the right (but not the obligation) to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option (or the cash value of the index underlying the option) at a specified price.

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. For example, the seller (“writer”) of a put or call option which is uncovered (i.e., the writer has effectively a long or a short position in the underlying security, index, currency or instrument) assumes the risk (which theoretically may be unlimited in the case of a written call option) of a decrease or increase in the market price of the underlying security, index, currency or instrument below or above the sale or purchase price.

Warrants and Rights. The Private Fund may purchase or otherwise receive warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit the Private Fund’s ability to exercise the warrants or rights at such time, or in such quantities, as the Private Fund would otherwise wish.

Futures Contracts. A futures contract involves an agreement to buy and sell a specific quantity of an asset at a predetermined price on a future date. In general, futures contracts give rise to risks similar to those associated with derivatives transactions. Prior to exercise or expiration, a futures position typically can be terminated only by entering into an offsetting transaction, which requires a liquid secondary market on the exchange on which the original position was established. If a liquid secondary market does not exist, the Private Fund may be unable (or delayed in its ability to) liquidate a position. Liquidity may also be impacted by “daily price fluctuation limits” (which limit trading to prices within an established range), trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity. The successful use of futures for speculative purposes is subject to the ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

Forward Commitments and “When-Issued” Transactions. The Private Fund may purchase and sell securities or other instruments on a “when-issued” and “delayed delivery” basis. The payment obligation and the interest rate receivable on a forward commitment, delayed delivery or when-issued security are fixed when the Private Fund enters into the commitment, but the Private Fund does not make payment until it receives delivery from the counterparty. No income accrues to the Private Fund on such securities in purchase transactions prior to the date the Private Fund actually takes delivery of the securities.

When purchasing or otherwise receiving a security on a when-issued, delayed delivery, or forward commitment basis, the Private Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations. When the Private Fund sells a security on a when-issued, delayed delivery, or forward commitment basis, the Private Fund does not participate in future gains or losses with respect to the security. If the other party to a transaction fails to deliver or pay for the securities, the Private Fund could miss a favorable price or yield opportunity or could suffer a loss.

Risks Relating to Reference Rates. Certain financial institutions have been accused by various regulators of manipulating certain reference rates and have been alleged to have altered costs when

reporting them to regulators. There can be no assurance that the rate-setting process for reference rates will not be affected by similar conduct in the future, or that the investigations into the rate-setting process and any related litigation will not result in disruptive changes in the process used to determine reference rates or will not affect the use of reference rates going forward. Therefore, the performance, availability or prices of the Private Fund's investments which are based on reference rates (such as certain interest rate swaps) may be adversely affected by misconduct in the rate-setting process for reference rates and/or as a result of future changes to such process or reference rates becoming no longer available.

Risks Related to Economic Recessions. Many of the Private Fund's portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay loans during these periods. The recent global outbreak of COVID-19 has disrupted economic markets, and the prolonged economic impact is uncertain. Many manufacturers of goods have seen a downturn in production due to the suspension of business and temporary closure of factories globally in an attempt to curb the spread of the virus. As a result of these disruptions, the Private Fund's non-performing assets may increase and the value of the Private Fund's portfolio may decrease during these periods as the Private Fund is required to record the values of its investments. Economic slowdowns or recessions could lead to financial losses in the Private Fund's portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase the Private Fund's funding costs, limit the Private Fund's access to the capital markets or result in a decision by lenders not to extend credit to the Private Fund. These events could prevent the Private Fund from increasing investments and result in the Private Fund's receipt of a reduced level of interest income from its portfolio companies and/or losses or charge offs related to the Private Fund's investments, and, in turn, may adversely affect distributable income and have a material adverse effect on results of operations.

These portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive research and development, manufacturing, marketing and service capabilities and greater number of qualified and experienced managerial and technical personnel. They may need additional financing that they are unable to secure and that the Private Fund is unable or unwilling to provide, or they may be subject to adverse developments unrelated to the technologies they acquire.

The Private Fund's business is directly influenced by the economic cycle and could be negatively impacted by a downturn in economic activity in the U.S. as well as globally. Fiscal and monetary actions taken by U.S. and non-U.S. government and regulatory authorities could have a material adverse impact on our business. To the extent uncertainty regarding the U.S. or global economy negatively impacts consumer confidence and consumer credit factors, the Private Fund's business, financial condition and results of operations could be adversely affected. Market volatility, rising interest rates and/or a return to unfavorable economic conditions could adversely affect the Private Fund's business.

Risks Related to Stressed and Distressed Investments. The Private Fund may invest, on an active or opportunistic basis, in bonds, loans, notes and other obligations and securities, including derivatives relating to any of the foregoing, of issuers experiencing, or expected to experience, financial stress or distress, which may include supporting and/or participating in the provision of debtor-in-possession or rescue loans. Such Portfolio Investments may trade significantly below par, are considered speculative, and entail substantial inherent risks (which are generally significantly higher than the risks involved in investing in other companies). In particular, defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not receive, or even accrue, any interest or other payments; the amount of any recovery may be affected by the relative security of the Private Fund's investment in the issuer's capital structure;

and the recovery could be in the form of instruments or interests different from the instrument or interest providing the basis for the claim and on terms that may differ from prevailing market terms for similar instruments or interests. In addition, such Portfolio Investments are more likely to be challenged as fraudulent conveyances, and amounts paid on the Portfolio Investments may be subject to avoidance as a preference under certain circumstances.

Risks Related to Portfolio Investment Monitoring and Involvement. The Private Fund's Portfolio Investments will require active monitoring and may, at times, involve participation in business strategy or reorganization proceedings. The Private Fund's investment program may from time to time enable it to place representatives on the creditors' or steering committees and/or the boards of directors of certain companies in which it has invested. While such involvement may enable Sandbrook Capital to enhance the value of the Private Fund's Portfolio Investments, it may also prevent the Private Fund from freely disposing of such Portfolio Investments, while also exposing it to legal claims and adverse publicity (including claims of breach of duty of loyalty, securities claims, and other management-related claims). In addition, if Sandbrook Capital's representatives are serving as directors of companies which are in the "zone of insolvency," such persons may have a fiduciary obligation to the creditors of such entity as well as the shareholders of such entity. The interests of such parties may be adverse to the interests of the Private Fund. These fiduciary obligations may conflict with Sandbrook Capital's obligation to the Private Fund, and Sandbrook Capital may cause its representatives to resign from such positions in order to reduce such conflicts. Any involvement by Sandbrook Capital's representatives (including through serving on a board of directors, or permanent or ad hoc creditors' or steering committees) may also entail a substantial time commitment, which may limit such representatives' ability to participate in other Fund matters and investments.

Risks Associated with Bankruptcy and Insolvency Cases. If any issuers of securities held by the Private Fund or any counterparties to the derivatives transactions and other transactions entered into by the Private Fund, or any custodians of the Private Fund's assets or any obligors in connection with Portfolio Investments are involved in bankruptcy proceedings, the Private Fund will be subject to certain risks inherent in bankruptcy proceedings, including the duration, administrative costs and impact of a bankruptcy case on the value of assets administered in bankruptcy or on a company's value (including that a bankruptcy case may damage or diminish a company's relationship with its employees, customers and/or suppliers). Many of the events within a bankruptcy or insolvency case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, or to demand that certain actions take place, there can be no assurance that a court would not approve actions or inaction which may be contrary to the interests of the Private Fund.

Generally, the duration of a bankruptcy or insolvency case can only be roughly estimated. The reorganization of a company usually involves the design of a business plan, the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the court. This process can involve substantial legal, professional and administrative costs to the company and to the Private Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. In addition, the debt of companies in financial reorganization may, in some cases, not pay current interest and other charges, may not even accrue interest and other charges during reorganization, may be relieved of paying pre-payment premiums and may be adversely affected by an erosion of the issuer's fundamental value. Further, a debtor seeking to reorganize under U.S. federal bankruptcy law will frequently obtain a "first day" order from the bankruptcy court limiting trading in claims against, and shares of, the debtor in order to maximize the debtor's ability to utilize net operating losses following a successful reorganization.

During the pendency of a bankruptcy case, an automatic stay will prevent all creditors from taking action against the debtor to foreclose on collateral or otherwise to collect on amounts owed to such creditors. Unless a creditor's claim in such case is secured by assets having a value in excess of such claim, or the bankruptcy estate is determined to be solvent, no interest will be permitted to accrue and, therefore, a creditor's return on investment can be adversely affected by the passage of time during which the plan of reorganization of the debtor is being negotiated, approved by the creditors and confirmed by the bankruptcy court.

The priority of perfected liens held by secured creditors as of the commencement of the bankruptcy case is typically recognized in a bankruptcy case, unless avoided. Occasionally, however, a court will allow a debtor-in-possession financing to receive liens that prime pre-existing, valid liens.

The administrative costs in connection with a bankruptcy case are frequently high and will generally be paid out of the debtor's estate prior to any return to creditors (other than out of assets or proceeds thereof which are subject to valid and enforceable liens and other security interests) and equity holders. In addition, certain unsecured claims that have priority by law over the claims of certain creditors (for example, claims arising post-petition and certain claims for taxes) may be quite high.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Private Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class.

Although a creditor is not typically compelled to release direct claims it may have against non-debtor third parties, in certain circumstances a court may compel such release in the context of a plan of reorganization.

Claims in bankruptcy cases are often paid at less than par and, depending on the debtor's assets and liabilities, there may be no recovery at all for some classes of creditors. The claims of even over-secured secured creditors are often paid out over time, and may receive debt securities that will trade below par. Initially, only the debtor may file a proposed plan of reorganization. While the U.S. Bankruptcy Code permits other parties-in-interest to file proposed plans of reorganization after the debtors' "exclusive period" to do so ends, bankruptcy courts often extend the debtor's exclusive period, which effectively permits only the debtor to file a proposed reorganization plan. While creditors can vote on the plan of reorganization, the unanimous consent of all creditor classes is not necessarily required for the bankruptcy court to confirm the plan. Therefore, a plan can, subject to the provisions of the U.S. Bankruptcy Code, be "crammed down" on dissenting classes of creditors. Moreover, minority members of a class may be deemed to be members of an accepting class if the requisite majority vote is acquired.

Even if a class of claims is entitled to a recovery in a reorganization or liquidation proceeding, such recovery could be in the form of instruments or interests different from the form of instrument or interest which formed the basis for the claim, including debt securities, equity securities, convertible securities, warrants, options, cash, interests in litigation claims or trusts formed to pursue such litigation claims, interests in liquidation trusts, or other property or interests, any of which could be illiquid and/or difficult to value. Furthermore, the terms of instruments or interests distributed in a bankruptcy or insolvency proceeding may differ from prevailing market terms for similar instruments or interests, and may have a market value of less than par.

The Private Fund may be presented with the opportunity to make new investments in connection with the reorganization or liquidation of an issuer of Portfolio Investments, including, without limitation,

through a rights offering, litigation financing, bridge financing or other exit financing. The Private Fund may make such investments as part of an in-court or out-of-court restructuring of an issuer of Portfolio Investments, and any such investment will be subject to the same risks as other Portfolio Investments of the Private Fund.

Notwithstanding the corporate structure of various debtor entities, such as special purpose entities created to hold assets and to structure for bankruptcy remoteness, such entities may, in certain cases, be consolidated in bankruptcy proceedings, which can affect the outcome of such proceedings and the amounts ultimately received by creditors. In addition, if a claim can be asserted against only a parent holding entity, such claim may be structurally subordinated to claims against a subsidiary entity that owns assets.

The U.S. Bankruptcy Code and other laws and regulations affecting debtors' and creditors' rights are subject to change, including by way of legislative action or judicial interpretation. In addition, governmental actors have recently shown a willingness to intervene in bankruptcy-related matters (for example, the U.S. government's bailouts of General Motors and Chrysler), which may increase uncertainty regarding the enforcement of creditors' rights and the bankruptcy process generally. Any such actions could alter the expected outcome or introduce greater uncertainty regarding the expected outcome of an investment situation of the Private Fund, which may adversely affect such investment or the Private Fund's investment program.

Lack of Control over Investments. The Private Fund may hold a non-controlling interest in one or more Portfolio Investments. Such investments may not give the Private Fund the ability to influence the management of the company or to elect a representative to the company's board of directors. In addition, the management of the company or its shareholders may have economic or business interests which are inconsistent with those of the Private Fund, and they may be in a position to take action contrary to the Private Fund's objectives. A non-controlling interest may be especially adverse to the Private Fund in circumstances, such as certain stressed or distressed situations, where an element of control or influence might be beneficial to the subject investment.

Control Positions. The Private Fund may have a controlling interest in a Portfolio Investment (because of its equity ownership, representation on the board of directors and/or contractual rights) either on its own or, in certain cases, with another financial partner or investment fund (e.g., in accordance with the Private Fund's receipt of equity in connection with a restructuring). The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, failure to supervise management, pension and other fringe benefits, violation of governmental regulations (including securities laws) or other types of related liability. If these liabilities were to arise, the Private Fund might suffer a significant loss in such investment. In addition, if employees of Sandbrook Capital serve as directors of certain of the Portfolio Investments, they will have duties to persons other than the Private Fund.

To the extent that the Private Fund owns a controlling stake in or is deemed an affiliate of a particular company, it may also be subject to certain additional bankruptcy or securities laws restrictions that could affect both the liquidity of the Private Fund's interest and the Private Fund's ability to liquidate its interest without adversely impacting the price thereof, including insider trading restrictions, the affiliate sale restrictions of Rule 144 of the Securities Act and the disclosure requirements of Sections 13 and 16 U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Further, to the extent that affiliates of the Private Fund or Sandbrook Capital are subject to such restrictions, the Private Fund, by virtue of its affiliation with such entities, may be similarly restricted, regardless of whether the Private Fund stands to benefit from such affiliate's ownership.

If the Private Fund, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% of certain classes of securities of a U.S. public company or places

a director on the board of directors of such a company, the Private Fund may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act. Furthermore, the Private Fund may also be subject to similar reporting requirements and other limitations in non-U.S. jurisdictions where it holds significant positions in companies in such jurisdictions.

The exercise of control over a company, depending upon the amount and type of securities owned by the Private Fund, contractual arrangements between the company and the Private Fund, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Private Fund. The exercise of control over a company may also provide grounds for challenges to the priority and enforceability of Portfolio Investments or other claims the Private Fund may have against the company if it is subject to a bankruptcy case or other insolvency proceeding.

Lender Liability Considerations and Equitable Subordination. In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed “**lender liability**”). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. In addition, courts have in some cases applied the doctrine of equitable subordination to subordinate the claim against a borrower of a creditor, including a lending institution, to claims of other creditors of the borrower when the creditor is found to have engaged in unfair, inequitable or fraudulent conduct. There can be no assurance as to whether any fund, lending institution or other party from which the Private Fund may directly or indirectly acquire such claims engaged in any such conduct and, if it did, as to whether the Private Fund would be subject to claims that the Private Fund’s Portfolio Investments should be equitably subordinated based on such conduct. Because of the nature of certain of the Private Fund’s Portfolio Investments, the Private Fund could be subject to allegations of lender liability or to claims that the Private Fund’s Portfolio Investments should be equitably subordinated.

Fraudulent Conveyance and Preference Considerations. Various federal and state laws enacted for the protection of creditors may apply to the purchase of the Private Fund’s Portfolio Investments, or payments or liens related thereto, by virtue of the Private Fund’s role as a creditor with respect to the borrowers under such Portfolio Investments. If a court, in a lawsuit brought by an unpaid creditor, a debtor-in-possession, a trustee in bankruptcy, or their respective representatives, were to find that the borrower took any action to intentionally delay or frustrate recoveries by creditors, or did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to such indebtedness and/or grant of any security interest or other lien, the issuer or obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could, under certain circumstances, invalidate, in whole or in part, such indebtedness and such security interest or other lien as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of the borrower and could allow the borrower to recover amounts previously paid by the borrower to the creditor (including to the Private Fund) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness.

The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer or obligor would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets were less than the

amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer or obligor was “insolvent” after giving effect to the incurrence of the indebtedness and/or the granting of any security interest or other lien or that, regardless of the method of valuation, a court would not determine that the issuer was “insolvent” upon giving effect to such incurrence of indebtedness and/or grant of security interests or other lien.

The Private Fund may invest in bank debt or other indebtedness issued by a borrower which is guaranteed by other entities within the borrower’s corporate family. In such circumstances, the borrower often has little or no assets other than the stock of its subsidiaries and, as a result, any recovery is often available only, if at all, from the entities that guaranteed the indebtedness. There is a risk, however, that the obligations of such guarantors and any security interests or other liens issued by the guarantors to secure such obligations may be avoided as fraudulent conveyances in the event that a court were to determine that such guarantors did not receive reasonably equivalent value in exchange for the issuance of the guarantees and for the security interests or other liens. A court could determine that the guarantors did not receive reasonably equivalent value or fair consideration in incurring the obligations and granting the security interests or other liens despite the existence of “indirect” benefits to the guarantors, such as the strengthening of the corporate enterprise in the transaction. Additionally, provisions in guarantees and other similar documents governing similar obligations by which fraudulent conveyance exposure is sought to be reduced or eliminated, such as so-called “savings clauses,” may not be enforceable. As a result, the Private Fund’s Portfolio Investment in corporate bank debt or other indebtedness could be subject to avoidance as a fraudulent conveyance.

If a transaction is found to have been a fraudulent conveyance, the transferee may be compelled to return the value of the assets transferred as of the time of the transfer, even if the then current value is substantially less. In addition, unless the transferee is deemed to be a “good faith” transferee, the return of the asset may not even provide for the compensation back to the transferee of the value paid to the transferor.

In addition, in the event of the insolvency (as determined by a court based on the law of the jurisdiction which is being applied) of an issuer of a Portfolio Investment, payments made on the Private Fund’s Portfolio Investment, or new liens granted, could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency, depending on a number of factors.

In general, if payments on a Fund’s Portfolio Investment are avoidable, whether as a fraudulent conveyance or preference, such payments can be recaptured either from the initial recipient (such as the Private Fund) or from subsequent transferees of such payments, including Limited Partners. Additionally, if the grant of a security interest or other lien is avoidable, whether as a fraudulent conveyance or preference, the value of the security interest or other lien can be recovered from the initial transferee or the entity for whose benefit such transfer was made (such as the Private Fund), and such recovery could include the diminution in value of the property which was subject to the security interest or other lien from the date of transfer.

There can be no assurance that a successful cause of action for fraudulent conveyance or preference will not occur, or as to whether any fund, lending institution or other party from which the Private Fund may directly or indirectly acquire a Portfolio Investment engaged in any conduct to give rise to such causes of action, and if it did, as to whether such causes of action could be asserted against the Private Fund and/or the Limited Partners.

Risks Associated with Non-U.S. Bankruptcy and Insolvency Laws. Portfolio Investments may include securities or obligations collateralized by assets located outside of the U.S., or of issuers

organized under the laws of jurisdictions other than the U.S. Similarly, issuers of securities constituting Portfolio Investments may have a principal place of business or substantial assets located outside of the U.S. As a result, such securities or obligations may be subject to bankruptcy or insolvency laws of non-U.S. jurisdictions. These laws may be substantially less favorable to creditors than the U.S. Bankruptcy Code.

Portfolio Investment Risk. The Private Fund's Portfolio Investments (some of which are expected to be in stressed and distressed companies or represent "special situations") may involve a high degree of business and financial risk. Portfolio Investments may be in early stages of development, may have operating losses or significant variations in operating results. Portfolio Investments will also include companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. In addition, many of them will have weak financial conditions and may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive positions. Portfolio Investments may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities and a larger number of qualified managerial and technical personnel. In addition, Portfolio Investments in which the Private Fund expects to invest may be required to comply with numerous U.S. and non-U.S. statutory and regulatory standards. A Portfolio Investment could be materially and adversely affected as a result of statutory or regulatory changes or changes in judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such Portfolio Investment, the markets in which such Portfolio Investment operates or such Portfolio Investment's industry generally.

There can be no assurance that a Portfolio Investment's management team will be able to operate such Portfolio Investment successfully. In addition, instances of fraud or other illegal practices committed by the management team of a Portfolio Investment may undermine the Private Fund's investment in such Portfolio Investment and the Private Fund may suffer losses. Additionally, Portfolio Investments need to attract, retain and develop executives and members of their management teams. There can be no assurance that a Portfolio Investment will be able to attract and develop suitable members of its management team, which may adversely affect the Private Fund.

Activist Measures. The Private Fund may pursue an activist role in effectuating change with respect to an investment. The costs in time, resources and capital involved in such activist investments depend on the circumstances, which are only in part within the Private Fund's control, and may be significant, particularly if litigation ensues. In addition, the expenses associated with an activist investment strategy, including potential litigation or other transactional costs, will generally be borne by the Private Fund; such expenses may be significant and reduce returns or result in losses.

The success of an activist investment strategy may require, among other things: (i) the identification of companies whose security prices can be improved through corporate and/or strategic action; (ii) that the Private Fund acquires sufficient securities of such companies at a sufficiently attractive price; (iii) a positive response by company management to shareholder engagement; (iv) a positive response by other shareholders to shareholder activism and the Private Fund's proposals; and (v) a positive response by the markets to any actions taken by companies in response to shareholder activism. None of the foregoing can be assured.

Activist strategies may prove ineffective for a variety of reasons, including: (i) opposition of the management or shareholders of the subject company, which may result in litigation and may erode, rather than increase, shareholder value; (ii) intervention of one or more governmental agencies; (iii) efforts by the subject company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) market conditions resulting in material changes in securities prices; (v) the presence of corporate governance mechanisms such as staggered

boards, poison pills and classes of stock with increased voting rights; and (vi) the necessity for compliance with applicable securities laws. In addition, opponents of a proposed corporate governance change may seek to involve regulatory agencies in investigating the transaction or the Private Fund, and such regulatory agencies may independently investigate the participants in a transaction, including the Private Fund, as to compliance with securities or other law. Furthermore, successful execution of a strategy may depend on the active cooperation of shareholders and others with an interest in the subject company. Some shareholders may have interests which diverge significantly from those of the Private Fund and some of those parties may be indifferent to the proposed changes.]

Money Market and Other Liquid Instruments. The Private Fund may invest its assets in such liquid securities as Sandbrook Capital may deem to be advisable, including fixed income securities, money market instruments, money market mutual funds, and debt securities issued or guaranteed by the U.S., certain U.S. government agencies or instrumentalities. Money market instruments are short-term fixed income obligations, which generally have remaining maturities of one year or less, and may include commercial paper, certificates of deposit, and bankers' acceptances issued by domestic branches of U.S. banks that are members of the FDIC. The Private Fund may be prevented from achieving its investment objective during any period in which its assets are not substantially invested in accordance with its investment strategy. Notwithstanding their general high-quality nature, money market funds and liquid securities are subject to the risk of loss.

Among other liquid investments, the Private Fund may invest cash, pending investment, reinvestment, or distribution thereof or in connection with the maintenance of reserves, in money fund products offered from time to time by its Custodian, including the use of bank "sweep" short-term offerings.

Restricted Securities. It is expected that a significant portion of the Private Fund's Portfolio Investments will be securities ("**restricted securities**") that have not been registered for sale to the public under the Securities Act pursuant to an exemption from registration (including Section 4(a)(2) the Securities Act). Restricted securities are generally only sold to institutional investors in private sales from the issuer or from an affiliate of the issuer. These securities may be less liquid than securities registered for sale to the general public. The liquidity of a restricted security may be affected by a number of factors, including: (i) the credit quality of the issuer; (ii) the frequency of trades and quotes for the security; (iii) the number of dealers willing to purchase or sell the security and the number of other potential purchasers; (iv) dealer undertakings to make a market in the security; and (v) the nature of the security and the nature of marketplace trades. Also, restricted securities may be difficult to value because market quotations may not be readily available.

In addition, a debtor in a reorganization case may be granted a trading restriction order by a bankruptcy court in order to protect such debtor's net operating losses (a "**NOL Order**"). Such an order may prohibit or severely restrict the ability of some creditors to sell their claims and interests in the debtor. The Private Fund's ability to transfer its interests in such a debtor may be impaired, delayed or prohibited as a consequence of a NOL Order. The Private Fund may also incur added expenses if it attempts to challenge or limit the scope of a NOL Order, and such an attempt may not be successful. Similarly, issuers with net operating losses sometimes adopt shareholder rights plans or similar arrangements in order to preserve the ability to utilize such net operating losses in the future; any such actions could also limit or otherwise adversely impact the Private Fund's ability to transfer or dispose of its interests in any such issuer.]

Short Sales. The Private Fund may engage in short sales. A short sale involves the sale of a security that the Private Fund does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. A short sale involves a theoretically unlimited risk of an increase in the market price of the security sold short, increasing the cost of buying those

securities to cover the short position, and thus a possible unlimited loss to the Private Fund. There can be no assurance that the security necessary to cover a short position will be available for purchase or to be borrowed. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Securities borrowed to be sold short are generally required to be returned to the lender on short notice. Thus, the Private Fund would be required to purchase the security at the market price. If the market price increases, the Private Fund could be required to purchase the securities at a higher price in order to close out the short positions. This may result in losses to the Private Fund.

Risks Related to Disposition of Investments. The Private Fund may dispose of its investments through whatever manner it deems to be advisable, including through asset sales, repackaging transactions, securitizations, initial public offerings, strategic transactions and other mergers and acquisitions activity, and/or any combination thereof. Therefore, the disposition of Fund investments will be subject to the risks associated with the particular exit strategy utilized. In particular, certain disposition techniques and structures may expose the Private Fund to liability for (among other things) securities laws violations, breaches of representations and warranties, and repurchase or “putback” obligations with respect to securitizations or similar structures.

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 the evaluation of Sandbrook Capital or the integrity of its management. Sandbrook Capital does not have any disciplinary information to disclose that would be applicable to this Item 9.

Item 10: Other Financial Industry Activities and Affiliations

Service Providers as Investors

Senior personnel at certain third parties that provide significant service to the General Partner, the Firm and/or the Clients (including providers of market research or similar services) are currently or may, from time to time, become investors in the Clients/Private Funds. As such, the General Partner and/or the Firm, as applicable, are subject to potential conflicts of interest relating to their selection of any such investor service provider on behalf of the Clients. The General Partner and/or the Firm, as applicable, generally manage such conflicts of interest by (i) seeking to select investor service providers based on the level and quality of the services they provide to the Clients and (ii) making such decisions independent of such investor service provider's senior personnel's decision to invest in a Client.

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

Code of Ethics & Personal Trading

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), we have adopted a Code of Ethics, which is designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all our employees.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of the Clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their positions at the Firm.

Among other things, our Code of Ethics governs all personal securities transactions by our employees (as further described below) and sets forth certain policies relating to gifts and entertainment, outside business activities, political contributions and the prevention of insider trading. Employees are provided with a copy of the Code of Ethics and at least annually are required to acknowledge that they will comply with its provisions.

Under the Code of Ethics, all employees must pre-clear all personal securities trades in reportable securities with the CCO (or his or her designee) and must ensure that the Firm can access brokerage statements (or transaction level automatic reporting via broker feeds containing the same information) for all covered accounts (as defined in the Code of Ethics). The CCO (or his or her designee) reviews the personal trading information submitted by employees.

From time to time, the Principals and certain employees buy or sell investments that are also being bought or sold by the Firm’s Clients. To mitigate associated potential conflicts, neither the Principals nor the Firm’s employees will receive approval for proposed personal investments that are also being purchased, sold or held by the Firm’s Clients unless the Firm has determined that its Clients have received their desired allocation of such investments. Further, participating employees will not receive better terms with respect to such investments than the Firm’s Clients.

The Firm and its employees may not trade for Clients or themselves in securities of a company while in possession of material non-public information or disclose such information to any person not permitted to receive it. By reason of its investment activities, the Firm may have access to material non-public information and therefore may be restricted from entering into transactions on behalf of its Clients. The Firm has adopted policies and procedures reasonably designed to prevent trading on material non-public information.

Our Code of Ethics is available to Clients or prospective Clients upon request.

Item 12: Brokerage Practices

As described in Item 4 above, the Firm is an investment adviser to private equity clients. The private company securities, which are the primary investments by the Clients, are generally purchased in private transactions, without the assistance of a broker-dealer and without the payment of brokerage commissions or dealer markups. Due to the nature of the Clients' investment programs, we generally do not select or recommend broker-dealers for Client transactions – although we generally have the authority to do so if circumstances require. In the event the strategies do require the execution of transactions through a broker-dealer, then we will follow the policies and procedures reflective of its duty to execute trades in publicly traded securities in a manner designed to seek best price and execution. Such policies and procedures are listed below.

Best Execution

As a fiduciary, we have an obligation, among other things, to seek best execution of Client transactions to the extent we utilize a broker-dealer in connection with Client transactions. Best execution is determined on a trade-by-trade basis, and should result in the best qualitative execution, not necessarily the lowest possible commission cost. When selecting a counterparty, we consider relevant factors that we deem reasonable under the circumstances. Generally speaking, when we seek to make a particular trade on behalf of a Client, we initially determine which brokers have access to the relevant securities. Other decisions regarding the type of transactions at issue (*e.g.*, physical security versus swap) are considered as part of this determination. After we have determined which brokers have access to the relevant securities, we also consider such brokers' prices for such securities (which is an important but not determinative factor for satisfying our best execution obligations), as well as transaction costs (*e.g.*, commission rates) and the margin rates and financing rates of a broker. We also consider a number of qualitative factors when seeking to make a particular trade on behalf of a Client, including, but not limited to, the responsiveness of the broker for prompt and reliable executions, the financial responsibility and integrity of the broker, the financial strength of the broker, value of research provided, if any, and competitiveness of the transaction costs. In certain circumstances, however, we will not be able to select a counterparty due to a limited universe of dealers that are in a position to offer investments in which we are currently interested. In some cases, the offering dealer is the only executing broker for such transaction and therefore is the best execution for that trade.

On a periodic basis, the Firm conducts formal best execution review meetings in order to review brokers for best execution.

Trade Allocation

The Firm seeks to allocate investment opportunities in a manner that is consistent with its fiduciary obligations and, accordingly, to allocate investment opportunities fairly and equitably among the Clients when and to the extent applicable, such that no Client will be systematically disadvantaged over time. A number of factors may be considered when multiple Clients are capable of purchasing or selling a particular security or other investment based on their respective investment objectives, including, without limitation: (i) the amount of available cash or margin, (ii) the impact that any such transaction may have on an existing portfolio's diversification, risk and volatility characteristics, (iii) each Client's overall portfolio composition, (iv) liquidity, (v) contractual commitments, (vi) each Client's investment or risk

guidelines or (vii) tax, legal or regulatory considerations.

The Firm is not obligated to purchase or sell for each Client every investment which the Firm may purchase or sell for other Clients if such a transaction or investment appears unsuitable, impractical or undesirable for a Client; provided that the Firm, to the extent within its control, may not favor itself in any way to a Client's detriment and will act in a manner that over the long term is fair and equitable to all of the Clients.

When the amount available for a particular investment exceeds the relevant Clients' intended allocation for the investment, the Firm, in its sole and absolute discretion, may provide certain persons or entities (including, among others, the Principals, the Firm's employees and certain other persons) with an opportunity to co-invest alongside the relevant Clients in such investment. There is no assurance that the Firm will offer these co-investment opportunities to every investor. No investor should have the expectation that they will have the opportunity to participate in such an investment.

Aggregation of Orders

Aggregation describes a procedure whereby an investment adviser combines the orders of two or more client accounts into a single order. Aggregation opportunities for the Firm would generally arise when more than one Client is capable of purchasing or selling a particular security based on the allocation factors described above.

To the extent that a security is purchased or sold for more than one Client, the Firm will aggregate orders for such security (to the extent possible) unless aggregation is not consistent with the Firm's duty to seek best execution. To the extent an aggregated order is only partially filled, the Firm will allocate the investment opportunity or partially filled order on a fair and equitable basis based on the criteria described above.

Each Client that participates in an aggregated order will participate at the average price for all of the Firm's transactions in that security on a given business day, with transaction costs shared *pro rata* based on each Client's participation in the transaction.

Trade Errors

On occasion we may experience errors with respect to trades or investments made on behalf of the Clients. Trade errors can result from a variety of situations, including for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account, when the wrong amount is purchased or sold or when a misallocation among the Clients occurs. We endeavor to detect trade errors prior to settlement and correct them in an expeditious manner.

We generally will reimburse losses suffered by a Client as a result of a trade error caused by the Firm as a result of gross negligence, willful misconduct or bad faith. In addition, we will not correct a trade error made for one Client by causing another Client to buy or sell the securities. We also will not directly or indirectly use soft dollars to correct trade errors.

Soft Dollar Policy

We do not currently utilize soft dollar benefits but may do so in the future. Soft dollar benefits include research and related services furnished by brokers including written information and analyses (including specific market, financial and economic studies and forecasts), statistics and

pricing services, discussions with research personnel and similar services used in the investment and trading process in return for Sandbrook Capital paying a broker a commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of such services or facilities provided by the broker. To the extent we should decide to enter into soft dollar transactions, we will effect such transactions in compliance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

We occasionally receive bundled products or services from brokers (including, but not limited to (i) research, such as proprietary research from brokers; (ii) research products, such as databases and quotation services; and (iii) research services and consultation with industry consultants concerning specific companies, industries or sectors). To our knowledge, such products and services are generally made available to all institutional clients doing business with these brokers.

Item 13: Review of Accounts

Review of Accounts

The Principals and the Firm's Chief Operating Officer and Chief Financial Officer review and reconcile Client portfolios on a quarterly basis to assure conformity with investment objectives and guidelines.

Reporting

Financial statements are prepared by the Firm and audited by an independent auditor and are distributed to investors in the Clients on an annual basis. The Firm furnishes investors of each Private Fund with unaudited quarterly reports showing the value of their capital accounts.

See Item 15 for additional information with respect to custody of assets.

Item 14: Client Referrals and Other Compensation

The Firm does not currently utilize any third party marketers or solicitors for client referrals.

Item 15: Custody

While it is the Firm's practice not to accept or maintain physical possession of any of our Clients' assets (and our Clients' assets are in the custody of one or more custodians and/ or banks), we are deemed to have custody of their assets under Rule 206(4)-2 of the Advisers Act because we have the authority to access funds and deduct fees and expenses from Clients' accounts.

In order to comply with Rule 206(4)-2, we utilize the services of a bank or qualified custodian (as defined under Rule 206(4)-2) to hold all assets of our Clients (to the extent required by such rule). We also confirm that the qualified custodian maintains these assets in accounts bearing a Client's name that contain only assets of such Client.

While Rule 206(4)-2 generally requires an investment adviser to provide for a qualified custodian to send account statements to all of its Clients whose assets the custodian holds at least quarterly, we are not subject to such requirement because our Clients are subject to an audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. We generally distribute audited financial statements to all investors within 120 days of the end of the fiscal year of the relevant Client.

Sandbrook Capital urges clients to carefully review such financial statements and compare such official custodial records to the account statements that we may provide to you.

Item 16: Investment Discretion

As previously noted, we have full discretionary authority to manage the Clients, including authority to make decisions with respect to which securities or other investments are bought and sold, the amount and price of those securities, the brokers or dealers (if any) to be used for a particular transaction, and the commissions paid. These terms are set out in the governing documents for each Client.

Item 17: Voting Client Securities

If the Firm has voting discretion over certain securities held by the Clients, when exercising such discretion, the Firm will do so in the best interests of the Clients.

In the absence of specific voting guidelines governing a particular Client or conflicts of interest, the Firm will vote all proxies in the best interests of each Client. In addition, the Firm may determine to abstain from voting a proxy if it believes that such action is in the best interests of a particular Client, or if the Firm deems that the issue being voted upon is not material for the Firm and the Clients.

It should be noted that in the context of private investments, a Client may not have any voting rights with respect to such investment.

Investors may request a copy of our proxy voting policies and information about how the Firm voted their securities by contacting the CCO with the contact information listed on the cover page.

Item 18: Financial Information

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.