

Grounded Capital LLC

**560 Commercial Street, Suite 400, San Francisco,
CA 94111**

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This “**Brochure**” provides information about the qualifications and business practices of Grounded Capital LLC (hereinafter “**Grounded Capital**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), William Culler-Chase, by email at [**will@groundedcapitalpartners.com**](mailto:will@groundedcapitalpartners.com). Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Grounded Capital has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration as an investment adviser does not imply that Grounded Capital or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

This Brochure is Grounded Capitals initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this section.

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Item 4: Advisory Business

Grounded Capital LLC (hereinafter “Grounded Capital”, “we”, “us”, “our” or the “Firm”) is organized as a Delaware limited liability company with a principal place of business San Francisco, California.

Grounded Capital will provide discretionary investment management services to qualified investors through its private funds: Grounded Botanical Holdings, LP; and Grounded Botanical Investors LP.

Following registration with the SEC, Grounded Capital intends to manage the following private, pooled investment vehicles:

- Grounded Botanical Investors LP, a Delaware limited partnership (the “**Onshore Fund**”); and
- Grounded Botanical Holdings, LP, a Delaware limited partnership (the “**Master Fund**”).

The Master Fund and the Onshore Fund are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The Onshore Fund’s “**Limited Partners**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents.**”

We do not currently participate in any Wrap Fee Programs.

Currently, we have regulatory assets under management of \$26,195,721, but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

Management Fee

Grounded Capital is paid an investment management fee ("**Management Fee**") per annum of the net asset value of the Funds.

The Fee will range from 1.5% to 2.0%.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

Grounded Capital is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

The Funds bear all other expenses, which include, without limitation, the following expenses that may be incurred by or allocable to the Funds: (a) organizational and offering expenses; (b) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Funds, including, without limitation, those expenses incurred before the initial closing of the Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, third-party research, data, analytics, modeling, structuring, pricing, execution and other third-party information systems, software and service fees (including, without limitation, the expenses with respect to data feeds, subscriptions, expert networks, political intelligence providers, and reports); (c) research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals; (d) the Funds' pro rata share of the Firm's order management system, portfolio management system and any other software used for accounting and/or monitoring of the portfolio; (e) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith; (f) travel and related expenses associated with investments and potential investments; (g) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal, and other advisory fees and expenses; (h) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (i) expenses associated with legal and regulatory filings of the Funds (including, without limitation, pursuant to Section 13 and 16 of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**")) and the Funds' pro rata portion of the expenses associated with preparation of the Firm's Form 13F, Form 13H and Form PF, and any other similar filing in any other U.S. or non-U.S. jurisdiction; (j) administrative, custodial, appraisal, valuation,

legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Funds' operations, investments and transactions, including, without limitation, fees and expenses of the Funds' administrator; (k) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization and all extraordinary expenses; (l) broken-deal, failed transaction, break-up and similar fees, costs and expenses, if any; (m) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees; (n) expenses incurred in the collection of monies owed to the Funds, as applicable; (o) auditing and accounting expenses of the Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (p) any entity level taxes, fees or other governmental charges on the Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular Investor; (q) costs and expenses associated with investor communications and reports and the delivery thereof to investors; (r) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions; (s) costs and expenses associated with meetings of the Investors; (t) insurance expenses; including, without limitation, directors' and officers' liability insurance, general partner liability insurance, errors and omissions insurance and other policies, if any; (u) costs and expenses (including, without limitation, entity-level taxes, fees or other governmental charges) associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company, or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Funds; (v) wind-up, liquidation, termination and dissolution expenses; (w) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, CFTC filings and notices and other securities and/or investment-related filing expenses; (x) costs related to any transfers of interests in the Funds, unless otherwise charged to or borne by the applicable transferor and/or transferee; (y) expenses incurred in connection with the preparation of any amendment to the Funds' governing documents and/or Offering Documents; (z) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Funds; (aa) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (bb) the Management Fee; and (cc) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Funds.

In general, each Investor will bear its proportionate share of the Fund expenses on a pro rata basis with respect to the size of such Investor's capital account(s) or with respect to the relative net asset value of the shares held by such Investor, as applicable.

Notwithstanding the foregoing, the Fund General Partner and/or the Firm, as applicable, may specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Fund General Partner and/or the Firm, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

To the extent that expenses to be borne by the Funds are paid by the Firm or its affiliates, the Funds will reimburse the Firm or its affiliates for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of

any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Objective

Grounded Capital Partners ("Grounded") was created with a different approach to capital, committed to investing in the health of our food system rather than monetizing the symptoms of an unhealthy system.

Through a holistic, systems-based approach to portfolio strategy, portfolio construction, portfolio management and reporting, we make financially-focused investments that we believe are individually compelling but are contemplated in the context of every other holding in the broader portfolio.

In everything we do, we are focused on ensuring that the activities of any enterprise are building the health of that enterprise, stakeholders, and related systems in the course of regular business.

Rather than a model of extraction or degradation that requires ongoing external inputs to maintain fertility, health, productivity, and financial viability of all stakeholders, we are committed to a long-term perspective that builds health over time by connecting the dots of individual solutions. We embrace the diversity, complexity and simplicity that is natural in any human, ecological, business or financial system.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with Grounded Capital LLC.

Highly Competitive Market for Investment Opportunities

The success of a Fund as a whole depends upon the identification and availability of suitable investment opportunities. The activity of identifying, completing and realizing on attractive portfolio investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. The availability of investment opportunities will be subject to market conditions, the prevailing regulatory conditions or the political climate in industries and regions in which a Fund may invest and other factors outside the control of such Fund. A Fund will be competing for investment opportunities against various other groups, including strategic or industry participants, private equity or other investment firms or pools of capital and merchant banks. To the extent that such Fund encounters competition for investments, returns to limited partners may decrease, including as a result of higher pricing, foregoing opportunities or negotiating fewer transactional protections in order to remain competitive. Additionally, a Fund may incur bid, due diligence, negotiating, consulting or other costs on investments that may not be successful. As a result, there can be no assurance that a Fund will be able to identify and complete portfolio investments that satisfy its investment objectives, or realize the value of such portfolio investments, or that it will be able to invest fully its Commitments. However, each limited partner will be required to pay Management Fees based on the Commitment of such limited partner on each Management Fee payment date as defined in the applicable Governing Documents.

Illiquid and Long-Term Investments

Although portfolio investments may generate current income, the return of capital and the realization of gains, if any, from a portfolio investment generally will most likely occur only upon the partial or complete disposition of such portfolio investment. While a portfolio investment may be sold at any time, it is generally expected that the disposition of most of a Fund's portfolio investments will not occur for a number of years after such portfolio

investments are made. It is unlikely that there will be a public market for the securities held by a Fund at the time of their acquisition, and such securities may require a substantial length of time to liquidate. A Fund generally will not be able to sell the securities it holds of any portfolio investment publicly, unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, a Fund may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

General Economic Conditions

General economic conditions may affect a Fund's activities, interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of portfolio investments made by a Fund or considered for prospective investment. A Fund's portfolio investments can be expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of a Fund's portfolio investments. No assurances can be given as to the effect of these events on a Fund's investment objectives.

Market Dislocation

Material changes and fluctuations in the economic environment, particularly of the type experienced since 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect a Fund's ability to make portfolio investments and the value of portfolio investments held by such Fund. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of portfolio companies and result in the inability of such portfolio companies to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund may suffer a partial or total loss of capital invested in such portfolio companies, which would, in turn, have an adverse effect on such Fund's returns. Such marketplace events also may restrict the ability of a Fund to make new investments, or sell or liquidate portfolio investments at favorable times or for favorable prices.

World financial markets continue to experience extraordinary market conditions, including, among other things, bank failures, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators and monetary authorities in the United States and several other countries undertook unprecedented regulatory and monetary actions, and regulators in the United States and many other jurisdictions continue to consider and implement measures to stabilize U.S. and global financial markets. However, despite these efforts, U.S. and global financial markets remain volatile.

In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect a Fund's performance. The economies of particular individual emerging markets countries may differ favorably or unfavorably from one another in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Governments of many emerging markets countries have exercised and

continue to exercise substantial influence over many aspects of the private sector, including owning or controlling such countries' large companies.

Geopolitical Risks

An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default of particular portfolio companies, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund's returns. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Leverage

Certain of the portfolio investments may include portfolio companies whose capital structures have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Moreover, rising interest rates may have a more pronounced effect on the profitability or survival of such companies. Although Grounded Capital will seek to use leverage in a manner it believes is appropriate under the then-circumstances, the leveraged capital structure of such portfolio companies will increase the exposure of such portfolio companies to adverse economic factors, such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio companies or their industries and may impair such portfolio companies' ability to finance their future operations and capital needs, resulting in restrictive financial and operating covenants. Consequently, such portfolio companies' flexibility to respond to changing business and economic conditions may be limited. If for any of these reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of a Fund's investment in such portfolio company could be reduced or even eliminated. Moreover, a Fund may invest in securities that are not protected by financial covenants or limitations on additional indebtedness. No assurance can be given that financing for a Fund's investments will be obtained by such Fund, or obtained on favorable or acceptable terms. In addition, once initial financing is obtained by a Fund, no assurance can be given that such financing will subsequently be available throughout the life of such Fund.

The cumulative effect of the use of leverage by a Fund in a market that moves adversely to such Fund's investments could result in a loss to such Fund that would be greater than if leverage had not been used, including loss of the entire investment and also the possibility of loss exceeding the original amount of a particular investment. There are also financing costs associated with leverage, and each leveraged investment will involve interest rate risk to the extent that financing charges for such leveraged investment are based on a predetermined interest rate. Borrowings by a Fund may be secured by a pledge of, or the grant of security over, the right to issue drawdown notices in the name of the relevant General Partner and related rights with respect to Commitments and capital contributions. The exercise by the lenders under such facility of their drawdown right would reduce the amount of capital otherwise available to a Fund for making investments and therefore reduce the ability of such Fund to make further investments and may negatively impact such Fund's investment objectives and returns. Limited partners may be required to execute an investor

acknowledgement for the benefit of the lenders under the credit facility and may be required to acknowledge their obligations to pay their share of indebtedness up to their unfunded Commitment.

Non-U.S. Investments

A Fund may invest globally, including in portfolio companies located in emerging markets. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign portfolio investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, that may result in the unavailability of material information about issuers, (iv) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability and the possibility of nationalization, expropriation or confiscatory taxation, (v) obtaining foreign governmental approvals and complying with foreign laws and regulations, (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities, (vii) less developed corporate laws regarding fiduciary duties and the protection of investors, (viii) rudimentary anti-fraud and insider trading regulations, (ix) social, economic and political uncertainty, including war and revolution, (x) dependence on exports and the corresponding importance of international trade, (xi) rates of inflation, (xii) governmental involvement in and control over the economies, (xiii) governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies, (xiv) less extensive regulation of the securities markets and longer settlement periods for securities transactions, (xv) certain considerations regarding the maintenance of a Fund's portfolio securities and cash with non-U.S. sub custodians and securities depositories, (xvi) restrictions and prohibitions on ownership of property by non-U.S. entities and changes in laws relating thereto, (xvii) additional administrative burdens as a result of local legal requirements and (xviii) crime, corruption and terrorism. A Fund may be adversely affected by the foregoing events, or by future adverse developments in global or regional economic conditions or in the financial or credit markets.

A Fund's historical returns on its U.S. portfolio investments may not be indicative of the results they may achieve on future investments located in foreign countries. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. There may be no prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a portfolio company's assets, or otherwise materially affect the value of such portfolio company without the consent of such portfolio company's shareholders. Anti-dilution protection also may be very limited. In certain of these countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for a Fund to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

Concentration of Investments

A Fund will participate in a limited number of portfolio investments and, as a consequence, the aggregate return of such Fund may be affected by the performance of a single portfolio investment. A Fund's portfolio investments may be concentrated in a few

industries, and the returns of such Fund may be substantially impacted by adverse developments in a particular portfolio company or industry in which such Fund has a greater concentration. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies than anticipated and thus be less diversified.

Regulation Impacting Investments

The industries targeted for investments by a Fund may be, in certain instances, highly regulated, both by domestic and foreign governmental agencies. Any such regulations may impact such Fund's ability to make an acquisition or disposition of a portfolio investment and how such portfolio investment is operated.

Disposition of Private Investments

Many of a Fund's portfolio investments will involve private securities, which are generally more difficult to sell than publicly traded securities, as there is often no liquid market, which may result in selling interests at a discount. In connection with the disposition of an investment in private securities, a Fund may agree to purchase price adjustments and may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. The Fund may be obligated to fund such purchase price adjustments and also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the limited partners to the extent of their unfunded Commitments or prior distributions made to such limited partners.

Equity Securities

A Fund generally intends to invest in common and preferred stock and other equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting regularities. A Fund may experience a substantial or complete loss on individual equity securities.

Counterparty Risk

A Fund will be subject to the risk of the inability of counterparties and custodians to perform with respect to transactions or to safeguard assets, whether due to insolvency, bankruptcy or other causes, which could subject such Fund to incur substantial losses. In an effort to mitigate such risks, Grounded Capital will attempt to limit transactions and entrust assets to counterparties that it believes are established, well-capitalized and creditworthy.

Guarantees of Portfolio Companies

A Fund may guarantee the obligations of portfolio companies. As a result, if any such portfolio company defaults on its obligations, such Fund will be required to satisfy such

obligation. In order to do so, such Fund may call capital, recall distributions or liquidate some or all of its investments prematurely at potentially significant discounts to fair value. However, at no time may the aggregate amount of borrowings and guarantees exceed the uncalled Commitments and unexpended capital contributions, which should mitigate the likelihood that investments would need to be liquidated prematurely or distributions would need to be recalled in order to satisfy any such obligations.

Bridge Financings

From time to time, a Fund may lend to portfolio companies on a short-term, unsecured basis, or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. However, for reasons not always in a Fund's control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding and may potentially permanently increase the overall percentage of aggregate Commitments dedicated to one investment. Any such loan or interim investment made by a Fund involves the risk of loss of the entire amount of such loan or interim investment. In addition, with respect to the making of any such loans, a Fund may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject such Fund to various "lender liability" risks. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the position taken by such Fund.

Control Position

A Fund will generally seek investment opportunities that allow such Fund to have significant influence on the management, operations and strategic direction of the portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for regulatory non-compliance, environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of a Fund to claims by such portfolio company, its security holders, its creditors and its regulators. While Grounded Capital intends to manage such Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Minority Investments

A Fund may make minority equity investments in portfolio companies where it may have limited influence. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of such Fund, and such Fund may not be in a position to protect the value of its portfolio investment in such portfolio companies. A Fund's control over the investment policies of such portfolio companies may also be limited. This could result in such Fund's portfolio investments being frozen in minority positions that incur substantial losses. In addition, if a Fund takes a minority position in publicly traded securities as a "toehold" investment, such publicly traded securities may fluctuate in value over the limited duration of such Fund's investment in such securities, which could potentially reduce returns to the limited partners. Therefore, there can be no assurance that such Fund will be able to realize the value of any such investments and distribute proceeds in a timely manner. In addition, although a Fund will generally seek board representation in connection with its minority portfolio investments, there is no assurance that such representation, if sought, will be obtained.

Projections

A Fund may rely upon projections developed by Grounded Capital, a third party or a portfolio company concerning the portfolio company's future performance, outcome and cash flow, including when deciding that the possibility of actual adversity in connection with an investment in a different part of the capital structure of the portfolio company is remote. Projections are inherently subject to uncertainty and factors beyond the control of Grounded Capital and the portfolio company. Different assumptions may produce different results. The inaccuracy of certain assumptions, the failure to satisfy certain requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flow. In addition, prospective investors should note that projected performance is not indicative of future results and there can be no assurance that the projected results or expected returns will be achieved or that a Fund will be able to effectively implement its investment objective.

Expedited Transactions

Investment analyses and decisions by Grounded Capital may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Grounded Capital at the time an investment decision is made may be limited, and Grounded Capital may not have access to detailed information regarding a portfolio investment. Therefore, no assurance can be made that Grounded Capital will have knowledge of all circumstances that may adversely affect such portfolio investment.

Portfolio Investments in Less Established Companies

A Fund may invest a portion of its assets in less established companies. Portfolio investments in such early stage companies may involve greater risks than generally are associated with portfolio investments in more established companies. To the extent there is any public market for the securities held by a Fund in any such companies, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. As such, these portfolio investments should be considered highly speculative and may result in the loss of such Fund's entire portfolio investment.

Environmental Hazards

Under environmental laws enacted by U.S. federal and state governments, owners and lessees of property may be liable for the clean-up and removal of hazardous substances even where the present owner was not responsible for placing the hazardous substances on the property or where the property was contaminated prior to the time the owner took title. If any property acquired or leased by a portfolio company was found to have an environmental problem, the portfolio company could incur substantial costs and a Fund could suffer a complete loss of its portfolio investment in such portfolio company.

Labor Relations

Certain portfolio companies may have unionized work force or employees who are covered by a collective bargaining agreement, which could subject any such portfolio

company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on favorable terms, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties or delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition. Any such issues may also bring scrutiny and attention to a Fund itself, which could adversely affect such Fund's ability to implement its investment objectives.

Board Participation

A Fund may be represented on the boards of directors of certain of its portfolio companies or may have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to such Fund's investment strategy and may enhance Grounded Capital's ability to manage the portfolio investments, they may also have the effect of impairing Grounded Capital's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject Grounded Capital and such Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, a Fund will indemnify Grounded Capital and any of its directors, officers, partners, members, shareholders, employees, consultants, agents or representatives from such claims. A Fund will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its voting or contractual rights, but changes in circumstances could produce adverse consequences in particular situations.

Portfolio Company Management Risks

With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although Grounded Capital expect to monitor portfolio company management, it will be primarily the responsibility of company-level management to operate portfolio companies on a day-to-day basis. There can be no assurance that the existing management team of a portfolio company, or any new team, will be able to successfully operate the company or will meet a Fund's expectations. Some portfolio companies will depend for their success on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would significantly adversely affect the portfolio company's performance.

Liabilities Upon Disposition

In connection with the disposition of a portfolio investment, a Fund may be required to make representations about the business and financial affairs of a portfolio company typical of those made in connection with the sale of any business or it may be responsible for the content of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchaser of such investment or underwriter if any such representations or disclosure documents are determined to be inaccurate or misleading. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by limited partners to the extent of distributions made to limited partners.

Fraud

Of paramount concern in purchasing securities and other assets is the possibility of material misrepresentation or omission or any professional negligence on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of a portfolio company or other asset. A Fund relies upon the accuracy and completeness of representations made by counterparties to the extent reasonable and appropriate, but cannot guarantee that such representations are accurate or complete. Under certain circumstances, distributions to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance.

Currency Exchange Risk

Capital contributions to a Fund are payable in U.S. dollars and a Fund's assets will be valued in U.S. dollars. Certain of a Fund's portfolio investments may be denominated in the currencies other than the U.S. dollar, and hence the value of such portfolio investments will depend in part on the relative strength of the U.S. dollar. The Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar, as well as the transaction costs associated with converting foreign currencies into U.S. dollars. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of such investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. A Fund is not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that a Fund may implement.

Possible Hedging

Grounded Capital may, but is not required to, seek to minimize the risk of a decrease in the value of one or more portfolio investments by using certain hedging strategies. However, hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions value. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve the intended result. These hedging strategies may limit the ability of a Fund to profit from the increase in the value of a portfolio investment above a certain price. In addition, if judgments made with respect to exchange rates, interest rates, market conditions or trends are not correct, these hedging strategies could result in losses to a Fund. While such hedging transactions may reduce certain risks, such transactions themselves may entail certain other risks, including (but not limited to) counterparty credit risk and market liquidity risk. In addition, if judgments made with respect to future stock prices, exchange rates, market conditions or trends are not correct, these hedging strategies could result in losses to a Fund. In some cases, Grounded Capital will claim an exemption from registration with the National Futures Association (the "NFA") as a commodity pool operator pursuant to the Commodity Futures Trading Commission ("CFTC") Rule 4.13(a)(3) under the Commodity Exchange Act, and as a result such Fund's hedging activities, if any, will be subject to limitations imposed by the *de minimis* exemption under CFTC Rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable to such Fund at the applicable time.

Passive Investment in Interests

Limited partners will be relying entirely on Grounded Capital to conduct and manage the affairs of each Fund. The Governing Documents will prohibit the limited partners from engaging in the active management and business of each Fund. Limited partners will not have an opportunity to evaluate for themselves the relevant economic, financial or other information regarding the investments made by a Fund. The limited partners will not receive the detailed financial information issued by portfolio companies which is available to Grounded Capital. As a result, the limited partners must rely on the ability of Grounded Capital to make appropriate portfolio investments for such Funds and to manage and dispose of such portfolio investments.

Reliance on Key Personnel

The success of a Fund depends in substantial part upon the skill and expertise of the members of **Grounded Capital's** investment team and others providing investment advice with respect to such Fund. There can be no assurance that these key investment professionals will continue to be associated with **Grounded Capital** throughout the life of a Fund. The loss of key personnel could have a material adverse effect on a Fund's ability to realize its investment objectives. Competition in the financial services industry for qualified investment professionals and other personnel is intense, and there is no guarantee that the talents of **Grounded Capital's** or a portfolio company's investment professionals could be replaced. The success of a Fund depends on **Grounded Capital's** ability to identify and willingness to provide acceptable compensation arrangements to attract, retain and motivate talented investment professionals and other personnel. Such compensation arrangements may provide that an investment professional or other person may, in certain circumstances after the individual is no longer employed or retained by **Grounded Capital** or a portfolio company, be granted a continuing interest in respect of particular portfolio investments. Such arrangements could create additional expenses for a Fund and reduce such Fund's return.

Exculpation and Indemnification

Certain exculpation and indemnification provisions contained in certain Governing Documents may limit the rights of action otherwise available to limited partners and other parties against Grounded Capital, and any of their respective affiliates and any such entity's (including any such affiliate's) directors, officers, partners, members, shareholders, employees, consultants, agents or representatives and each member of the committee consisting of representatives of certain limited partners selected by Grounded Capital and each limited partner represented by such member (each, a "Covered Person"), absent such a limitation in such Governing Documents. In addition, such Funds will be obligated to indemnify the Covered Persons in respect of the operations of such Funds, subject to certain limited exceptions generally involving fraud, gross negligence, bad faith or willful misconduct. The obligation to fund any indemnification will survive the termination of such Funds or a limited partner's withdrawal or exclusion from a Fund.

Third-Party Advice

Grounded Capital utilizes the services of attorneys, accountants and other advisors and consultants in its operations. Grounded Capital generally relies upon such advisors for their professional judgment with respect to legal, tax and other regulatory matters. Nevertheless, there exists a risk that such advisors may provide incorrect advice from time to time.

Grounded Capital will not have any liability to limited partners for any reliance upon such advice.

Recourse to Assets

A Fund's assets, including any portfolio investments made by such Fund and any funds held by such Fund, are available to satisfy all liabilities and other obligations of such Fund. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to such Fund's assets generally and may not be limited to any particular asset, such as the asset representing the portfolio investment giving rise to the liability. Accordingly, limited partners could find their interests in a Fund's assets adversely affected by a liability arising out of a portfolio investment in which they did not participate because, for example, they were excluded or excused by Grounded Capital.

Litigation

Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. A Fund or Grounded Capital may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where a Fund exercises control or significant influence over a portfolio company's direction, including as a result of board participation. Such litigation can arise as a result of issuer defaults, issuer bankruptcies or other reasons. In certain cases, such issuers may bring claims or counterclaims against a Fund, Grounded Capital or their respective principals and affiliates and their respective officers, directors, members, partners, shareholders, employees, managers, consultants and agents alleging violations of securities laws and corporate, contractual and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against a Fund by third parties and paying any amounts pursuant to settlements or judgments would, to the extent that (i) such Fund has not been able to protect itself through indemnification or other rights against the portfolio companies, (ii) such Fund is not entitled to such protections or (iii) the portfolio company is not solvent, be borne by such Fund pursuant to indemnification obligations and reduce net assets. Grounded Capital and others may be indemnified by a Fund in connection with such litigation, subject to certain conditions.

Impact of Government Regulation, Reimbursement and Reform

Certain industry segments in which a Fund may invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

Additionally, 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 Grounded Capital 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 Grounded Capital and its affiliates, the Fund 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 Fund.

Jointly Owned Investment Structures

A Fund may co-invest with certain third parties and/or limited partners through jointly owned acquisition vehicles, partnerships, joint ventures or other structures. In such situations, such Fund's ability to control its equity investments will depend upon the nature of the joint investment arrangements with such co-investors and such Fund's relative ownership stake in such investments. A Fund may be a minority investor in these circumstances. In addition, such arrangements may restrict a Fund's ability to dispose of its investments for potentially significant periods of time. Such investments may involve risks not present in portfolio investments where a third party is not involved. A co-venturer or partner of a Fund may, at any time, have economic or business interests or goals (including with respect to the timing of sale) which are inconsistent with those of such Fund and may be in a position to take action inconsistent with (or block actions which are consistent with) such Fund's investment objectives. A Fund may be liable for certain actions of its co-venturers or partners. Co-investments may also involve higher costs than other investments. Co-venturers or partners potentially may include limited partners and other investors.

Contingency Reserves

Under certain circumstances, Grounded Capital may find it necessary in connection with a distribution to establish one or more reserves for contingent liabilities by holding back a portion of amounts otherwise distributable to limited partners until resolution of such contingency or contingencies. As such, limited partners may be unable to liquidate their entire investment in a Fund until such time as Grounded Capital has determined that the need for such reserves has ceased. For example, such reserve might be established if a Fund or a portfolio company were subject to an audit by the Internal Revenue Service (the "IRS"), involved in litigation or if Grounded Capital determines it is necessary to reserve capital for ongoing expenses of such Fund.

Liability for Return of Distributions

Under Delaware and other applicable law, if a Fund is otherwise unable to meet its obligations, the limited partners may be obligated to return cash distributions with interest previously received by them if such distributions are deemed to be wrongfully paid to them and such limited partners knew at the time of such distributions that they were wrongfully paid. In addition, a limited partner may be liable under applicable federal or state bankruptcy laws to return a distribution made during a Fund's insolvency. The limited partners also may be required to return amounts distributed to them to fund indemnity or other obligations, as well as for other expenses, in accordance with the terms of the applicable Governing Documents.

Failure to Make Capital Contributions

If any limited partner fails to fund its subscription obligation or make required capital contributions when due, a Fund's ability to complete its investment program or otherwise continue operations may be substantially impaired. A default by a substantial number of

limited partners could leave a Fund with less than the minimum Commitments desirable to operate such Fund and, as described above, would limit opportunities for investment diversification and likely reduce returns to such Fund. Any limited partner that defaults in making a required capital contribution or other payments will be subject to certain significant and adverse consequences pursuant to the provisions of the applicable Governing Documents, potentially including forfeiture of all or a portion of such limited partner's interest. Non-defaulting limited partners may be required to make additional capital contributions to satisfy a shortfall in connection with a default.

Required Withdrawal

A General Partner, in its sole and absolute discretion, may require a limited partner to withdraw from a Fund if such limited partner's continued participation in such Fund would: (i) result in a violation of the Securities Act or any comparable state law by such Fund, (ii) require such Fund to register as an investment company under the Investment Company Act, (iii) result in a termination of such Fund's status as a partnership for tax purposes, (iv) result in a violation of any law, rule or regulation by such Fund, Grounded Capital, their respective officers, directors, employees, shareholders, partners, managers, members or any affiliate thereof, (v) cause such Fund to be deemed a "publicly traded partnership" as such term is defined in Section 7704(b) of the Internal Revenue Code, (vi) where such limited partner has violated any provision of, or made any misrepresentation in connection with the applicable Governing Documents, create a material likelihood that such Fund's assets would be deemed to constitute "plan assets" within the meaning of Section 2510.3-101 of the Department of Labor regulations under ERISA, as modified by Section 3(42) of ERISA; (vii) cause such Fund or any alternative investment vehicle, parallel investment vehicle, feeder vehicle or portfolio company to become subject to withholding under the United States Foreign Account Tax Compliance Act ("FATCA") or (viii) likely result in a material adverse effect on such Fund or any of its affiliates, any portfolio investment or any prospective investment.

Disclosure of Information

Grounded Capital, its personnel and/or certain investors in a Fund may be required by law, regulation or otherwise to disclose certain confidential information relating to a portfolio investment of such Fund. Such disclosure may adversely affect the ability of such Fund to realize its investment in such portfolio investment, may adversely affect the price that such Fund is able to obtain upon any subsequent realization or may otherwise adversely affect such Fund.

In addition, as a result of increased regulations in the private funds and related industries, including with respect to the sources of funds used in investments and other fund activities, Grounded Capital may request additional documentation or information from limited partners in order to verify, among other things, such limited partner's and its beneficial owners' identity and the source of funds used to purchase the interests. Grounded Capital may decline to accept a subscription on the basis of the information that is provided or if this information is not provided. In order to comply with applicable laws, rules, regulations and policies, Grounded Capital may request additional information from the limited partners at any time. Such information may be provided to governmental and regulatory agencies without notification to the limited partners. The failure of a limited partner to comply with such request may result in adverse consequences applying to such limited partner pursuant to the applicable Governing Documents, including its required withdrawal from such Fund. Further, Grounded Capital will take such steps as it determines, in its sole discretion, are necessary or appropriate to comply with applicable law, regulations, orders, directives or special measures.

Lack of Transferability of Interests in a Fund; No Right of Withdrawal

The interests have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction and, therefore, cannot be resold, unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the interests under the Securities Act or other securities laws will ever be effected. There is no public market for the interests and one is not expected to develop. A limited partner will not be permitted to sell, transfer, assign, pledge or otherwise dispose of its interests without the prior written consent of the General Partner, which may be given or withheld in the General Partner's sole discretion. In addition, no such sale, transfer, assignment, pledge or other disposition may take place, unless it would not cause a Fund to be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Internal Revenue Code. Except in extremely limited circumstances, voluntary withdrawals from a Fund will not be permitted. Limited partners must be prepared to bear the risks of owning interests and contributing capital for an extended period of time.

Excuse and Exclusion from Investments

Under certain limited circumstances, a limited partner may be excused from participating in a portfolio investment (including, without limitation, to avoid violations of law and violation of a limited partner's pre-existing written policies disclosed to and accepted by the applicable General Partner prior to making a Commitment to a Fund) or a General Partner may exclude or limit the participation of a limited partner in a portfolio investment (including, without limitation, if a limited partner's participation is reasonably likely to have a material adverse effect on such Fund or the applicable portfolio company or result in a violation of law). In any such circumstance, each other limited partner may be requested to make an additional capital contribution to such Fund in respect of such portfolio investment, subject to certain limitations, thereby resulting in such other limited partner having an increased investment exposure in such portfolio investment than such limited partner would otherwise have had but for such excuse or exclusion event.

In Kind Distributions

Although, under normal circumstances, Funds are expected to make distributions in cash, it is possible that under certain circumstances (including the liquidation of such Fund), distributions may be made in kind and could consist of securities for which there is no readily available public market. The risk of loss and delay in liquidating securities or other assets distributed in kind will be borne by the limited partners in such Fund, with the result that such limited partners may receive less cash than was reflected in the fair value of such securities as determined by Grounded Capital pursuant to the applicable Governing Documents (and Grounded Capital may receive more carried interest distributions than it would have been entitled to had such securities been valued at the price they are ultimately disposed of for). In addition, when investments are distributed to limited partners in kind, such limited partners may become minority shareholders in the underlying portfolio companies and may be unable to protect their interests effectively.

Dilution from Additional Closings

Limited partners that are admitted or increase their Commitments at any subsequent closing will participate in existing portfolio investments, diluting the interests of existing limited partners therein. Although such limited partners will contribute their *pro rata* share of

all previously drawn Commitments (plus an interest equivalent thereon), there can be no assurance that this payment will reflect the fair value of a Fund's existing portfolio investments at the time of such admission or increase.

Insufficient Capital for Follow-on Investments

Following its initial investment in a portfolio company, a Fund may have the opportunity to increase its investment in, or may be asked to provide additional funds to such portfolio company. There is no assurance that a Fund will make follow-on investments or that such Fund will have sufficient resources to, or be permitted to, make such investments. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of an investment, may result in missed opportunities for such Fund or may result in dilution of such Fund's investment in such portfolio company. Additionally, if a Fund has insufficient capital available to make any particular follow-on investment, a successor fund or another Fund managed by Grounded Capital may make such investments. There can be no assurance that a follow-on investment will be successful.

Investments Longer than Term

A Fund may make portfolio investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date such Fund is required to be dissolved, either by expiration of such Fund's term or otherwise. There can be no assurance as to the timing and amount of distributions from a Fund during dissolution. A Fund may be required to sell, distribute in kind or otherwise dispose of portfolio investments at a disadvantageous time as a result of dissolution. To the extent any investments of a Fund cannot be sold prior to the termination of such Fund, they may be distributed in kind to investors at termination. The securities and instruments so distributed may not be readily marketable.

Cybersecurity Risk

Grounded Capital, the Funds' service providers and other market participants increasingly depend on 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 Grounded Capital and 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 a Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Grounded Capital, a Fund's service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Grounded Capital's systems to disclose sensitive information in order to gain access to Grounded Capital's data or that of a Fund's investors. A successful penetration or circumvention of the security of Grounded Capital's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. 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. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly,

Grounded Capital, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Grounded Capital's, the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such incidents could cause a Fund, Grounded Capital or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. 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.

Similar types of operational and technology risks are also present for portfolio companies, which could have material adverse consequences for such portfolio companies, and may cause a Fund's investments to lose value.

Outbreaks of Infectious or Contagious Diseases

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"). The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, dining, tourism, entertainment and other industries. As COVID-19 continues to spread, the potential impacts, including the ultimate outcome of the resultant economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their investments and could adversely affect the Funds' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Funds' and their investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' investments, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve their investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their investments, the General Partners and the investment manager may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors

related to a public health emergency, including their potential adverse impact on the health of any such entity's personnel.

Material Non-Public or Other Confidential Information

As a result of the operations and activities of Grounded Capital, its affiliates and personnel, as well as in connection with officerships and directorships of Grounded Capital personnel, Grounded Capital has the potential to come into possession of confidential or material, non-public information. Therefore, Grounded Capital 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 Grounded Capital's internal policies and practices. Due to these restrictions, a 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.

Conflicts with Portfolio Companies

Officers, members, partners, consultants, advisers and employees of Grounded Capital may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that they consider in the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of a Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer or employee of Grounded Capital and such individual's duties as a director or officer of such portfolio company.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Code of Ethics

Grounded Capital LLC has adopted a "**Code of Ethics**" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter.

Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm's Restricted List. Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

Item 12: Brokerage Practices

Grounded Capital is authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Firm's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm may use "**Soft Dollars**". In such cases, Soft Dollar credits, generated by the Fund's trading activities, would be used to purchase brokerage and research services or products that

would otherwise have been Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Neither Grounded Capital nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund's Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to Grounded Capital.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle

annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

Item 16: Investment Discretion

We will have discretionary investment authority with respect to the Funds.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the "proxy voting rule"), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") in a prudent and diligent manner that will serve the applicable Client's best interests and is in line with the Client's investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.