

**PART 2A OF FORM ADV INVESTMENT ADVISER BROCHURE**

**SUMMIT PARTNERS, L.P.**

**Summit Partners, L.P.  
222 Berkeley Street  
Boston, MA 02116  
(617) 824-1000  
<http://www.summitpartners.com>**

**March 29, 2022**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Summit Partners, L.P. (“Summit Partners”). If you have any questions about the contents of this Brochure, please contact us at (617) 824-1000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

Summit Partners is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

### **Material Changes**

Summit Partners filed its most recent Form ADV Part 2A on March 30, 2021. This annual amendment includes updates related to (i) the list of affiliated advisers of and funds managed by Summit Partners and (ii) the description of certain risk factors, business practices and advisory services of Summit Partners.

## TABLE OF CONTENTS

	<u>Page</u>
<b><u>Brochure</u></b>	
<b>Material Changes .....</b>	<b>i</b>
<b>Summit Partners, L.P. Brochure.....</b>	<b>3</b>
Section 1.    Advisory Business .....	3
Section 2.    Fees and Compensation .....	8
Section 3.    Performance-Based Fees and Side-By-Side Management .....	16
Section 4.    Types of Clients .....	16
Section 5.    Methods of Analysis, Investment Strategies and Risk of Loss General.....	17
Section 6.    Disciplinary Information.....	50
Section 7.    Other Financial Industry Activities and Affiliations .....	51
Section 8.    Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	51
Section 9.    Brokerage Practices .....	53
Section 10.   Review of Accounts.....	55
Section 11.   Client Referrals and Other Compensation .....	55
Section 12.   Custody .....	56
Section 13.   Investment Discretion .....	56
Section 14.   Voting Client Securities.....	56
Section 15.   Financial Information.....	57

## Summit Partners, L.P. Brochure

### **Section 1. Advisory Business**

Summit Partners, the registered investment adviser, is a Delaware limited partnership. Summit Partners and its affiliated investment advisers provide “investment advisory services” to their clients, which consist of private investment-related funds. Summit Partners has been in business since 1984. Summit Partners is primarily controlled by its manager, Summit Master Company, LLC. Summit Partners does not have any 25% or more owners.

The following are certain of the affiliated advisers of Summit Partners (collectively, the “**General Partners**” and, together with Summit Partners, the “**Managers**”):

- Summit Partners VI (GP), L.P. (“**Summit VI GP**”)
- Summit Partners PE VII, L.P. (“**Summit PE VII GP**”)
- Summit Partners GE VIII, L.P. (“**Summit GE VIII GP**”)
- Summit Partners GE VIII AIV, L.P. (“**Summit GE VIII AIV GP**”)
- Summit Partners GE IX, L.P. (“**Summit GE IX GP**”)
- Summit Partners GE IX AIV, L.P. (“**Summit GE IX AIV GP**”)
- Summit Partners GE X, L.P. (“**Summit GE X GP**”)
- Summit Partners GE XI, L.P. (“**Summit GE XI GP**”)
- Summit Partners VC II, L.P. (“**Summit VC II GP**”)
- Summit Partners VC III, L.P. (“**Summit VC III GP**”)
- Summit Partners VC IV, L.P. (“**Summit VC IV GP**”)
- Summit Partners VC V, L.P. (“**Summit VC V GP**”)
- Summit Partners Europe, L.P. (“**Summit Europe GP**”)
- Summit Partners Europe II, S.a.r.l. (“**Summit Europe II GP**”)
- Summit Partners Europe III, S.a.r.l. (“**Summit Europe III GP**”)
- Summit Partners SD III, L.P. (“**Summit SD III GP**”)
- Summit Partners SD IV, L.P. (“**Summit SD IV GP**”)
- Summit Partners SD V, L.P. (“**Summit SD V GP**”)
- Summit Partners SD VI, L.P. (“**Summit SD VI GP**”)

- Summit Partners, LLC (“**Summit Management**”)
- Summit Investors Management, LLC (“**Summit Investors Management**”)
- Summit Partners Co-Invest GP, Ltd. (“**Summit Co-Invest GP**”)
- Summit Partners Co-Invest Indigo GP, LLC (“**Summit Co-Invest Indigo GP**”)
- Summit Partners Co-Invest Kiwi GP, LLC (“**Summit Co-Invest Kiwi GP**”)
- Summit Partners Co-Invest Décor GP, LLC (“**Summit Co-Invest Decor GP**”)
- Summit Partners Co-Invest Lions GP, LLC (“**Summit Co-Invest Lions GP**”)
- Summit Partners Co-Invest Sumo GP, LLC (“**Summit Co-Invest Sumo GP**”)
- Summit Partners Co-Invest (Optmo) GP, S.a.r.l. (“**Summit Co-Invest Optmo GP**”)
- Summit Partners Co-Invest Athena GP, LLC (“**Summit Co-Invest Athena GP**”)
- Summit Partners Co-Invest CS GP, LLC (“**Summit Co-Invest CS GP**”)
- Summit Partners Co-Invest Riggins GP, LLC (“**Summit Co-Invest Riggins GP**”)
- Summit Partners Co-Invest Titan GP, LLC (“**Summit Co-Invest Titan GP**”)
- Summit Partners RF, L.P. (“**Summit RF GP**”)
- Middlefield Road Private Opportunities GP, L.P. (“**Middlefield Road GP**”)
- Summit Partners Entrepreneur Advisors GP, LLC
- Summit Partners Entrepreneur Advisors GP II, LLC
- Summit Partners Entrepreneur Advisors GP III, LLC

Each General Partner listed above is subject to the Advisers Act pursuant to Summit Partners’ registration in accordance with applicable SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Summit Partners.

The Managers’ clients include the following (together with any future private investment fund to which Summit Partners or its affiliates provide investment advisory services, the “**Funds**”):

#### Private Equity and Growth Equity Funds

- Summit Ventures VI-A, L.P.
- Summit Ventures VI-B, L.P.
- Summit VI Advisors Fund, L.P.

- Summit VI Entrepreneurs Fund, L.P.
- Summit Partners Private Equity Fund VII-A, L.P.
- Summit Partners Private Equity Fund VII-B, L.P.
- Summit Partners Growth Equity Fund VIII-A, L.P.
- Summit Partners Growth Equity Fund VIII-A AIV, L.P.
- Summit Partners Growth Equity Fund VIII-B, L.P.
- Summit Partners Growth Equity Fund VIII-B AIV, L.P.
- Summit Partners Growth Equity Fund IX-A, L.P.
- Summit Partners Growth Equity Fund IX-B, L.P.
- Summit Partners Growth Equity Fund IX-A AIV, L.P.
- Summit Partners Growth Equity Fund IX-B AIV, L.P.
- Summit Partners Growth Equity Fund X-A, L.P. (“**Growth Equity Fund X-A**”)
- Summit Partners Growth Equity Fund X-B, L.P. (“**Growth Equity Fund X-B**”)
- Summit Partners Growth Equity Fund X-C, L.P. (“**Growth Equity Fund X-C**”)
- Summit Partners Growth Equity Fund XI-A, L.P. (“**Growth Equity Fund XI-A**”)
- Summit Partners Growth Equity Fund XI-B, L.P. (“**Growth Equity Fund XI-B**”)
- Summit Partners Growth Equity Fund XI Investors, L.P. (“**Growth Equity Fund XI Investors**”)
- Summit Partners Europe Private Equity Fund, L.P.
- Summit Partners Europe Growth Equity Fund II, SCSp
- Summit Partners Europe Growth Equity Fund III, SCSp (“**Europe Fund III**”)
- Summit Partners Europe Growth Equity Investors III, SCSp

#### Venture Capital Funds

- Summit Partners Venture Capital Fund II-A, L.P.
- Summit Partners Venture Capital Fund II-B, L.P.
- Summit Partners Venture Capital Fund III-A, L.P.

- Summit Partners Venture Capital Fund III-B, L.P.
- Summit Partners Venture Capital Fund IV-A, L.P.
- Summit Partners Venture Capital Fund IV-B, L.P.
- Summit Partners Venture Capital Fund V-A, L.P.
- Summit Partners Venture Capital Fund V-B, L.P.
- Summit Partners Venture Capital Investors V, L.P.

#### Private Debt Funds

- Summit Subordinated Debt Fund III-A, L.P. (the “**Sub Debt III-A Fund**”)
- Summit Subordinated Debt Fund III-B, L.P. (the “**Sub Debt III-B Fund**”)
- Summit Partners Subordinated Debt Fund IV-A, L.P. (the “**Sub Debt IV-A Fund**”)
- Summit Partners Subordinated Debt Fund IV-B, L.P. (the “**Sub Debt IV-B Fund**”)
- Summit Partners Subordinated Debt Fund V-A, L.P. (the “**Sub Debt V-A Fund**”)
- Summit Partners Subordinated Debt Fund V-B, L.P. (the “**Sub Debt V-B Fund**”)

The General Partners each serve as general partner to one or more Funds and have the authority to make the investment decisions for the Funds to which they provide advisory services. Summit Partners provides the day-to-day advisory services for the Funds. References contained in this Brochure to the strategy and operations of a General Partner should be read to include the activities of Summit Partners and other Summit Partners affiliates that collectively engage in the investment process and ongoing management of the Funds’ portfolio companies.

Summit Partners LLP, a UK FCA-authorized adviser, provides non-discretionary investment advisory services to Summit Partners with respect to certain non-U.S. investments.

Summit Partners Paris SAS, a subsidiary of Summit Partners, provides certain non-discretionary advisory services to Summit Partners LLP and Summit Partners with respect to certain non-U.S. investments pursuant to agreements between Summit Partners Paris SAS and each of Summit Partners LLP and Summit Partners.

Pursuant to an investment management agreement, Bank of America Merrill Lynch also provides discretionary investment advisory services with respect to the short-term investment of the Funds’ cash balances under the general oversight of the Managers.

The investment strategies and objectives of the Funds vary. The Funds listed previously under the categories of Private Equity and Growth Equity Funds and Venture Capital Funds primarily pursue equity investments in portfolio companies at various stages of capital development, and are referred to herein as the “**Summit Equity Funds.**” The Funds listed previously under the category of Private Debt Funds primarily pursue subordinated debt (or debt-like) investments in portfolio companies in which the Summit Equity Funds also are investing, and are referred to herein as “**Private Debt Funds.**”

In addition to the Funds listed above, Summit Partners and its affiliates advise certain other private investment funds formed to allow (i) certain employees of Summit Partners and its affiliates and (ii) Executives-in-Residence (as defined herein) and certain other executive advisors and similar consultants (including former members of Summit Partners' Executive Advisors program), in each case, to invest in portfolio investments made by certain Funds (respectively, the “**Summit Employee Funds**” and the “**Summit Entrepreneur Funds**”<sup>1</sup>). Additionally, from time to time and as permitted by the relevant Partnership Agreement (as defined herein), the Managers expect to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in certain vehicles formed by Summit Partners to facilitate co-investments (any such vehicle, a “**Co-Invest Vehicle**”), including Summit Partners Co-Invest (Ironman), L.P., Summit Partners Co-Invest (Quicksilver), L.P., Summit Partners Co-Invest (Giants), L.P., Summit Partners Co-Invest (Giants-BDE), L.P., Summit Partners Co-Invest (Indigo), L.P., Summit Partners Co-Invest (Kiwi), L.P., Summit Partners Co-Invest (Lions), L.P., Summit Partners Co-Invest (Lions-B), L.P., Summit Partners Co-Invest (Sumo), L.P., Summit Partners Co-Invest (Décor), L.P., Summit Partners Co-Invest (Décor-B), L.P., Summit Partners Co-Invest (Optmo), SCSp, Summit Partners Co-Invest (Athena), L.P., Summit Partners Co-Invest (CS), L.P., Summit Partners Co-Invest (Riggins), L.P., Summit Partners Co-Invest (Titan), L.P., and Middlefield Road Private Opportunities Fund, L.P.) to certain investors or other persons, including other sponsors, market participants, existing limited partners, finders, consultants and other service providers and/or certain other persons associated with Summit Partners and/or its affiliates to co-invest alongside one or more Fund transactions. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or Co-Invest Vehicle (including a co-investing Fund) may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or Co-Invest Vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. A General Partner is permitted to employ a subscription facility maintained by one or more Funds to provide interim financing in connection with the acquisition of a portfolio company by such Fund(s) and/or co-investors. Where practicable (as determined in Summit Partners' sole discretion) Summit Partners is authorized to charge interest on the purchase to the co-investor or Co-Invest Vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs, subject to negotiation with such co-investors. However, to the extent any holding expenses or other related costs, including interest, are not charged to a co-investor or Co-Invest Vehicle, they generally will be borne by the relevant Fund in accordance with the Fund's Partnership Agreement.

Summit Partners also is the investment manager to Summit Partners Reinvestment Fund, L.P. and Summit Partners Reinvestment Fund AIV, L.P. (collectively, the “**Reinvestment Fund**”), which were formed in November 2020 in connection with a bid and sale process run by a specialist investment bank to acquire specified portfolio company investments from certain Summit Equity Funds and Private Debt Funds. The Reinvestment Fund and related transactions were undertaken, in part, to provide limited partners of participating funds enhanced liquidity options with respect to certain portfolio companies; each limited partner in the relevant Summit Equity Funds and Private Debt Funds was offered the option to elect to receive liquidity in respect of the applicable portfolio company investments or to reinvest in the new Reinvestment Fund portfolio alongside new investors.

---

<sup>1</sup> The Summit Entrepreneur Funds continue to hold prior investments but are no longer actively investing in new portfolio investments alongside the Funds.



Additionally, certain Funds advised by the Manager are authorized to form a rollover fund (a “**Rollover Opportunity Fund**”). A Rollover Opportunity Fund generally would be formed to acquire certain interests in a portfolio company held by another Fund under certain circumstances as specified in the Governing Documents of the applicable Fund(s), including where at least a majority of the outstanding equity held by the Fund is being purchased by an independent and unaffiliated third-party lead investor and the portfolio company being sold has met or exceeded any specified performance thresholds.

The Funds and any other Funds that may be formed by a General Partner (or its affiliates) at a later date or that may otherwise become clients of a General Partner are expected to invest through negotiated transactions in operating entities, generally referred to herein as “**portfolio companies**.” The Managers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted. From time to time, the senior principals or other personnel of the Managers or their affiliates serve on the board of directors of one or more portfolio companies or otherwise act to influence control or management of portfolio companies held by the Funds.

The Managers’ advisory services for the Funds are further described in the applicable private placement memoranda (each, a “**Memorandum**”) and limited partnership or other operating agreements of the Funds (each, a “**Partnership Agreement**” and together with any relevant Memorandum, the “**Governing Documents**”). Investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other applicable constraints or for other agreed-upon circumstances pursuant to the Governing Documents; such arrangements generally do not and will not create an advisor-client relationship between Summit Partners and any investor. The Funds or the Managers may enter into side letters or other similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant Governing Documents.

As of December 31, 2021, Summit Partners managed approximately \$35,184,178,740 in client assets on a discretionary basis.

The provision of information about the above referenced funds shall in no event be considered to be an offer of interests in a Fund nor shall it be an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about Summit Partners for the purpose of compliance with certain obligations under the Advisers Act. Potential investors are provided with relevant Governing Documents further describing terms, key risks and conflicts associated with a particular Fund prior to investing and are encouraged to review such documents carefully.

## **Section 2.     Fees and Compensation**

The following is a general description of fees, compensation and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation or expenses that other Funds charge. The Governing Documents of each Fund describe fees, compensation and expenses for such Fund in greater detail.

### *Management Fees*

With respect to the Funds, each Fund's General Partner receives an annual management fee (the "**Management Fee**") and will receive a carried interest in connection with the provision of advisory services rendered to such Fund. Investors in the Funds also bear certain fund expenses.

The Summit Equity Funds generally pay a Management Fee equal to a specified percentage of investor capital commitments to the Fund ("**Commitments**"). Generally, upon the occurrence of certain events specified in the Governing Documents (*e.g.*, the date (i) when all Commitments have been invested or otherwise used to pay expenses of the relevant Fund, (ii) the expiration of the investment period for such fund and/or (iii) the first drawdown of capital for a similar successor Fund, in each case, as described in the applicable Governing Documents), the Management Fee is reduced in accordance with the applicable Governing Documents.

Sub Debt Fund V-A and Sub Debt Fund V-B (collectively, the "**SD V Funds**") generally pay a Management Fee equal to a specified percentage of the aggregate capital contributions (including amounts deemed contributed or otherwise funded from the applicable SD V Fund's subscription line, as applicable) to the SD V Fund by such partner in years 1 through 5. Following year 5, the Management Fee with respect to a limited partner for each of the SD V Funds will equal a specified percentage of such SD V Fund's net asset value attributable to such partner.

The Management Fee is typically payable by a Fund to the applicable General Partner monthly or quarterly in arrears, as specified in the relevant Governing Documents. Where the Governing Documents calculate Management Fees based on the amount of Commitments or the amount of investment contributions, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, Management Fees are expected to be payable during any term extensions unless otherwise agreed with investors. The terms of Management Fee offsets differ among the Funds. Typically, but not in all cases, the Management Fee is reduced or offset by all of a Fund's share of directors' fees, consulting fees, transaction fees, stock options, equity incentives and certain other fees or compensation paid by portfolio companies to a Manager or its senior principals and other personnel (such fees, "**Supplemental Fees**"). To the extent that such a reduction would reduce the applicable Fund's Management Fee for a given period below zero, a credit will be carried forward for future application against payable Management Fees or Fund expenses, and if a credit remains upon dissolution, a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result). Supplemental Fees with respect to an investment or potential investment (including a transaction not consummated) are allocated to a Fund only to the extent of such Fund's relative ownership (or anticipated ownership) of such investment or potential investment (for these purposes, such relative ownership includes any Summit Employee Fund's interest or anticipated interest in the underlying investment, as further described in a Fund's Governing Documents). Accordingly, a Fund only will benefit from the Management Fee reduction described above with respect to its allocable portion of any such Supplemental Fee and not the portion allocable to any other person that holds an ownership interest (including, for example, a Co-Invest Vehicle or potential co-investor) in (or, in the case of a transaction not consummated, would have held such ownership interest in) the applicable investment. Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset.

Certain Governing Documents permit the General Partner to waive or agree to a reduction of the Management Fee, and any waived or reduced portion of such Management Fee reduces the amount of capital contributions the General Partner would otherwise be required to contribute to the Fund. The General Partner reserves the right to treat any waived portion of a Management Fee installment as a deemed

capital contribution in respect of the General Partner's Commitment. Accordingly, the limited partners of the applicable Fund typically would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by a General Partner, it is possible that Management Fee offsets will not be fully realized by investors in a Fund until any unapplied portion of such Management Fee offsets is allocated to limited partners.

#### *Carried Interest*

In addition, each Fund's General Partner will receive a carried interest from investors in the Funds generally equal to up to 25% of all realized profits (as more fully described in each Fund's Governing Documents). A General Partner typically is subject to a potential giveback obligation at the end of one or more periods during the life of a Fund, as specified in each Fund's Governing Documents, in the event such General Partner has received excess cumulative carried interest distributions.

It is expected that any similar future Funds will have a similar compensation structure.

#### *Other Information*

Certain of the Funds do not pay, or no longer pay, Management Fees and/or carried interest. The Summit Employee Funds, the Summit Entrepreneur Funds and certain Co-Invest Vehicles established from time to time to manage a specific co-investment opportunity or multiple co-invest opportunities typically do not charge Management Fees and are not subject to carried interest. Summit Partners reserves the right to exempt additional and/or different funds from fees and/or carried interest in the future.

With respect to the Reinvestment Fund, in lieu of a Management Fee, Summit Partners is entitled to a priority share of distributions from the Reinvestment Fund as compensation for managing the affairs of the Reinvestment Fund. As further described in the Governing Documents, the priority share applies only to new investor capital and will be calculated during the term of the Reinvestment Fund with respect to the new investors in the Reinvestment Fund on a quarterly basis, and is based on a percentage of the cost basis of remaining portfolio company investments (calculated as of the date the interests in such portfolio company investments were acquired by the Reinvestment Fund).

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the applicable Fund, and investors generally are not permitted to withdraw or redeem interests in the Fund.

Managing Directors and certain other personnel of Summit Partners or its affiliates generally receive salaries and other compensation derived from the Management Fees, carried interest or other compensation received by Summit Partners or its affiliates.

Summit Partners LLP and Summit Partners Paris SAS are each compensated for non-discretionary investment advisory services to Summit Partners out of the Management Fees received by Summit Partners.

Bank of America Merrill Lynch advises the Funds with respect to the short-term investment of the Funds' cash balances. To the extent that Bank of America Merrill Lynch invests any portion of the cash balances in mutual funds, the Funds will bear the fees and expenses of the mutual funds as described in the applicable

mutual fund prospectus. Such fees are in addition to the fees and carried interest received by the General Partner, and except insofar as Bank of America Merrill Lynch may be compensated by the Funds indirectly via any fees and expenses paid with respect to Bank of America Merrill Lynch-sponsored mutual funds, Bank of America Merrill Lynch is not otherwise compensated by the Funds.

Subject to variations in each Fund's Governing Documents (and as further described therein), a Fund typically will pay all organizational and start-up expenses of the Fund and the applicable General Partner (generally subject to a specified cap, in excess of which the relevant Manager will bear such expenses directly or indirectly through an offset to the Management Fee), including legal (which may include expenses associated with the preparation of, and negotiation of the Fund's Governing Documents and any side letters or similar agreements, including conducting any "most favored nation" or similar process in respect of side letters issued to limited partners), travel (including first-class travel or private or chartered travel, but limited to the cost of first-class travel, subject to certain exceptions set forth in the applicable Governing Documents), printing, accounting, filing (including blue sky and world sky filings), capital raising, regulatory compliance (including as determined by the relevant General Partner, initial and/or preliminary registrations, notifications, filings and compliance contemplated by the Alternative Investment Fund Managers Directive ("AIFMD") or any similar law, rule or regulation), any administrative filing and other organizational expenses. A Fund ultimately will not bear any investment banking or private placement fee incurred in connection with the organization of the Fund, as the applicable General Partner will bear such fees, typically through an offset to the Management Fee.

In addition to organizational expenses (described above) and the Management Fee and carried interest payable to the applicable General Partner, each Fund bears certain expenses according to the terms of the Governing Documents, which may differ among the Funds. As set forth in each Fund's Governing Documents, a Fund typically will bear all fees, costs, expenses, liabilities and obligations relating to such Fund's (and any intermediate entities') activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or applied to reduce Management Fees), including, without limitation: (i) fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as "costs") relating to or attributable to investigating, structuring, organizing, acquiring, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals or databases), bidding on, owning, managing, operating, holding, hedging, trading, selling, valuing, restructuring, monitoring, taking public or private, winding up, liquidating, dissolving and disposing of a Fund's actual and potential investments (including follow-on investments and refinancings) or seeking to do any of the foregoing (including (A) expenses incurred in connection with finding, recruiting and/or partnering with executives and/or other personnel of any potential or actual portfolio company (including any Executives-in-Residence) to do any of the foregoing with respect to a Fund's investments (including executive compensation and benefits and fixed and overhead expenses incurred by any portfolio companies (including by a platform company prior to its first acquisition) and due diligence and legal expenses incurred in connection with finding, recruiting and/or partnering with executives (including Executives-in-Residence) and/or other personnel of any potential or actual portfolio company (e.g., headhunter fees, background checks or relocation expenses and including such expenses as incurred by such executive) and (B) the prepayment of principal, interest and fees on money borrowed by or on behalf of a Fund and any expenses incurred with any borrowing); (ii) legal, filing, accounting (including accounting costs, if any, associated with any conversions to any accounting standard that is not generally accepted accounting principles as promulgated in the United States ("U.S. GAAP")), auditing, advisory consulting (including consulting and retainer fees paid to consultants performing investment initiatives and other similar consultants and/or expert network services), ride sharing transportation services and other modes of transportation, travel (including first-class travel or private or chartered travel subject to certain exceptions as set forth in the relevant Governing Documents), insurance (including directors and officers, errors and omissions, representation and warranty liability and other insurance, and all premiums

and charges in connection with the maintenance thereof), third-party portfolio management software data and information services and subscription services, broker, brokerage, finder's (including any buy-side or sell-side finders' fees, as well as other similar deal sourcing payments), financing, refinancing, commitment, real estate title, appraisal, printing, marketing, communications and publicity, custodian, depositary (including a depositary appointed pursuant to the AIFMD or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) including any law, rule, or regulation related to the implementation thereof), administration (including fees, costs and expenses incurred in connection with compliance with any anti-money laundering laws and regulations or other regulatory costs of any jurisdiction (including, without limitation, the Cayman Islands) in which a Fund is organized and/or operates, as well as fees, costs and expenses incurred in connection with collecting, validating or verifying limited partner payments or wire information, whether or not related to anti-money laundering laws, and "know your client" matters), trustee, record keeping, safekeeping, transfer, registration and other similar fees and expenses (including fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals), costs of attendance (including related travel, lodging and meals) of conferences relating to an investment opportunity, industry or sector; (iii) expenses incurred in connection with third-party valuations (including costs of third-party valuation agents and pricing services); (iv) fees, costs and expenses associated with the preparation or distribution of a Fund's financial statements, tax returns, tax estimates, Schedules K-1 (or equivalents) or any other Fund-related or investment-related registration, filing, regulatory, compliance, reporting, depositary, legal, accounting or administrative filing and fees and expenses related to the foregoing incurred to allow a Fund, the relevant General Partner or their affiliates to comply with non-U.S. and U.S. federal, local and state laws and regulations during the term of a Fund, excluding, for clarity, registration and filing obligations not related to such Fund; (v) expenses associated with Summit Partners' and a Fund's compliance with the requirements of the AIFMD, as implemented in any relevant jurisdiction and including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements and, for the avoidance of doubt, any registrations, notifications, filings and compliance contemplated or arising under the AIFMD other than expenses and costs of the initial registrations, notifications, filings and compliance with the AIFMD which fall within the definition of organizational expenses of a Fund (excluding, for clarity, registration and filing obligations not expressly related to a Fund); (vi) fees, costs and expenses of an advisory board (including travel (but not chartered travel) and any other reasonable out-of-pocket costs and expenses incurred by representatives of the applicable General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of an advisory board) and all out-of-pocket fees, costs and expenses incurred by a Fund, the applicable General Partner, Summit Partners or any of its subsidiaries or any of their partners or members in connection with annual and other periodic meetings of the limited partners and any other conference or meeting with any limited partner(s) (other than meetings or conferences solely with one limited partner or one or more affiliated limited partners); (vii) costs and expenses of complying with any side letter agreements related to a Fund and related "most-favored-nations" or similar processes and, where applicable, environmental, social, governance and other standards and reporting to which the relevant General Partner has committed in making investments on behalf of a Fund); (viii) fees, costs and expenses incurred in connection with the organization, management, operation, dissolution, liquidation and final winding-up of any alternative investment vehicle and its direct and indirect general partners or similar entities; (ix) indemnification fees, costs and expenses (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the relevant Governing Documents or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the relevant Governing Documents); (x) placement fees; (xi) extraordinary expenses (including fees, costs and expenses of any actual, threatened or otherwise anticipated, governmental inquiry, investigation or proceeding, litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and judgments, other awards and settlements, if any); (xii) all out-of-pocket fees,

costs, expenses, liabilities and obligations relating to investment and disposition opportunities for a Fund incurred by such Fund, the applicable General Partner, Summit Partners or any of its subsidiaries or any of their partners or members not consummated (including, without limitation, legal, accounting (including accounting costs, if any, associated with any conversions to any accounting standard that is not U.S. GAAP), auditing, insurance, ride sharing transportation services and other modes of transportation, travel (including first class travel or private or chartered travel, but limited to the cost of first-class travel, subject to certain exceptions set forth in the Governing Documents), lodging, meals, entertainment, consulting (including consulting and retainer fees paid to any consultants performing investment initiatives and other similar consultants), brokerage, finders', financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination, entity formation and other fees and expenses (collectively, "**Broken Deal Expenses**") (including Broken Deal Expenses relating to transactions that have been syndicated or offered to but not taken by co-investors, or for which a syndication or co-investment was believed necessary in order to consummate such transaction)); (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or the limited partners; (xv) except as otherwise determined by the applicable General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (in each case, to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, dissolution, liquidation and final winding up of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities; (xvi) any taxes, fees or other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund (except to the extent reimbursable by, or deemed distributed to, a partner under the relevant Governing Documents); (xvii) fees, costs and expenses incurred in connection with the dissolution, liquidation and final winding up of a Fund; (xviii) all costs relating to amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, the applicable General Partner and any alternative investment vehicle, including the preparation, distribution and implementation thereof, but excluding any amendment implemented following passage by the U.S. Congress of certain U.S. federal income tax legislation as more fully described in the relevant Governing Documents and/or that is for the sole benefit of the applicable General Partner or its partners; (xix) fees, costs and expenses associated with the enforcement of defaults by partners in the payment of any capital contributions; (xx) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner to the extent not borne or reimbursed by the relevant transferring limited partner(s); (xxi) fees, costs and expenses related to the organization or maintenance of any holding vehicle or other intermediate entity used to acquire, hold or dispose of any investment of a Fund or otherwise facilitating such Fund's investment activities, including, without limitation, any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity or other overhead expenses in connection therewith; (xxii) all out-of-pocket fees, costs, expenses, liabilities and obligations relating to portfolio accounting and management, support and monitoring software and related services; (xxiii) any organizational expenses of a Fund; and (xxiv) any other fees, costs, expenses, liabilities or obligations approved by an advisory board, subject to certain exceptions set forth in the relevant Governing Documents. As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Managers and/or their affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be

borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In addition, in certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies (a “SPAC”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the relevant Fund. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund’s strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity, senior equity and senior debt funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

Subject to a Fund’s Governing Documents, the applicable General Partner (together with Summit Partners and any applicable affiliates) will generally bear its (i) normal and recurring operating and administrative expenses, including, but not limited to, compensation of all of the General Partner’s professional personnel, fees and expenses for administrative services, office space and facilities, (ii) certain other expenses, such as entertainment expenses, (iii) fees and expenses related to the General Partner registering, and maintaining its registration, as an investment adviser under the Advisers Act and related compliance requirements (including costs and expenses related to the preparation and filing of Form ADV and Form PF) and (iv) certain other expenses, as specified in the Governing Documents.

In connection with management of the Funds, Summit Partners expects to utilize consultants and other service providers. For example, Summit Partners maintains a program through which it utilizes various consultants who are seasoned executives in relevant industry sectors to work alongside Summit Partners to identify, diligence and negotiate investment opportunities in specific industry sectors (such persons, “**Executives-in-Residence**,” also referred to by Summit Partners as Entrepreneurs-in-Residence). When a portfolio company needs a dedicated executive, chairperson, board member or other personnel, an individual in the Executives-in-Residence program typically is retained directly by the portfolio company or a holding vehicle of a portfolio company.

Executives-in-Residence, as well as other individuals and third-party consultants who provide advice or other services to Summit Partners from time to time on specific transactions, including providing services to certain portfolio companies in which a Fund invests, typically are not employees of Summit Partners or considered Summit Partners personnel. Such individuals are expected to be utilized during a Fund’s diligence, acquisition and investment process and throughout a Fund’s investment holding period, as applicable, and are expected to receive compensation from portfolio companies, a Fund and/or Summit Partners, including, but not limited to, retainers, consulting fees, transaction fees, discretionary compensation (whether or not based on pre-determined milestones), reimbursements for insurance, legal fees incurred, out-of-pocket travel and related business expenses, equity incentives and board fees. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund’s investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Executives-in-Residence compensation as well as fees, costs and expenses of

structuring Executives-in-Residence arrangements. Terms relating to the Executives-in-Residence program differ among the Funds, but any compensation (including the reimbursement of expenses) payable to an Executive-in-Residence by (or on behalf of) a Fund or portfolio company will not result in any offsets to the Management Fee in accordance with a relevant Fund's Governing Documents.

Brokerage fees may be incurred by the applicable Fund in accordance with the practices set forth in Section 9 below.

The Managers seek to allocate expenses in a manner that is fair and equitable over time. Within a Fund family (e.g., the parallel and related funds comprising Growth Equity Fund XI), applicable expenses generally are allocated pro rata based on the relative capital commitments to each Fund, provided that each Fund's expenses incurred in respect of the operation or activity of a specific Fund within such Fund family may be specifically allocated to be borne by the Fund that incurred the expense.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds or co-investment vehicles (including without limitation legal expenses for a transaction in which all such Funds participate, Broken Deal Expenses in which certain Funds were expected to participate or other fees or expenses in connection with services the benefit of which are received by other Funds over time) or advance an initial investment amount, and be reimbursed by the other Funds by their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for use of the facility. In certain circumstances, the relevant Manager or an affiliate thereof has advanced, and likely will in the future advance, amounts related to the foregoing and receive reimbursement from the Funds, without interest, to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Summit Partners' related policies and practices and the relevant Partnership Agreement(s) and/or side letter(s). When a Co-Invest Vehicle is formed (such as the Summit Employee Funds or with respect to other third-party co-investors), such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. With respect to Co-Invest Vehicles, expenses allocable to such entities in connection with a portfolio investment, which may include such vehicle's share of diligence, auditing and other fees, are allocated to that vehicle. Except as discussed directly below, in the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken-Deal Expenses relating to such proposed transaction will be borne by the applicable Fund(s), and not by any potential third party co-investors, Executives-in-Residence or portfolio company management that were expected to have participated in such transaction. However, to the extent that such third party co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken-Deal Expenses, subject to negotiations with such co-investors regarding expenses.

With respect to the Summit Employee Funds and the Summit Entrepreneur Funds, fees and expenses allocable to such Funds in connection with a portfolio investment, which may include such fund's share of Broken-Deal Expenses, auditing fees and other fees, as applicable, are allocated to that Fund, and will be paid by such Summit Employee Fund, Summit Entrepreneur Fund or the Manager.

Additionally, portfolio companies generally reimburse the Manager for certain expenses, such as those related to board meetings or other portfolio company matters, including, without limitation, travel expenses (including first-class travel or private or chartered travel subject to certain exceptions as set forth in the



relevant Governing Documents), travel agent fees, lodging and accommodations, meals, ground transportation and entertainment expenses (including, as applicable, closing dinners and mementos, car service, rental cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, incurred by a Manager in connection with its performance of services for such portfolio company. The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of a Manager.

### **Section 3. Performance-Based Fees and Side-By-Side Management**

As discussed under Section 2 (“**Fees and Compensation**”) above, Summit Partners or its affiliates generally receive a carried interest allocation on certain realized profits in the Funds. A performance-based allocation is an allocation representing an asset manager’s compensation based on a percentage of net profits of the Fund being managed. Summit Partners and its affiliates also advise the Summit Employee Funds, Summit Entrepreneur Funds and certain Co-Invest Vehicles, which do not pay management fees and/or are not subject to carried interest. Additionally, to the extent that Summit Partners has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or personnel are assigned varying percentages of carried interest from the Funds, Summit Partners and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

These practices present a potential conflict of interest because Summit Partners has an incentive to favor accounts for which it receives a performance-based fee. This potential conflict of interest is generally addressed by investing the Summit Employee Funds and Summit Entrepreneur Funds in each portfolio company that the applicable Funds that do charge performance-based fees invest in. Such investments are made at substantially the same time and on substantially the same terms as the investments of the applicable Funds and are disposed of in a similar manner.

In addition, Summit Partners seeks to address the potential for conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Summit Partners or any personnel. See Section 5, “Methods of Analysis, Investment Strategies and Risk of Loss,” for further discussion of conflicts of interest.

### **Section 4. Types of Clients**

The Managers provide investment advice solely to its Fund clients, and references throughout this Brochure to “clients” and to Summit Partners’ related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds are investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The investors participating in the Funds generally include high net worth individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Summit Partners and its affiliates and members of their families,

Executives-in-Residence or other service providers retained by Summit Partners, as well as executives of Fund portfolio companies.

Summit Partners expects that alternative investment vehicles will be established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents of the related Fund.

The Funds generally have a minimum investment requirement of \$1 million to \$10 million for third-party investors. The General Partners generally are permitted to waive such minimum investment requirement, but generally will not permit an amount less than \$100,000 (or other amounts as specified by local laws and regulations). Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

## **Section 5. Methods of Analysis, Investment Strategies and Risk of Loss General**

The principal investment strategy of the Managers is to achieve long-term capital appreciation, primarily by acquiring equity and equity-related securities and debt in private growth-oriented companies. Summit Partners invests in growth companies across many industry categories. The primary industries in which Summit Partners has invested to date include technology, healthcare and life sciences, and growth products and services, which includes business services, financial services, consumer, industrial technology and other growth industries.

*The following is a summary of the investment strategies and methods of analysis generally employed by the Managers on behalf of the Funds and a summary of certain risks involved with the Managers’ investment strategy and an investment in the Funds. More detailed descriptions of the Funds’ investment strategies and methods of analysis and risks are included in the applicable private placement memorandum for each Fund. There can be no assurance that the Managers will achieve the investment objectives of the Funds, and a loss of investment may be possible. The investment strategies and methods of analysis and risks described in this section also generally apply to the Summit Employee Funds and Summit Entrepreneur Funds.*

### **Investment Strategy**

#### *Private Equity and Growth Equity Funds*

- Summit Partners’ U.S. growth equity funds generally seek to make investments between \$75 million and \$500 million in growth-oriented, category-leading U.S.-based private companies with differentiated business models, records of rapid revenue growth and attractive unit-level economics across three target sectors (technology, healthcare & life sciences and other growth products & services).
- Summit’s Europe growth equity funds generally seek to make investments between €20 million and €80 million for both minority and majority investments in category-leading private companies across Europe with differentiated business models, records of rapid revenue growth and attractive unit-level economics across three target sectors (technology, healthcare & life sciences and other growth products & services).

### *Venture Capital Funds*

- Summit Partners' venture capital funds generally seek to invest between \$10 million and \$60 million for both minority and majority positions in category-leading private companies with differentiated business models, records of rapid revenue growth and attractive unit-level economics with a primary focus on two target sectors (technology and healthcare & life sciences).

### *Subordinated Debt Funds*

- Summit Partners' subordinated debt funds generally seek to co-invest alongside Summit Partners' growth equity and venture capital funds and provide mezzanine debt financing in conjunction with a Summit Partners equity investment. The subordinated debt funds invest in businesses across growth sectors of the economy with a primary focus on three target sectors (technology, healthcare & life sciences and other growth products & services).
- The subordinated debt strategy generally seeks current-pay contractual returns with additional upside through equity co-investment, and equity-like access to management, board-level decision making and company reporting. Equity co-investment allocation follows a formula specified in the applicable subordinated debt fund's Governing Documents.

### **Operating Strategy**

The Managers seek to provide returns to investors by (i) using research and contacts to identify investment opportunities that the Managers believe are attractive, (ii) performing rigorous analysis and due diligence to select and structure investments, and (iii) providing significant resources to portfolio companies.

*Identification of Investment Opportunities.* The Managers originate many of the Funds' investment opportunities internally by identifying and researching industries of interest and actively pursuing companies it believes are leading companies within those industries. Led by an investment team with deep sector experience the Managers take a thematic approach to idea generation, company selection and deal sourcing. The Managers directly contact companies in industries of interest and also develop contacts with research analysts and industry associations, as well as entrepreneurs, venture capitalists, investment bankers, investors, business brokers, accountants, lawyers, placement firms, and consultants. This deep market coverage provides early insights into growth trends and helps the Managers to identify and productively engage with what it believes to be category leaders across the Manager's sectors of focus.

In addition, from time to time, the Funds expect to form and fund "platform" companies, where a Fund forms a portfolio company and recruits a management team to build the portfolio company through acquisitions and organic growth. Typically, after recruiting and partnering with a management team or a member of the Executives-in-Residence program to lead a new portfolio company, the Fund will commit start-up capital to fund the operations of the portfolio company which includes the fixed costs and overhead of the management team, including executive compensation and benefits, and any diligence and related expenses incurred in pursuing acquisition opportunities.

From time to time, a Fund also reserves the right to sponsor or co-sponsor a SPAC for the purpose of effecting a merger or business combination between a SPAC and a privately held company to form a portfolio company in a target sector of focus. It is expected that Summit Partners will provide value enhancement services, including offering strategic analysis and guidance, during the business combination and after such combination occurs.

*Rigorous Analysis and Diligence.* With respect to the investment opportunities that the Managers pursue actively, the Managers engage in in-depth discussions with management and conduct initial due diligence, arriving at a limited number of investments that become portfolio companies in the Funds. In evaluating potential investments, the Managers seek to maintain high standards of due diligence, engaging a team of Manager professionals who study opportunities and complete extensive management, customer, and industry reference checks.

*Managing Investments.* The Managers believe holding a seat on the board each portfolio company or on having a contractual right to attend board meetings affords Summit Partners with the opportunity to enhance the corporate governance of its portfolio companies, offering the ability to act as a sounding board to management and to more closely monitor and impact the success of these companies. As board directors, the Managers seek to provide strategic guidance to their portfolio companies to help them identify the highest value opportunities, improve financial and business controls, promote good corporate governance practices, create organizational focus around strategic goals and understand the expectations and requirements of public markets, strategic buyers or financial investors. In addition, the Managers introduce portfolio company management teams to independent board directors from their large network of former Summit entrepreneurs, business executives and experienced board members.

Additionally, through the services of specialized, purpose built teams, the Managers have the ability to provide additional resources to its portfolio companies. The Managers' internal value enhancement teams provide collaborative, on-demand support to portfolio companies working to enhance growth by improving operational efficiency and strengthening corporate infrastructure to support continued strong growth, structure and execute capital markets transactions, provide human capital and talent support including talent assessments and development support and helping to recruit experienced and impactful senior executives and board directors, offer perspective on product organization design and data science and pattern recognition to support a portfolio company's key growth initiatives, in addition to acting as a sounding board to management and provide leadership mentoring and strategic support.

*Realization of Liquidity.* The principal methods by which the Managers expect the Funds to realize gains are by sale of securities in the public equity markets, dividend recapitalizations, secondary buyouts with other financial sponsors or by portfolio company merger with, or sales to, strategic acquirers. For investments in which a Manager is a minority shareholder, the Manager typically tries to negotiate certain liquidity rights at the time of investment. In the alternative, as a majority shareholder, the Managers have a controlling position and the ability to influence or control the timing and method of exit. The Managers continually review investment positions for liquidity alternatives and work with portfolio companies in planning for and realizing liquidity for investors.

## **Types of Investments**

The Funds generally will invest in operating or financial entities, including other investment entities that invest in operating companies such as partnerships or limited liability companies. Equity-related securities generally include common stock, preferred stock, warrants, convertible debt, partnership or similar interests in operating entities, options and other derivative type securities. While not their principal focus, the Funds reserve the right from time to time to invest in cash instruments or short-term debt instruments, including mutual funds which invest in such instruments, pending investment, reinvestment or distribution to their investors. The Funds will hold a substantial portion of their assets in restricted securities, but generally will seek registration rights or other liquidity features in connection with investments to enable them to exit the investment at an appropriate point under the individual circumstances of each investment. The Funds are authorized to use leverage in connection with their investments.

From time to time, the Managers reserve the right to engage in derivatives transactions for the Funds, including option, interest rate, currency and similar transactions. Derivatives transactions will generally be used for hedging purposes.

## **Risks of Investment**

A Fund and its investors bear the risk of loss that the applicable General Partner's investment strategy entails. The risks involved with the General Partner's investment strategy and an investment in a Fund are detailed in the Fund's Memorandum. Not all of the risks described herein will be relevant to each Fund. Moreover, the risks below do not purport to be a complete description of the risks associated with the Managers or the Funds. In general, the risks with respect to a particular Fund and its General Partner include, but are not limited to, the following:

1. *Business Risks.* A Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.
2. *Investment in Junior Securities.* The Funds reserve the right to invest in securities which are the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect such Fund's returns.
3. *Concentration of Investments.* A Fund will participate in a limited number of investments and expects to seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry could substantially affect a Fund's aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

A Fund reserves the right to provide interim financing ("**Bridge Financing**") to facilitate portfolio company investments. It is possible that all or a portion of a Bridge Financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of a Fund. As a result, such Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under such Fund's investment limitations, certain of which exclude Bridge Financing investments.

4. *Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, regardless of the extent to which the Commitments of the limited partners are invested (or drawn down to be invested), the limited partners will be required to bear Management Fees through the applicable Fund during the term of such Fund based, in part, on the entire amount of the limited partners' Commitments and bear other expenses as set forth in the Governing Documents.

5. *Dynamic Investment Strategy.* While the applicable General Partner generally intends to seek attractive returns for the applicable Fund primarily through making control-oriented, growth equity investments (or, in the case of venture capital Funds, venture and early-stage investments or in the case of the subordinated debt funds, subordinated loans), the applicable General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate and to the extent not prohibited by the applicable Fund's Governing Documents. The applicable General Partner is permitted to pursue investments outside of the industries and sectors in which Summit Partners has previously made investments or has internal operational experience.
6. *Leveraged Investments.* A Fund is permitted to make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage are highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the applicable Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency.

A Fund and/or any of its portfolio companies reserve the right to use credit facilities for the purchase or implementation of certain investments or for other portfolio management purposes. Should such credit facilities be utilized, such Fund or any portfolio company would generally incur additional interest, fees and other expenses with respect to such facilities. Any such credit facility provider that permits such Fund to borrow may accept Fund assets as collateral for such credit facility and may be permitted to require the transfer, assignment, appropriation, sale or liquidation of Fund or portfolio company assets held by it as collateral, after occurrence of certain events, including a default by a Fund or portfolio company pursuant to the agreements with such credit facility provider. Events of default under any such credit facility may include, among other things, failure to pay amounts due under such credit facility, failure to inform the credit facility provider of certain events with respect to a Fund or portfolio company, failure to provide the credit facility provider with certain periodic reports and financial statements, breach by a Fund of other representations and covenants contained in credit facility documentation and other similar terms. In such instances, the credit facility provider reserves the right to take any action permitted pursuant to such credit facility documentation without notice to a Fund or the applicable General Partner. If any such credit facility provider were to require a Fund to transfer, assign, sell or liquidate assets or otherwise act to realize on such collateral, these actions may impair the operational capabilities of such Fund and have adverse tax and economic effects on such Fund.

In connection with any financing or other borrowing transaction, the applicable General Partner shall have the right, at its option, to pledge any or all of the assets of the applicable Fund, including such Fund's rights to limited partners' unfunded Commitments and the applicable General Partner's right to request drawdown notices or make capital calls to the limited partners, as security for any financing incurred directly or indirectly by such Fund or a portfolio company. Limited partners may be required to honor capital calls made by the credit facility provider. The incurrence of leverage by a Fund or a flow-through entity owned by such Fund may cause tax-exempt partners to recognize "unrelated business taxable income" within the meaning of Section 512 of the U.S. Internal Revenue Code of 1986, as amended.

7. *Subscription Lines.* A Fund is authorized to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of such Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against such Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, facility fees and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the applicable General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial

information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

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

8. Long-Term Investments. Due to the nature of certain of the Funds' investments, it is uncertain as to when profits, if any, may be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment date. A Fund may continue to hold illiquid investments at the end of such Fund's scheduled term, which could require such term to be extended.
9. Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to limited partners, many limited partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such limited partners may be lower than the value of such securities determined pursuant to the applicable Governing Documents, including the value used to determine the amount of carried interest available to the applicable General Partner with respect to such investment.
10. Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating such Fund (including the annual Management Fee payable to the General Partner



or its affiliate) may exceed its income, thereby requiring that the difference be paid from such Fund's capital, including, without limitation, unfunded Commitments.

11. *Growth Equity Transactions.* Many of the equity Funds may invest in growth-equity investments. While growth equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many growth equity portfolio companies will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities, and a larger number of qualified managerial and technical personnel.
12. *Reliance on Portfolio Company Management.* Although the applicable General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although such Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with such Fund's objectives.
13. *Potential Loss of Investment.* An investment in a Fund is speculative and involves substantial risks, including the risk that the entire investment will be lost.
14. *Projections.* Projected operating results of certain companies in which a Fund invests normally will be based primarily on financial projections and information prepared by each company's management, with adjustments to such projections made by the applicable General Partner in its discretion. The applicable General Partner generally will not have the ability to independently verify such financial projections and information, and generally will be dependent upon the integrity of both management of these borrowers and issuers and the financial reporting process in general. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Material losses can occur as a result of corporate mismanagement, fraud and accounting irregularities. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.
15. *Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry and, more generally, there is an increased focus on tax avoidance strategies employed by businesses. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's costs and activities, including the ability of such Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of such Fund's business, including to establish greater substance in certain jurisdictions in which such Fund invests or proposes to invest, and such Fund may also become directly or indirectly subject to additional tax liabilities (for example

through restrictions on or denial of the deductibility of interest expenses against taxable profits).

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the downturn in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in structuring completing or exiting investments than it otherwise would have.

The SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Summit Partners and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Summit Partners and its affiliates, the Funds and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds.

In addition, further increased scrutiny and potential legislation applicable to private investment funds and their sponsors may also impose significant administrative burdens on Summit Partners and may divert time and attention from portfolio management activities.

16. Additional Government or Market Regulation. Market disruptions and the dramatic increase in the capital allocated to alternative asset management during recent years have led to increased governmental as well as self-regulatory organization scrutiny of the private fund industry in general. In addition, certain legislation proposing greater regulation of the industry is periodically considered by Congress, as well as the governing bodies of various jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to a Fund, a General Partner, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of a Fund and increase the risk such Fund could be required to disclose the identities of the limited partners. In addition to, and in particular in light of, the changing global regulatory climate, a Fund may be required to register under certain foreign laws and regulations, in addition to those described above, and need to engage distributors or other agents in certain non-U.S. jurisdictions in order to market interests to potential investors. The effect of any future regulatory change(s) on such Fund may be substantial and adverse. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.
17. Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund reserves the right to decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurance that such Fund will make follow-on investments or that such Fund will have sufficient funds to make all or any of such

investments. Any decision by such Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for such Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if a third party invests in such portfolio company. Additionally, under certain circumstances, a successor or predecessor fund (or co-investor) will be permitted to participate in a follow-on investment, including in some cases where such person did not participate in the initial investment.

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

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Each General Partner reserves the right to make any Fund's investments in currencies other than the currency in which such Fund's accounts are maintained. The value of an investment may fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the currency in which a Fund's accounts are maintained. The applicable General Partner is authorized (but is not obligated) to endeavor to manage currency exposures using hedging techniques where available and appropriate. To the extent such General Partner employs any such techniques, a Fund will be expected to incur costs related to currency hedging arrangements. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis, or that such hedging arrangement will achieve the desired effect.

19. *Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including, but not limited to, the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19 (Coronavirus). Such health crises could exacerbate political, social and economic risks previously mentioned, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply chains affected, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty, including the contagion of infectious viruses or diseases, may reduce the availability of

potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the contagion of infectious viruses or diseases, or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

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

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”). This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to volatility in all financial markets. Among other things, these unprecedented developments have resulted in volatility in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

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

dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

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

21. Market Conditions. From time to time, the capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect such Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in such Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event such Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of such Fund to dispose of investments at prices that the applicable General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

22. Monetary Policy and Governmental Intervention. In response to the global financial crisis commencing in the summer of 2007, the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”) and global central banks, including the European Central Bank, in addition to other governmental actions to stabilize markets and seek to encourage economic growth, acted to hold interest rates to historic lows. These and other actions by the Federal Reserve (which has since raised interest rates) and other central bankers, including changes in policies, may continue to have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the Fund’s investments on an absolute and/or relative basis. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the global financial crisis have not been fully implemented in all cases and therefore the ultimate effects thereof are difficult to predict or measure with certainty. More recently, in response to interagency guidance on leveraged lending by the Federal Reserve, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation intended to curtail certain leveraged lending to market participants such as private equity firms in connection with their investment activities, private equity funds may need to finance portfolio investments with a greater proportion of equity relative to prior periods and the terms of debt financing may be less flexible for borrowers compared to prior periods. These developments may impair the Fund’s ability to consummate transactions and/or cause the Fund to enter into transactions on less favorable terms.

23. Hedging Arrangements; Related Regulations. The applicable General Partner reserves the right (but is not obligated) to endeavor to manage a Fund’s or any portfolio company’s currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. To the extent such General Partner employs any such techniques, a Fund will be expected to incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter (“**OTC**”) contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty’s inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements are expected to create for the applicable General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (“**CFTC**”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

24. Material Non-Public Information. As a result of the operations of Summit Partners and its affiliates, as well as in connection with officerships or directorships of Summit Partners personnel, Summit Partners frequently comes into possession of confidential or material non-public information. Therefore, Summit Partners and its affiliates may have access to material non-public information that may be relevant to an investment decision to be made by

a Fund. Consequently, such Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Summit Partners' internal policies and practices. Due to these restrictions, such Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

25. *Anti-Money Laundering and Other Regulatory Restrictions.* Anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Summit Partners or a Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Summit Partners' inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Summit Partners or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

26. *CFIUS and National Security Clearance Considerations.* Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are

- expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.
27. Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. As a general matter, such investments will subject such Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including principals of Summit Partners and increased costs associated with each of the aforementioned risks.
  28. Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to a Fund's business, tax or other interests, and a Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.
  29. Director Liability. A Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes such Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from such Fund's investment activities.
  30. Unfunded Pension Liabilities of Portfolio Companies. Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Funds intend to manage their investments to minimize any such exposure, a Fund is authorized to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.
  31. Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the applicable General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the



applicable nature, facts and circumstances of the respective investments. However, 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 an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the applicable General Partner could give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. There can be no assurance that the valuation decision of the applicable General Partner with respect to an investment will represent the value realized by a Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

32. Agreements with Certain Investors; Enhanced Liquidity; Fees. The Funds and/or the Manager have in the past and expect in the future to enter into “side letters” or similar agreements with certain investors pursuant to which the relevant Fund will give certain investors rights not granted to other investors, including, without limitation, variation of the management fees and/or performance allocations or fees, the right to withdraw or redeem all or a portion of their interest in the relevant Fund on shorter notice and as a result, certain investors may be able to withdraw or redeem their interests in the relevant Fund at times when other investors may not. In addition, the investors having such rights may request withdrawals or redemptions, and otherwise act, on the basis of additional information that other investors do not receive. Subject to applicable law, the Manager does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the investors that have entered into such agreements with the Fund or the Manager. The other investors will have no recourse against the relevant Fund, the Manager and/or any of their affiliates in the event that certain investors receive additional and/or different rights and/or terms as a result of such agreements.
33. Co-Investments. The applicable General Partner reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more limited partners, Executives-in-Residence, vendors or service providers and/or other persons, in each case on terms to be determined by the applicable General Partner in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which the applicable General Partner reserves the right to make to one or more persons for any number of reasons as determined by such General Partner in its sole discretion, may not be in the best interests of a Fund or any individual limited partner. In exercising its sole discretion in connection with such co-investment opportunities, the applicable General Partner may consider some or all of a wide range of factors in accordance with such General Partner’s allocation policies, which may include the likelihood that an investor may invest in a future fund sponsored by such General Partner or its affiliates, although the General Partner reserves the right to consider a prospective co-investor’s willingness to invest in future funds, it generally will not be the sole determining factor considered by the General Partner in identifying co-investors. A Fund is authorized to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of such Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. For the avoidance of doubt, investment professionals that have retired or no longer provide full-time investment advice to Summit Partners or its affiliates, including former employees and managing directors of Summit Partners, may co-invest alongside a Fund and may receive compensation from

portfolio companies of such Fund. Such compensation will not result in offsets to or reductions of the Management Fee and such individuals are not subject to the restrictions on the principals of Summit Partners such as conflicts of interest, priority of transaction opportunities and formation of other vehicles.

Furthermore, the General Partner or its related persons reserve the right to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a cosponsor. Co-investment opportunities typically will be offered to some and not to other Limited Partners. When and to the extent that employees and related persons of the General Partner make capital investments in or alongside a Fund, the General Partner is subject to conflicting interests in connection with these investments. The General Partner's allocation of co-investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

34. *SPAC Transactions.* Except as is otherwise prohibited by a Fund's Governing Documents, the principals of Summit Partners, the Manager or one or more affiliates reserves the right to sponsor, control and/or provide services to one or more SPACs. The General Partner also expects that certain Funds, along with the principals of Summit Partners, the applicable General Partner, one or more of its affiliates and/or certain other persons or entities, may purchase an interest in one or more SPACs.

Interests in a SPAC will include indirect ownership of "founder's shares," warrants and/or other interests of a SPAC. The "founder's shares," warrants and/or other interests will be allocated to the SPAC sponsor, the Funds, if applicable, such SPAC's management team, the applicable General Partner and the Manager (including certain of their respective partners).

Each SPAC will register its shares with the SEC in an initial public offering and use the funds raised in such offering to effect a business combination and operate thereafter as a public company. In connection with such transaction, a SPAC sponsor will reimburse the principals of Summit Partners, the Funds and its/their affiliates (as applicable) for all or a portion of any fees, costs and expenses incurred in connection with the formation and organization of any SPAC, including any fees, costs and expenses incurred for a SPAC that fails to have an initial public offering. Because of the priority of reimbursement, the Funds may bear a disproportionate amount of such expenses in certain circumstances and, to the extent that the Funds wholly owns such SPAC sponsor, the Funds may bear all of such amounts.

The SPAC sponsor and its affiliates may present to any SPAC, and a SPAC may pursue, and otherwise consummate, any investment opportunities deemed appropriate by a SPAC sponsor or any of its affiliates, in their sole discretion, including investment opportunities that may otherwise be appropriate for the Funds, although it is expected that a SPAC generally will seek investment opportunities requiring larger equity investments compared to investment opportunities that the Funds will typically pursue on its own. Allocating an investment opportunity to a SPAC instead of the Funds would result in the Funds losing an investment opportunity to such SPAC and could have an adverse effect on the Funds. Because each SPAC sponsor will be under common control with the applicable General Partner, in certain circumstances, there is the potential that the principals of Summit Partners will be incentivized to allocate investment opportunities to a SPAC at the expense of the Funds.

In the event that a SPAC does not complete a business combination within the post-offering period set forth in its governing documents, the proceeds raised in the offering and held in trust are to be returned to the public shareholders. There can be no assurance or guarantee that any SPAC will be able to acquire an interest in any entity or consummate an investment, and in such case the SPAC sponsor (and, indirectly, the Funds (if applicable)) is not expected to receive a return of all amounts paid in connection with such SPAC. If, following a SPAC's initial public offering, the funds held in a SPAC's trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans from a SPAC sponsor or its management team to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If a SPAC sponsor loans such amounts to a SPAC, the Funds will bear a significant amount of any such loan and any related expenses to the extent that the Funds is participating in such SPAC. If such SPAC is unable to complete its initial business combination within a stipulated time period, it will be forced to cease operations and liquidate, and any loans it received (including indirectly from the Funds) will likely not be repaid.

35. *Tax Laws Adversely Affecting Summit Employees and Other Service Providers.* U.S. federal income tax law treats certain income allocations to service providers by a partnership (such as a Fund) including any carried interest, as short-term capital gain taxed at higher ordinary income rates unless such partnership has held the asset which generated such gain for more than three years. This could adversely affect the ability of the principals, employees of Summit Partners or other individuals associated with a Fund, Summit Partners or the applicable General Partner who were or may in the future be granted direct or indirect interests in an affiliate of the applicable General Partner entitling such persons to benefit from carried interest. As a result, such persons' after-tax returns from a Fund and the applicable General Partner and its affiliates could be reduced, which could make it more difficult for such General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This could also create an incentive for the applicable General Partner to cause a Fund to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist. These same issues may also apply to officers, directors and employees of a Fund's portfolio companies if such persons receive a profits interest in such companies.
36. *Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. Moreover, Summit Partners, the Funds' service providers and other market participants increasingly depend upon complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Fund and its investors, despite the efforts of Summit Partners and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Partnership and its investors. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (a) customer data or payment information; (b) customer or portfolio company financial information; (c) portfolio company software, contact lists or other databases; (d) portfolio company proprietary information or trade secrets; or (e) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or a Fund, to

- substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Summit Partners or one of its service providers holding its financial or investor data, Summit Partners, its affiliates or a Fund may also be at risk of loss. Such incidents could cause the Funds, Summit Partners or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.
37. Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant General Partner or Summit Partners generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the applicable General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Summit Partners' control. Decisions by Summit Partners or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Summit Partners and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Summit Partners reserves the right to withhold certain information from investors subject to such laws for reasons relating to Summit Partners' public reputation, business strategy or other reasons.
38. Disclosure of Information. Certain limited partners may be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding a Fund, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly, or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which a Fund, the applicable General Partner, their affiliates, portfolio companies or service providers to any of them may be or become subject. While there are certain confidentiality provisions providing protection against requirements to publicly disclose such records and reports, and there currently is an exemption from the U.S. Freedom of Information Act available in respect of such records and reports, no assurance can be given that the mandated disclosure of records or reports to the SEC or other governmental entities will not have a significant negative impact on a Fund, the applicable General Partner, Summit Partners or any limited partner. Likewise, enhanced recordkeeping and reporting requirements and SEC scrutiny and examinations increases a Fund's compliance, administrative and other operational costs. Moreover, the applicable General Partner is permitted to withhold confidential information or other information and materials from any limited partner or to such limited partner's affiliates, employees, representatives, agents or attorneys if such General Partner determines that such disclosure is not in the best interests of the applicable Fund, any partner

or any portfolio company or is not permitted by applicable law, statute, governmental rule or regulation or judicial or governmental order, judgment or decree. In addition, due to the fact that potential investors in a Fund are likely to have different diligence inquiries and/or request different information, Summit Partners may provide certain information to one or more prospective investors that it does not provide to all prospective investors.

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

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

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

40. United Kingdom (“UK”) Exit from European Union (“EU”). On March 29, 2017, the UK formally notified the European Council of its intention to leave the EU (“**Brexit**”). The UK formally left the EU on January 31, 2020, and entered a transition period that ended on December 31, 2020. During this transition period, the majority of existing EU rules continued to apply in the UK.

On December 24, 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which has been ratified by the UK Parliament and the EU Parliament.

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

ratification it requires in order to become permanent. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on the Funds and its investments, including the ability of the Funds to achieve its investment objectives.

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

41. *Russia-Ukraine Conflict.* There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

42. *Environmental, Social and Governance ("ESG") Matters.* Summit Partners maintains an ESG Policy and intends to apply the ESG Policy to certain Funds' investment activities. Depending on the investment, the impact of developments connected with ESG factors, such as compliance with applicable laws, regulations and rules, the existence of fair and meritocratic work environments, as well as strong corporate governance practices, could have a material effect on the return and risk profile of the investment. Summit Partners will generally consider material ESG factors in connection with its investment activities, consistent with and subject to any applicable legal, regulatory, fiduciary or contractual duties as well as the applicability of such ESG factors to a particular investment and/or a Fund's investment strategy. However, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised by Summit Partners or a third-party ESG specialist will reflect the beliefs or values, internal policies or preferred practices of any particular Limited Partner or other asset managers or with market trends. Considering ESG factors when evaluating an investment in certain circumstances will, to the extent material economic risks associated with an investment are identified, cause Summit Partners not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such consideration. Additionally, ESG factors are only some of the many factors that the General Partner expects to consider in making an investment. Similarly, to the extent Summit Partners or a third-party ESG specialist engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial

or ESG-related performance of the investment. Successful engagement efforts on the part of Summit Partners or a third-party ESG specialist will depend on Summit Partners' skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful. In addition, Summit Partners' ESG framework, including the ESG Policy and associated procedures and practices, is expected to change over time. Summit Partners in certain circumstances could determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. Finally, there is also growing regulatory interest, particularly in the U.S., UK, and EU (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. Summit Partners' ESG program could become subject to additional regulation in the future, and Summit Partners cannot guarantee that its current approach (including the ESG Policy) or any portfolio company will meet future regulatory requirements, reporting frameworks or best practices.

## **Conflicts of Interest**

Summit Partners and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and provide transaction-related, legal, management and other services to Funds, SPACs and portfolio companies. Summit Partners will devote such time, personnel and internal resources to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In addition, Summit Partners personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. To the extent an advisory opportunity is received that is unsuitable for a Fund, determined in Summit Partners' sole discretion, Summit Partners and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Summit Partners personnel are permitted to serve on boards or act in other roles unaffiliated with Summit Partners, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. In the ordinary course of Summit Partners conducting its activities, the interests of a Fund likely will conflict with the interests of Summit Partners, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Summit Partners will determine all matters relating to structuring transactions, allocating investment opportunities and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds.

At any given time, Summit Partners and its affiliates will typically manage several other Funds in addition to a given Fund, which are expected to include investments similar to those in which such Fund will be investing or have investments in portfolio companies in the form of securities or other investments that are not the principal focus of such Fund. Summit Partners and its affiliates expect to direct certain relevant investment opportunities or resources to those other Funds.

In addition, a General Partner's ability to implement a Fund's strategy effectively may be limited to the extent that contractual obligations entered into in respect of the activities of another Fund impose restrictions on the first Fund engaging in transactions that the General Partner otherwise would consider pursuing. For example, if one Fund controls a company that could have an interest in pursuing an acquisition that would increase indebtedness, a divestiture of revenue-generating assets or other similar transactions that may enhance the value of the equity investment with respect to such Fund, it potentially would also increase the risk of a second Fund's debt investment in such company.

Where multiple Funds (or other funds advised by an affiliate of Summit Partners) invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. Similarly, in such situations, the interests of the Funds can diverge significantly in the event a portfolio company experiences financial distress. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of a Fund to provide such additional financing. If such Fund had the potential to incur a loss on its investment as a result of such difficulties, the applicable General Partner's ability to recommend actions in the best interests of such Fund might be impaired. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds (or other funds advised by an affiliate of Summit Partners) may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by the applicable General Partner and/or its affiliates in their sole discretion. In a financial work-out or other distressed scenario, a Fund's equity interest may be adverse to another Fund and such Fund might recover none of its investment, while the other Fund would recover more. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring are expected to raise potential conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company (e.g., a Fund's interest could be more junior than another Fund in the capital structure of the applicable portfolio company). In such cases, other than set forth in the applicable Fund's Governing Documents, the Managers will seek to act in a manner they believe in good faith to be fair to the applicable Funds under the circumstances. In addition, because of the different legal rights associated with debt and equity of the same portfolio company, Summit Partners expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

For example, the Governing Documents of certain of the Funds (e.g., the Private Debt Funds) contemplate that such Funds generally will invest in interests of one or more portfolio companies in which another Fund (e.g., a Summit Equity Fund) has invested or is investing. Such investments typically will, in part, be in the debt of a portfolio company in which another Fund owns or is purchasing equity. Concurrent debt and equity investments are generally subject to specific restrictions as set forth in the applicable Governing Documents. In situations where one or more Private Debt Funds invests in a debt instrument of a portfolio company in which a Summit Equity Fund holds equity securities, Summit Partners expects there to be conflicts of interest in managing the Summit Equity Fund's and the Private Debt Fund's investments on a going-forward basis. Conflicts are expected to arise among a Summit Equity Fund and Private Debt Fund in negotiating the price of the debt securities or other instruments, the characterization of such debt securities or other instruments, the terms of inter-creditor agreements, the interest rate or stated dividend yield of such debt securities or other instruments, the nature of the covenants running in favor of lenders and the other terms and conditions of investment or in addressing subsequent amendments or waivers. Conflicts of interest are also expected to arise where a Summit Equity Fund desires optimal flexibility to grow the portfolio company, while a Private Debt Fund invested in the debt of the same portfolio company may want to place tighter restrictions on the type and amounts of permitted investments and acquisitions.



Further, these and other investments have the potential to create conflicts of interest, particularly because a Manager and its affiliates must determine how to allocate investment opportunities across eligible Funds and, once invested, reserves the right, in its sole discretion, to take certain actions for some Funds or affiliates with respect to one class of debt or equity that potentially is adverse to other Funds or affiliates who hold other classes of debt or equity of the same portfolio company. In the event of a conflict of interest, each applicable General Partner and its affiliates will seek to act in a manner they believe in good faith to be fair to the applicable Funds under the circumstances. In addition, the Funds' investment opportunities and ability to influence underlying portfolio companies is expected to be restricted (including under the Governing Documents of an applicable Fund) to the extent another Fund managed by Summit Partners or its affiliates has made an investment in such portfolio company. Certain conflicts and/or restrictions could be waived by investors (or their representatives) or the advisory board(s) of the relevant Fund(s), at the time of such conflict. However, Summit may or may not, in its sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained. In such cases, the General Partner and its affiliates will seek to act in a manner it believes in good faith to be fair to the applicable Funds under the circumstances. In some cases, one Fund's interest may be adverse to another investing Fund in situations where a portfolio company is underperforming, but also in allocating subsequent and/or related investment opportunities, expenses related to unconsummated deals and offset fees. In addition, in certain cases of default or proposed restructuring of debt held by a Private Debt Fund in a portfolio company in which another Fund has purchased equity, the applicable Manager expects to consult with the advisory board of the Private Debt Fund and expects, in certain cases where the applicable Manager and such Fund's advisory board do not agree on a course of action, to seek, as required by the Fund's Governing Documents, an independent third party to develop a mutually agreed upon course of action for the portfolio company.

From time to time, Summit Partners will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Summit Partners. In certain circumstances, Summit Partners expects that it will be advisable for a Fund to invest in a portfolio company in which another Fund has an existing interest or to co-invest in one or more portfolio companies alongside such Fund(s). In the event the amount of equity required is larger than Summit Partners deems suitable to be funded fully by the Funds, in its discretion, the applicable General Partner is permitted to allocate co-investment to other Funds operated by advisory affiliates of Summit Partners, to limited partners of the Fund, or to third party sources. In determining which investment vehicles should participate in such investment opportunities, Summit Partners and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Governing Documents, Summit Partners is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Fund in a portfolio company also have the potential to raise the risk of using assets of one Fund to support positions taken by another Fund.

Summit Partners must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. In determining which investment vehicles should participate in an opportunity, if any, Summit Partners is subject to potential conflicts of interest, and Summit Partners generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Governing Documents and in accordance with its allocation policy, as well as factors including, but not limited to: investment restrictions and objectives (including those set forth in the relevant Governing Documents, where applicable), strategies, life-cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments appropriate for such Fund until it is substantially invested.

Following such determination of allocation among the Funds, Summit Partners will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and Summit Partners reserves the right to offer any such excess to one or more potential co-investors, as determined by the Governing Documents, side letters and Summit Partners'

procedures regarding allocation. Under its investment allocation policy, Summit Partners typically expects to allocate suitable investment opportunities first to the applicable Fund(s) in a fair and equitable manner, consistent with its fiduciary obligations and underlying documents, as applicable. To the extent an opportunity exceeds the amount deemed by Summit Partners, in its sole discretion, to be suitable for any relevant Fund(s), Summit Partners is also authorized to offer the opportunity to co-investors (e.g., limited partners, lenders and other parties with investment/industry experience, etc.). Summit Partners' allocation procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; Summit Partners' perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Summit Partners' ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; and whether Summit Partners believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Summit Partners. Although Summit Partners reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Summit Partners in identifying co-investors.

In addition, for certain Funds, under the provisions of the applicable Governing Documents, in instances when a proposed co-investment opportunity is offered to one or more limited partners and/or other persons and such General Partner (or an affiliate) has formed a Co-Invest Vehicle to facilitate such co-investment, such General Partner and/or its affiliates are permitted to, and will, participate in each such co-investment opportunity through such vehicle in an amount calculated as set forth in the applicable Governing Documents. Participation by a General Partner and its affiliates in co-investment opportunities entails the potential for conflicts between the interests of the applicable Fund and General Partner (e.g., determinations relating to when to offer co-investment opportunities, the amount of such opportunities, considerations relating to potential capital constraints of the applicable General Partner (and/or its affiliates) and other potential conflicts) relating to co-investment opportunities. The terms on which a General Partner is permitted to participate in co-investment opportunities, as outlined in the applicable Governing Documents, are intended to mitigate the conflicts noted above, and Summit Partners believes the arrangement also generally works, in many cases, to align its interests with those of its limited partners and co-investors.

Furthermore, Summit Partners or its related persons reserve the right to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Summit Partners investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, Summit Partners expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. When and to the extent the Summit Employee Funds and/or other related persons of Summit Partners and its affiliates make capital investments in or alongside certain Funds, Summit Partners and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction

would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

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

In certain cases, Summit Partners will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Summit Partners will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund (or a fund advised by an affiliate of Summit Partners), or if it were to invest in the securities of a company in which another Fund (or a fund advised by an affiliate of Summit Partners) has already made an investment. A Fund may not, for example, be able to invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds (or other funds advised by affiliates of Summit Partners) invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. For example, a Private Debt Fund potentially will benefit from expenses that are borne by the relevant Summit Equity Fund(s). For example, in the case of a Summit Equity Fund transaction that does not proceed, Broken Deal Expenses relating to the Summit Equity Fund's due diligence process typically is expected to be borne exclusively by the Summit Equity Fund. Broken Deal Expenses incurred in connection with a prospective investment of the Summit Equity Funds generally are expected to be allocated to a Private Debt Fund in cases where the General Partner has already determined that the Private Debt Fund will participate in the transaction (which typically is not applicable, as such determination generally is made at a later time than when the Summit Equity Fund is evaluating a prospective investment). In such cases, the Broken Deal Expenses are expected to be allocated among the relevant Summit Equity Fund(s) and the Private Debt Fund, on a basis determined by the General Partner, in its sole discretion, to be fair and reasonable under the circumstances. Although the applicable General Partner and its affiliates will endeavor to allocate Broken Deal Expenses on a fair and equitable basis to such Private Debt Fund and the applicable Summit Equity Fund(s), there can be no assurance that such fees, costs, and expenses will in all cases be allocated in a proportional manner. Any such determinations involve inherent matters of discretion and potential conflicts between the interests of the applicable Summit Equity Fund(s) and Private Debt Funds.

Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Summit Partners and its affiliates reserve the right from time to time to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express

different views regarding the same investment. If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Summit Partners expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. Summit Partners intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to each Fund. In that regard, actions taken for one or more Funds may adversely affect other Funds. For the avoidance of doubt, the potential conflicts among Funds discussed herein also potentially exist between the Funds and other funds that are advised by Summit Partners Credit Advisors, L.P., an affiliate of Summit Partners, and its advisory affiliates.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Summit Partners will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Summit Partners may be faced with a variety of potential conflicts of interest. For example, in the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of Summit Partners, ultimately is not consummated, the full amount of any fees and expenses or other liabilities or obligations relating to such proposed transaction (including, for the avoidance of doubt, any Broken Deal expenses) generally will be borne by the applicable Summit Fund(s) and not by any potential co-investors that were to have participated in such transaction. As a general matter, Fund expenses typically will be allocated among relevant Funds or Co-Invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by Summit Partners or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. Additionally, certain expenses (e.g., legal and other due diligence costs that become Broken Deal Expenses) are expected to be allocated to actively investing Funds on a shared basis; in some instances, due to the lag between the date of the services performed and the receipt of the applicable invoice, certain newly active Funds potentially will bear Broken Deal Expenses relating to diligence occurring prior to the date such Fund began investing. In each such case, the allocations of such expenses may not be proportional, and any such determinations pose potential conflicts of interest and involve inherent matters of discretion (e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Summit Partners). The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

In addition, the principals of the Managers (the “**Principals**”) expect to spend a portion of their business time and attention pursuing investment opportunities for other Funds and other than on behalf of a given Fund. However, the Principals and the applicable General Partner's investment staff will continue to manage and monitor such Fund and its investments. The General Partners believe that the significant investment of the Principals in a Fund, as well as the Principals' interest in the carried interest with respect to such Fund, operate to align, to some extent, the interest of the Principals with the interest of the Fund, although the Principals have economic interests in such other Funds as well and receive Management Fees and carried interest therefrom. Such other Funds that the Principals expect from time to time to control or manage generally have the potential to compete with a given Fund or companies acquired by the Fund. At

such time as the applicable General Partner is permitted to raise a successor investment fund to a Fund, the Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in the Manager's sole discretion, the Manager and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity.

As a result of the Funds' interests in portfolio companies, Summit Partners and/or its affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation.

Additionally, a portfolio company typically will reimburse the Manager or service providers retained at a Manager's discretion for expenses (including without limitation travel expenses) incurred by such Manager or such service providers in connection with its performance of services for such portfolio company. This subjects Summit Partners and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. A Manager determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to a Manager or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or review by third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Summit Partners, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Summit Partners' operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Summit Partners and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Summit Partners Information**"). In many cases, Summit Partners Information will include tools, procedures and resources developed by Summit Partners to organize or systematize Summit Partners Information for ongoing or future use. Although Summit Partners expects its Funds and their portfolio companies generally to benefit from Summit Partners' possession of Summit Partners Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by the Summit Partners and its personnel) and not by the Fund or portfolio company from which Summit Partners Information was originally received.

Summit Partners Information will be the sole intellectual property of Summit Partners and solely for the use of Summit Partners. Summit Partners reserves the right to use, share, license, sell or monetize Summit Partners Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Summit Partners and/or its affiliates generally exercise their discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time

such service providers are expected to include: (i) Summit Partners or a related person of Summit Partners (which may include a portfolio company of such Fund); (ii) an entity with which Summit Partners or its affiliates or current or former members of their personnel has a relationship or from which Summit Partners or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint ventures or co-venturers, or relationships where Summit Partners personnel are seconded, or from which Summit Partners receives secondees; and/or (iii) certain limited partners or their affiliates. For example, Summit Partners expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or a related business. This subjects Summit Partners to conflicts of interest, because although Summit Partners selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Summit Partners has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Summit Partners, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Fund(s) or Summit Partners), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Summit Partners will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Summit Partners generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Summit Partners has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

From time to time, a Fund may establish or invest in platform companies or similar platform investments (including, without limitation, a SPAC) that seek to acquire interests in other companies and/or assets. While the relevant Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team and/or other personnel to operate, administer and manage the platform on a daily basis. In such cases, the relevant Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses, personnel costs and incentive-based compensation (e.g., equity, a profits interest, options and warrants)), investment sourcing and diligence expenses, transaction fees and other related expenses. Such expenses generally will not offset any Management Fee paid by the Funds.

Such platform investments create potential conflicts of interest. For example, management teams sometimes provide services that are similar to, and that may overlap with, services provided by Summit Partners and its personnel to the Funds, and certain Summit Partners professionals are expected to serve on the boards of, or otherwise provide services to, platform investments. Because Summit Partners (and not the Funds) otherwise generally pays the salaries of its employees, Summit Partners has an incentive to cause a platform investment to retain its own management team instead of relying on Summit Partners employees to provide managerial services, or to deploy existing Summit Partners employees as members of such platform investment's management team. In addition, Summit Partners generally will have the ability to influence significantly the form and amount of compensation paid to such management teams. Members of platform investment management teams also may render services exclusively to the platform or provide the same or similar services to other Funds and/or portfolio companies.

In addition, as described above, portfolio companies (or, to the extent not paid by a portfolio company, the Funds) bear the fees and expenses (either directly or through reimbursement of Summit Partners, which typically will initially advance amounts to such persons and/or make payments to such persons to meet any

agreed-upon compensation levels that are not met through portfolio company payments) of third-party consultants (including Executives-in-Residence and other consultants introduced or arranged by Summit Partners and/or its affiliates that from time to time provide services to one or more portfolio companies) and other third-party service providers, and such amounts do not offset or reduce the Management Fee as described herein. Executives-in-Residence are permitted to make use of Summit Partners resources or otherwise be associated with Summit Partners. Summit Partners and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation, and any such compensation paid by Summit Partners ultimately will be reimbursed by a Fund. Executives-in-Residence are expected from time to time to include former employees of Summit Partners or certain portfolio companies, and in some circumstances former Executives-in-Residence are expected to become Summit Partners employees or employees of portfolio companies. Consequently, the determination of whether individuals are Executives-in-Residence is expected to vary and/or be revisited from time to time, which poses potential conflicts of interest to the extent a change in status or categorization would reduce costs or expenses borne by Summit Partners. The use of Executives-in-Residence and other consultants and the allocation of compensation paid to them by Summit Partners, its affiliates and/or the portfolio companies subjects Summit Partners and/or its affiliates to potential conflicts of interest. To the extent that Executives-in-Residence are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Executives-in-Residence's services at a time when fewer portfolio companies or Funds make use of such Executives in Residence. Additionally, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. Executives-in-Residence, as well as individuals and third-party consultants who provide advice or other services to Summit from time to time on specific transactions, including providing services to certain portfolio companies, are typically not considered Summit personnel. Terms relating to the Executives-in-Residence program differ among the Funds according to each Fund's Governing Documents, but any compensation from portfolio companies, a Fund or Summit, (which may include, without limitation, cash fees, reimbursements for insurance, legal fees incurred, out-of-pocket travel and related business expenses, retainers, a profits or equity interest in a portfolio company, incentive equity and stock awards, consulting fees, transaction fees, board fees and other similar compensation) and expenses payable to Executive-in-Residence by (or on behalf of) a Fund or portfolio company will not result in any offsets to or reductions in the Management Fee.

Summit Partners has instituted a program under which portfolio companies owned by the Funds are eligible to participate in purchasing, vendor or similar arrangements with Summit Partners, its affiliates and other portfolio companies. Program participants receive a group rate negotiated with various vendors and service providers. Participants participate in the program without cost. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Summit Partners and its affiliates may also participate in the program and receive similar benefits and discounts as the portfolio companies participating therein. Summit Partners believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies.

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

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another portfolio company, including a portfolio company in which one or more other Summit Funds own an interest. As a result, there is a potential for conflicts of interest in these instances because operational or other similar recommendations provided by Summit Partners to a portfolio company may have adverse consequences to a separate portfolio company owned by another Fund. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company. Notwithstanding the foregoing, in providing operational and other similar advice with respect to any such portfolio company, Summit Partners reserves the right to consider the interests of one portfolio company independently of the interests of any other relevant portfolio company, regardless of whether such portfolio company competes with, is a customer of or service provider for another portfolio company.

From time to time, Summit Partners reserves the right to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Summit Partners, or co-investors or co-investment vehicles. Such transactions are expected to arise in various contexts, including, without limitation, rebalancing of an investment among parallel investing entities, where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund or where the Manager offers potential liquidity alternatives for certain investments held by a Fund to investors in such Funds. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. Summit Partners intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Additionally, certain Funds are permitted to sell interests in portfolio companies to a Rollover Opportunity Fund under certain circumstances and in accordance with the terms of the applicable Governing Documents. In such transactions, a Fund is authorized to sell to a Rollover Opportunity Fund all or any portion of its remaining interest in a portfolio company held by such Fund, as permitted under the applicable Governing Documents (accordingly, although not currently contemplated, following such transaction, both the Fund and a Rollover Opportunity Fund could own a portion of the interests in the relevant portfolio company. The Managers of any such Fund and any Rollover Opportunity Fund will be affiliates and are subject to potential conflicts of interest in such transactions, including, but not limited to, as a result of the Managers' economic interests in any applicable Fund(s), on the one hand, and a Summit Rollover Fund, on the other hand. The Managers also are subject to potential conflicts of interest relating to the selection of a third-party purchaser, which could be influenced by factors other than pricing (*e.g.*, if the Manager believes that a third-party purchaser will be more likely to permit participation in a transaction by a Rollover Opportunity Fund). To address certain of these conflicts, the Governing Documents of any relevant Fund specifies certain circumstances and conditions under which interests in a portfolio company can be sold to a Rollover Opportunity Fund, including where: (i) one or more third parties unaffiliated with the Fund, Managers or their respective affiliates are purchasing in a proposed transaction at least a majority of the outstanding equity interests in the portfolio company that are held by such Fund; (ii) such third party leads the buy-side negotiations with respect to the terms, valuation and pricing of such transaction; (iii) the Fund will realize



liquidity in connection with the transaction at substantially the same time as the purchase by the third party and at a price consistent with the valuation negotiated by such unaffiliated third-party purchaser; and (iv) the Fund will have realized a cumulative gross rate of return on such portfolio company investment in excess of an amount specified in the Governing Documents. While these terms are intended to mitigate potential conflicts, there can be no assurance that any particular conflicts will be handled and resolved in a manner that is most favorable to, or in the best interests of, a Fund and a Rollover Opportunity Fund. For example, conflicts of interest are expected to arise at the time when a Rollover Opportunity Fund makes a portfolio company investment. A Fund has an interest in selling at a relatively higher price and a Summit Rollover Fund has an interest in buying at a relatively lower price. Reliance on a third-party purchaser to negotiate the terms (including valuation and pricing) of the investment is intended to mitigate these concerns, but there can be no assurance that such measures will fully address this conflict (or other related conflicts). A conflict of interest also can arise during the course of the investment if a participating Fund and a Summit Rollover Fund ultimately hold different securities (or a similar class of securities with differing rights). For instance, such Fund may have rights subordinate to such Summit Rollover Fund which may result in an uneven distribution of profits or assets in a distressed situation. Conflicts of interest also are expected to arise at the time of a portfolio company divestment. For example, Summit Partners anticipates that there will be situations where a Fund will exit an investment prior to a Rollover Opportunity Fund. A Rollover Opportunity Fund's rights typically will be based upon the rights negotiated by the independent third-party lead investor with a Fund. For these and other reasons, to the extent a Fund and any Rollover Opportunity Fund each hold interests in the same portfolio company following a transaction pursued in accordance with the conditions above, the timing of any exit or disposition could be more favorable to a participating Fund, on the one hand, or a Rollover Opportunity Fund, on the other hand, and there can be no assurance that a Fund and any Rollover Opportunity Fund will have the same returns.

Although Summit Partners generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, Summit Partners intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Summit Partners and/or its affiliates reserve the right to employ personnel with preexisting ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Summit Partners and/or its affiliates; conversely, former personnel or executives of Summit Partners and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by Summit Partners. Similarly, Summit Partners, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Summit Partners and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Summit Partners entities) to Summit Partners personnel and their estate planning vehicles. Summit Partners expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider

or its affiliate(s) will continue to invest in one or more Funds, will provide Summit Partners information about markets and industries in which Summit Partners operates (or is contemplating operations) or will provide other services that are beneficial to Summit Partners or one or more other Funds. Summit Partners expects to be subject to a potential conflict of interest in making such recommendations, in that Summit Partners has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Summit Partners, its affiliates, and equity holders, officers, principals and employees of Summit Partners and its affiliates reserve the right to buy or sell securities or other instruments that Summit Partners has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by a Fund in connection with such Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Summit Partners' Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. The Summit Employee Funds and other related persons of Summit Partners have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore expects to have additional potential conflicting interests in connection with these investments.

Except to the extent prohibited by the Governing Documents, Summit Partners and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder, manager or as a special consultant or adviser) for other pooled investment vehicles, accounts or SPACs and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. None of such compensation will be offset against the Management Fee of any Fund. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, Summit Partners and its personnel are also permitted to offer, restructure and monetize interests in Summit Partners.

Because a General Partner's carried interest is based on a percentage of realized profits of the respective Fund, it may create an incentive for the General Partner to cause the applicable Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Summit Partners may not otherwise have done so.

Summit Partners, its personnel, affiliates or others designated by Summit Partners expect from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied, Summit Partners and/or such other recipients will be permitted to retain such securities as Supplemental Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the Summit Partners or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund). In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

Summit Partners reserve the right to enter into side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, and liquidity or transfer rights. Side letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by the Governing Documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Summit Partners, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side letters subject Summit Partners to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although Summit Partners believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

The relevant liability standards under insurance coverage procured by Summit Partners are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Summit Partners' insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Summit Partners and/or its affiliates to potential conflicts of interest. Summit Partners attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Summit Partners' advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Summit Partners will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Summit Partners consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund and such other investment vehicles.

## **Section 6. Disciplinary Information**

Summit Partners and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

## **Section 7. Other Financial Industry Activities and Affiliations**

Summit Partners is affiliated with other Summit Partners investment advisers, including General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Summit Partners' registration in accordance with SEC guidance. These advisers are Summit VI GP, Summit VC II GP, Summit VII GP, Summit SD III GP, Summit SD IV GP, Summit Europe GP, Summit GE VIII GP, Summit VC III GP, Summit GE IX GP, Summit VC IV GP, Summit GE X GP, Summit Europe II GP, Summit VC V GP, Summit Europe III GP, Summit GE XI, GP, Summit SD V GP, Summit SD VI GP, Summit Management, Summit Investors Management, Summit GE VIII AIV GP, Summit GE IX AIV GP, Summit Co-Invest GP, Summit Co-Invest Indigo GP, Summit Co-Invest Kiwi GP, Summit Co-Invest Lions GP, Summit Co-Invest Decor GP, Summit Co-Invest Sumo GP, Summit RF GP, Summit Co-Invest Optmo GP, Summit Co-Invest Athena GP, Summit Co-Invest CS GP, Summit Co-Invest Riggins GP, Summit Co-Invest Titan GP, Middlefield Road GP, Summit Partners Entrepreneur Advisors GP, LLC, Summit Partners Entrepreneur Advisors GP II, LLC and Summit Partners Entrepreneur Advisors GP III, LLC. These affiliated investment advisers operate as a single advisory business together with Summit Partners and serve as General Partners of the Funds and may share common owners, officers, partners, employees, consultants or persons occupying similar positions. Summit Partners is also affiliated with Summit Partners Credit Advisors, L.P., Summit Partners Credit GP, L.P., Summit Partners Credit A-1 GP, L.P., Summit Partners Credit II, L.P., Summit Partners Credit A-2, L.P., Summit Partners Credit B-2, L.P., Summit Partners Credit III, L.P., Summit Partners Credit IV, L.P., Summit Partners Public Asset Management, LLC, and Summit Partners Alydar GP, L.P., each of which is separately registered or deemed registered as an investment adviser with the SEC under the Advisers Act.

Summit Partners has adopted certain policies and procedures to minimize any conflicts of interest between the Funds advised by Summit Partners, Summit Partners Public Asset Management, LLC and Summit Partners Credit Advisors, L.P. The Funds advised by Summit Partners, Summit Partners Public Asset Management, LLC and Summit Partners Credit Advisors, L.P. have substantially different investment programs. Each of Summit Partners, Summit Partners Public Asset Management, LLC and Summit Partners Credit Advisors, L.P.'s investment activities are generally performed independently; however, each may leverage Summit Partners' internal deal sourcing network and internal contacts when performing investment activities.

Summit Partners LLP, a UK FCA-authorized adviser, provides non-discretionary investment advisory services to Summit Partners with respect to certain non-U.S. investments.

Summit Partners Paris SAS is a subsidiary of Summit Partners, L.P. and provides certain non-discretionary advisory services to Summit Partners LLP pursuant to an agreement between Summit Partners Paris SAS and Summit Partners LLP.

## **Section 8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Managers have adopted the Summit Partners Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of the Managers' Principals and employees and addresses conflicts that arise from personal trading. The Code requires the Managers' personnel to report their personal securities transactions and, subject to certain exceptions such as non-discretionary accounts and a limited number of publicly traded securities, prohibits the Managers' personnel's direct or indirect acquisition of beneficial ownership of securities without first obtaining approval from the Managers' Chief Compliance Officer. In addition, the Code requires the Managers'

Principals and employees to comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any client or prospective client upon request to Erin H. White at 617-824-1000 or ewhite@summitpartners.com. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

The Managers and their affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Managers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Managers. Accordingly, should the Managers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Managers would be prohibited from communicating such information to clients, and the Managers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Summit Partners personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals, employees, senior advisors and retired investment professionals of the Managers and their affiliates generally are expected to directly or indirectly own an interest in Funds, including certain co-investment vehicles. Such co-investment vehicles are expected to invest in one or more of the same portfolio companies as the Funds. The Managers believe that such interests do not create a conflict of interest and instead operate to align the interests of Principals and employees of the Managers with the Funds.

Co-invest opportunities generally are also expected to be presented to certain affiliates of the Managers, as well as third-party investors and other persons, and such co-investments may be effected through co-investment vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Additionally, the Funds may invest together in the manner set forth in the applicable Governing Documents. The Managers will determine allocation of investment opportunities in a manner that they believe is fair and equitable to their clients consistent with the Managers' fiduciary obligations and consistent with the applicable Funds' underlying documents. In the case of co-invests, the Managers may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in the Funds' portfolio companies or otherwise to have priority in co-investment opportunities.

The Managers and their affiliates, Principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in the Funds, as well as give advice and recommend securities to other accounts or certain Funds or vehicles which may differ from advice given to, or securities recommended or bought for, other Funds or vehicles, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds sponsored by Summit Partners (the "**Referenced Funds**") generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other Funds in issuers held by such Referenced Funds or may give priority with respect to investments to such Referenced Funds. Some of these restrictions could be waived by investors (or their representatives or advisory boards) in such Referenced Funds or be subject to limitations (e.g., by time or percentage of capital deployed). However, the Managers may or may not, in their sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained.

The Managers reserve the right to recommend the purchase or sale of securities for Funds in which one or more of their partners, members, officers, directors, employees (and members of their families) or affiliates (“**affiliated persons**”), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to the clients of the Managers or the Funds. Certain of these transactions may require the consent of the applicable clients or Funds.

From time to time, a General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents.

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

Summit Partners will effect such borrowings consistent with a Fund’s Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

## **Section 9. Brokerage Practices**

The Managers focus on securities transactions of private companies and generally purchase and sell such companies through privately negotiated transactions in which the services of a broker-dealer are unlikely to be retained. However, the Managers reserve the right also to distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although the Managers do not intend to regularly engage in public securities transactions, to the extent they do so, they intend to follow the brokerage practices described below.

If the Managers sell publicly traded securities for the Funds, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Managers. In such event, the Managers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Managers may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

As noted above, Summit Partners does not commonly engage in public securities transactions on behalf of its clients; however, an affiliate of Summit Partners, Summit Partners Public Asset Management, LLC, advises clients in accordance with public equity strategies and frequently engages in public securities transactions on behalf of the clients it advises. Accordingly, Summit Partners Public Asset Management, LLC maintains trading infrastructure and experience that supplement the capabilities of Summit Partners. From time to time, Summit Partners expects to utilize its affiliate, Summit Partners Public Asset Management, LLC (including the trading personnel thereof), to sell publicly-traded securities through its order management systems. For more information on the brokerage and trading practices of Summit Partners Public Asset Management, LLC, please refer to its Form ADV Part 2A.

The Managers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Managers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Managers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Managers generally do not make use of such services at the current time. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Managers’ Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by the Managers, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Funds. Research services may be shared between the Managers and their affiliates.

The Managers will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, the Managers may, in their discretion, cause the Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Managers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Managers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Managers will periodically determine which brokers have provided research that has been helpful in the management of the Funds. To the extent consistent with the Managers’ goal to obtain best execution for their clients, the Managers reserve the right to seek to place a portion of the trades that they direct with the brokers who are identified through this process.

To the extent that the Managers allocate brokerage business on the basis of research services, they expect to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on their Funds’ interest in receiving most favorable execution.

To the extent that the Managers engage in public securities transactions, any such transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time



of order receipt. To the extent that orders for Funds are completed independently, the Managers may purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Managers expect, but are not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Managers is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating based on invested cost of the investment for each Fund participating in the transaction.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to its clients under the circumstances over time.

#### **Section 10. Review of Accounts**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Managers closely monitor companies in which the Funds invest, and the Managers’ Chief Executive Officer, Chief Financial Officer and/or Chief Compliance Officer periodically check to confirm that each Fund is managed in accordance with its stated objectives.

The Managers place great importance on holding a seat on the board of each portfolio company or on having a contractual right to attend board meetings and may otherwise act to influence management or control of companies held by the Funds, including through approval rights.

The Funds generally provide to their limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner’s tax return, and (iii) quarterly reports describing the status of each investment in the Fund’s portfolio (including the General Partner’s estimate of the fair value of each investment determined as set forth in the Governing Documents).

#### **Section 11. Client Referrals and Other Compensation**

As discussed in the “Fees and Compensation” section, the Managers and/or their affiliates intend to receive certain Supplemental Fees from a Fund’s portfolio companies. As described in the applicable Fund’s Governing Documents, this compensation is generally offset against the Management Fees paid by the Funds. As previously noted, investment professionals that have retired or no longer provide full-time investment advice to Summit or its affiliates, including former employees and directors of Summit Partners, may receive compensation from portfolio companies in the form of stock options, equity incentives and certain other fees or compensation paid by portfolio companies of the Funds. Such compensation will not result in offsets to or reductions of the applicable Fund’s management fee.

From time to time, Summit Partners may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund’s Form D. With respect to (i) Europe Fund III and Growth Equity Fund XI-B, Summit Partners retained IBK Securities Co, Ltd. and (ii) Sub Debt V-B Fund and Growth Equity Fund X-B, Summit Partners retained Korea Asset Investment Services Co., Ltd to solicit commitments from certain non-U.S. investors in exchange for a placement fee calculated



as a specified percentage of the commitments from such investors it successfully has referred. The fees payable to such placement agents, if any as applicable, generally will be borne by Summit Partners directly or indirectly through an offset against the applicable Management Fee under the Governing Documents, although related expenses incurred pursuant to the placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Funds.

## **Section 12. Custody**

Summit Partners generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2) of assets held in the Funds’ names, and intends to maintain such assets with the qualified custodians listed below:

- Bank of America, N.A., located at 100 North Tryon Street, Charlotte, North Carolina 28255
- ING, located at 26 Place de la Gare, L-22965 Luxembourg
- Merrill Lynch, Pierce, Fenner & Smith Incorporated, located at 600 California Street, 8th Floor, San Francisco, CA 94108
- Silicon Valley Bank, located at 3003 Tasmann Drive, Santa Clara, CA 95054

## **Section 13. Investment Discretion**

Each Manager has discretionary authority to manage investments on behalf of the applicable Fund. As a general policy, the Managers do not allow clients to place limitations on this authority, provided that the Governing Documents of a Fund may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the applicable Governing Documents, however, a Manager have entered, and expect to enter, into “side letter” or similar arrangements with certain limited partners whereby the terms applicable to such limited partner’s investment in the Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons. The applicable Manager assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of the Fund.

## **Section 14. Voting Client Securities**

In accordance with SEC requirements, the Managers have adopted Proxy Voting Policies and Procedures (the “**Policy**”) to address how any Manager will vote proxies, as applicable, for the Funds’ portfolio investments. The Policy seeks to ensure that the applicable Manager votes proxies (or similar instruments) in the best interest of the Funds, including when the Managers believes there may be material conflicts of interest in voting proxies. The Managers generally believe their interests are aligned with the Funds’ investors through the Managers’ Principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event, however, there exists a potential conflict of interest between the applicable Manager and the Funds in voting proxies, the Policy provides that such Manager is authorized to address the conflict using several alternatives, including by seeking the approval or concurrence of the Funds’ advisory board on the proposed proxy vote or through other alternatives set forth in the Policy. The Managers do not consider service on portfolio company boards by Manager personnel or Principals or the Managers’ receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Policy sets forth certain specific proxy voting guidelines the Managers follow when voting proxies on behalf of the Funds. A copy of the Policy or information regarding how the Managers voted

proxies for particular portfolio companies will be provided to clients or prospective clients at no charge upon request to Erin H. White at 617-824-1000 or ewhite@summitpartners.com.

**Section 15. Financial Information**

Summit Partners does not require or solicit prepayment of Management Fees more than six months in advance and does not have any other events requiring disclosure under this item of the Brochure.