

**PART 2A OF FORM ADV**

**Solum Partners LP**  
**211 Congress Street, 2<sup>nd</sup> Floor**  
**Boston, MA 02110**  
**Phone: 617-655-9750**

**[WWW.SOLUMPARTNERS.COM](http://WWW.SOLUMPARTNERS.COM)**

**March 18, 2022**

**This Firm Brochure (this “Brochure”) provides information about the qualifications and business practices of Solum Partners LP (“Solum”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at 617-655-9750. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. References in this Brochure to the adviser as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

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

## Item 2 – Material Changes

This Brochure, dated as of March 18, 2022, is an update to Solum's most recent brochure, dated March 31, 2021. Although Solum has made changes in this brochure to update or clarify certain items, these updates do not represent material changes to the substance of Solum's prior brochure.

**PLEASE REVIEW THIS BROCHURE CAREFULLY AND IN ITS ENTIRETY.**

### Item 3 – Table of Contents

|  | <b><u>Page</u></b> |
|--|--------------------|
| Item 1 – Cover Page.....   | 1                  |
| Item 2 – Material Changes.....   | 2                  |
| Item 3 – Table of Contents.....  | 3                  |
| Item 4 – Advisory Business .....   | 4                  |
| Item 5 – Fees and Compensation .....   | 5                  |
| Item 6 – Performance-Based Fees and Side-by-Side Management .....                                    | 7                  |
| Item 7 – Types of Clients .....  | 8                  |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....                           | 8                  |
| Item 9 – Disciplinary Information.....   | 42                 |
| Item 10 – Other Financial Industry Activities and Affiliations.....                                  | 42                 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 42                 |
| Item 12 – Brokerage Practices .....  | 44                 |
| Item 13 – Review of Accounts.....  | 45                 |
| Item 14 – Client Referrals and Other Compensation .....  | 45                 |
| Item 15 – Custody .....  | 46                 |
| Item 16 – Investment Discretion .....  | 46                 |
| Item 17 – Voting Client Securities.....  | 46                 |
| Item 18 – Financial Information.....   | 47                 |

#### **Item 4 – Advisory Business**

Solum Partners LP (“Solum” or the “Firm”) is a Delaware limited partnership that began operations in October 2020. Solum and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere, as well as to other clients as described herein. Solum specializes in investments in agricultural-based assets.

Solum is owned and controlled by Colin Butterfield, Flavio Collis, Daniel Sachs, Gavin Koo, Pamela Egleston and Rory Vandamme. Colin Butterfield, Flavio Collis, Daniel Sachs and Gavin Koo are collectively referred to herein as the “Investment Principals”.

Solum’s clients currently include the following (each, a “Fund” and, together with any future private investment funds to which Solum or its affiliates provide investment advisory services, the “Funds”): Solum Partners Fund I LP (including any parallel investment vehicles or alternative investment vehicles related thereto, “Fund One”) and Solum Partners Fund II LP (including any parallel investment vehicles or alternative investment vehicles related thereto, “Fund Two”). Solum also provides services to one or more separately managed accounts (“SMAs”) beneficially owned by institutional investors, including an Anchor Investor (as defined below).

In respect of the advisory services provided to the Funds, Solum is affiliated with Solum Partners GP I LP and Solum Partners GP II LP (together with general partner entities or equivalent governing entities established with respect to future Funds, the “General Partners”). The General Partners are subject to the Advisers Act pursuant to Solum’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Solum.

The Funds are private investment funds that invest through negotiated transactions primarily in agricultural-based assets, generally referred to herein as “portfolio companies,” “portfolio investments” or “assets.” Solum’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments.

Solum’s advisory services to the Funds are set forth in each Fund’s organizational documents, offering documents and/or other governing documents, (together with any applicable side letters, the “Fund Documents”) provided to each investor in the Fund (each, an “Investor”). Solum’s advisory services to the SMAs are set forth in each SMA’s investment management agreement (“IMA”). Such advisory services to the Funds and the SMAs are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Solum tailors the advisory services for a Fund based on such Fund’s investment objectives and investment strategy, including guidelines regarding the types of investments such Fund will make and portfolio limits (if any). Solum does not tailor its advisory services to the individual needs of Investors. The Funds or the General Partners generally enter into side letters or other similar agreements (“Side Letters”) with certain Investors that have the effect of establishing rights under, or altering, modifying or supplementing the terms (including economic or other terms) of, the relevant Fund Documents with respect to such Investors. As applicable, references to this Brochure to “Funds” include Solum’s SMA clients, and references to “Fund Documents” include the related IMAs.

Solum or its affiliates may, in its discretion, form one or more co-investment entities (each, a “Co-investment Entity”) to invest alongside the Funds in one or more assets. Solum or its affiliates may

offer one or more Investors or third parties the opportunity to co-invest with the Funds through any such Co-investment Entity.

Solum does not participate in wrap fee programs.

As of December 31, 2021, Solum manages a total of \$1,395,200,000 of client assets, of which \$1,066,300,000 are discretionary and \$328,900,000 are non-discretionary.

## **Item 5 – Fees and Compensation**

In general, Solum is compensated through a management fee (the “Management Fee”) and a performance-based carried interest (“Carried Interest”). See Item 6 of this Brochure for information about Carried Interest.

### **Management Fees**

Fund One pays Solum a Management Fee calculated as set forth in Fund One’s Limited Partnership Agreement (“LPA”) and other governing documents. The Management Fee is paid quarterly in advance on the first business day of each fiscal quarter from the initial closing date until the date that Fund One dissolves pursuant to its LPA.

Fund Two pays Solum an annual Management Fee calculated as a percentage of Investor capital commitments. Until the occurrence of a fee reduction date, as set forth in Fund Two’s LPA, it is expected that Fund Two will continue to pay Solum an annual Management Fee calculated as a percentage of the aggregate invested capital of the Investors. Payments of the Management Fee will be made quarterly in advance on the first day of each fiscal quarter, *pro-rated* (on a daily basis) for any partial period of less than a fiscal quarter. If the Management Fee ceases to be payable, or is reduced in base or rate, during any fiscal quarter, any amount paid for such fiscal quarter but not earned will be returned to Investors via the Fund. The Fund’s first payment was for the *pro rata* amount due from the initial closing date (as defined in the Fund Two LPA) until the next succeeding fiscal quarter. One or more parallel investment vehicles to Fund Two may have alternative fee terms as set forth in the applicable Fund Documents.

Please refer to the Fund Documents for a detailed fee schedule. Each Investor will bear its respective share of the Management Fee, as determined based upon the timing of its commitment.

To the extent specified in Fund Documents, Solum or another Firm entity will be permitted to receive certain supplemental fees and other amounts (“Supplemental Fees”) paid by a Fund or its portfolio companies. Fund Documents generally will provide that some Supplemental Fees received by the Firm will be credited against management fees otherwise owed to the Firm in a specified percentage. The remaining amount of such Supplemental Fees will be retained by the Firm.

Co-investment Entities may be charged management fees, performance-based compensation or administrative fees. Whether any fees or other compensation are paid by a Co-investment Entity, and the amount and payment terms, depends on the circumstances of the investment made by the Co-investment Entity and is negotiated with investors in the Co-investment Entity at the Co-investment Entity’s inception. The Funds may acquire interests in certain portfolio companies in cooperation with others through co-investment arrangements.

### **Expenses**

In addition to Management Fees and Carried Interest, if any, each Fund will bear certain expenses.

As set forth more fully in the Fund Documents, a Fund bears all costs and expenses relating to the Fund's activities, investments and business to the extent not shared with another Fund, reimbursed by a portfolio company or subject to management fee offsets. Such expenses generally include, without limitation: costs and expenses related to organizing and the offering of interests of the Fund, investigating, developing, negotiating, structuring, acquiring, purchasing, originating, sourcing, hedging, making, holding, financing, operating, managing, monitoring, restructuring, refinancing, selling, valuing, winding up, liquidating or otherwise disposing of such Fund's investments, legal, filing, accounting, auditing, investment banking, travel, consulting, research, brokerage, dealer, finder, underwriter, loan administration, private placement, sales, administrative or reporting tools, financing, reporting, recordkeeping, custody, depositary, transfer, registration, insurance, advisory board, limited partner meetings, interest, taxes, extraordinary expenses and other similar fees and expenses, including such fees and expenses incurred for transactions not ultimately consummated ("Broken Deal Expenses"). 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 in the capital structure at which such expenses are charged or incurred.

Solum will be responsible for all of its normal overhead expenses, such as compensation of its professional staff and the cost of office space, office equipment, communications, and utilities, incurred in connection with its services on behalf of the Fund, unless such overhead or compensation expenses are payable or otherwise reimbursable by the applicable Fund under the applicable Fund Documents.

Neither Solum nor the General Partner, or any of their supervised persons, accepts compensation for the sale of securities or other investment products. Please refer to Item 12 of this Brochure for a description of Solum's brokerage practices.

Solum and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds that will neither be subject to an offset against any management fees payable to the Funds nor will otherwise be shared with the Funds and/or portfolio companies. For example, airline travel or hotel stays incurred as Fund or account expenses typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Solum and/or such personnel (and not the Funds and/or portfolio companies) even though the cost of the underlying service is borne by the Funds and/or portfolio companies.

Additionally, as further described herein and in the Fund Documents, it is Solum's practice to use or retain certain senior operating executives or other consultants ("Operating Executives") to provide management and/or consulting services, which may be affiliates of portfolio companies of other funds managed by the General Partners or their affiliates, third party consultants (including individual consultants and external executives), "strategic partners," "executive partners" or "senior advisors." The Operating Executives may regularly provide services to, or in connection with, the Funds in relation to their activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies ("Services"). The Funds and the portfolio companies typically pay certain fees to, and reimburse expenses of, Operating Executives associated with the Services, and such amounts generally do not offset or reduce the Management Fee. The fees to be paid to an Operating Executive are determined at the discretion of the General Partner, may include a profits interest or other incentive-based compensation to the Operating Executive, and are otherwise determined according to one or more methods, including a percentage of the value of the assets being serviced or the invested capital exposed to such assets, and/or a percentage of

cash flows from such assets. The use of Operating Executives subjects Solum to potential conflicts of interest, as discussed under “Conflicts of Interest,” below. Operating Executives may from time to time include former employees of certain portfolio companies, and in some circumstances former Operating Executives may become Solum employees or employees of portfolio companies. Consequently, the determination of whether individuals are Operating Executives is expected to vary and/or be revisited from time to time. The General Partner reserves the right to agree with Operating Executives, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation.

**Investors and prospective Investors should refer to the applicable Fund Documents for a complete description of fees, carried interest distributions and expenses borne by the Fund. The information contained herein is a summary only.**

#### **Item 6 – Performance-Based Fees and Side-by-Side Management**

Subject to a preferred return, compounded annually for the benefit of the Investors, Solum, the applicable General Partner or an affiliate of Solum is generally entitled to carried interest (the “Carried Interest”) with respect to profits generated by a Fund’s investments, as set forth in each Fund’s Fund Documents. The Carried Interest may be deferred, waived or reduced at the discretion of Solum and its affiliates. Solum or an affiliate of Solum may receive performance-based compensation with respect to Co-Investment Entities. Such performance-based compensation is negotiated with investors in the Co-investment Entity at the Co-investment Entity’s inception.

Such performance-based allocations to the General Partner create an incentive for Solum to make investments that are riskier or more speculative than Solum would make in the absence of such arrangements, and to make different decisions regarding the timing and manner of realization of those investments. Performance-based compensation also creates an incentive to allocate attractive investments to Funds that charge a performance-based fee over Funds or Co-investment Entities not subject to a performance-based fee or subject to a lower rate.

To mitigate this conflict Solum has adopted allocation policies and procedures that are designed to help ensure that investment (and divestment) opportunities among the Funds are made on a fair and equitable basis, taking into account the applicable clients’ investment objectives (these policies and procedures are described in more detail in Item 11), and that financial incentives do not improperly influence the allocation of investment (and divestment) opportunities. In addition, Solum regularly monitors the Fund’s portfolio as described in Item 13 of this Brochure, in order to help ensure that the Fund’s investments are consistent with the Fund’s investment guidelines and risk management policies.

**Complete fee disclosures, as well as descriptions of related potential conflicts of interest, are provided in the Fund Documents. Investors and prospective Investors should review such disclosures carefully.**

## **Item 7 – Types of Clients**

Solum provides investment advisory services to its Fund and SMA clients, and references throughout this Brochure to “clients” and to Solum’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Solum’s Fund clients are generally organized as limited partnerships operated as exempt investment pools under the Investment Company Act of 1940, as amended. The Funds offer interests only to certain qualified investors who meet qualification requirements under applicable securities laws and other laws. Admission to the Funds is not open to the general public.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain 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 related Funds.

As described in Item 4, Solum or its affiliates may, in their discretion, form one of more co-investment entities (“Co-investment Entities”) to invest alongside the Funds in one or more assets. Solum or its affiliates may offer one or more Investors or third parties the opportunity to co-invest with the Funds through any such Co-investment Entity.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Solum is a private investment firm focused on assets in the agricultural sector.

The following is a summary of the investment strategies and methods of analysis generally employed by Solum on behalf of its clients and a summary of certain risks involved with Solum’s investment strategy and an investment in the Funds. More detailed descriptions of the Funds’ investment strategies, methods of analysis and risks are included in the applicable Fund Documents.

### **Investment Process and Strategy**

Solum seeks to generate attractive risk-adjusted returns, principally through long-term capital appreciation and current income, by investing in agricultural-based assets primarily located in North America, South America, Western Europe, Australia and New Zealand (the “Core Areas”). It is expected that investments will focus on plant-based production opportunities, including those augmented by vertical integration through additional ownership of processing, storing, packaging, distribution, marketing and branding.

Solum takes both a thematic and opportunistic approach to investing. Solum seeks investments that align with its long-term perspective on the food value chain and are well positioned to be sustainable low-cost producers. Solum also seeks investments with attractive risk profiles. Once an investment opportunity has been identified, Solum seeks to implement an effective operating strategy to improve the performance of the acquired asset by leveraging its subject matter expertise to drive growth.

There can be no assurance that Solum will achieve the investment objectives of any Fund and a loss of investment is possible.



## Risk of Investment

Solum's clients and their Investors bear the risk of loss that Solum's investment strategy entails. The risks involved with Solum's investment strategy and an investment in a Fund include, but are not limited to, those described below.

## GENERAL INVESTMENT RISKS

### ***Business Risks***

The investment portfolio of the Funds is expected to consist primarily of securities issued or other assets held 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.

### ***Risk of Loss of Capital***

The performance of assets in which a Fund invests, and therefore the value of such Fund, will be subject to many factors over which the Fund may have limited or no control. The possibility of loss of capital, including the complete loss of capital, will exist, and prospective investors should not subscribe for limited partner interest in the Fund unless they can bear the consequences of such loss.

### ***Investment in Junior Securities***

The securities in which the Funds will invest may be among 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 the Fund's investment once made.

### ***Concentration of Investments***

Each of the Funds will participate in a limited number of investments and may seek to make most of its investments in one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolios could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect their aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

The Funds may provide 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 applicable LPA, in which case the investment would be treated as a permanent investment of the applicable 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.

### ***Lack of Sufficient Investment Opportunities***

The business of identifying, structuring and completing investments in agricultural-based assets 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, Investors will be required to bear Management Fees through a Fund during the investment period of such Fund based on the entire amount of the Investors' capital commitments and other expenses as set forth in

the relevant LPA.

### ***Dynamic Investment Strategy***

While the General Partners generally intend to seek attractive risk adjusted returns for the Funds, principally through long-term capital appreciation and current income, by investing in agricultural-based assets primarily located in the Core Areas as described herein, the General Partners may pursue additional investment strategies and may modify or depart from their initial investment strategy, investment process and investment techniques as the General Partners determine appropriate. The General Partners may pursue investments outside of the industries and sectors in which the Investment Principals have previously made investments or have internal operational experience.

### ***Impact of Government Regulation, Reimbursement and Reform***

Certain industry segments in which the Funds intend to invest, including various segments of the agriculture and labor industries, 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 the Funds intend to invest in companies and assets that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the agriculture and labor 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 the Funds 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 Solum 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 Solum and its affiliates, a 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 a Fund.

### ***Illiquidity; Lack of Current Distributions***

Because the Funds will make direct investments in agricultural properties (rather than in publicly traded securities) their investments are illiquid and long-term. In addition, 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. Water efficiency and land conversion investments take more time to materialize and are relatively more illiquid than other agricultural investments as the timing and amount of cash flows are still highly uncertain. Greenfield investments in permanent plantings may be more difficult to sell prior to reaching crop production or harvest. Illiquidity in the credit markets could cause the price of investments held by a Fund or its competitors to decline, which may have the result of forcing such Fund or its competitors to sell assets to reduce

leverage, satisfy requirements under its borrowing arrangements or to meet margin calls, all of which could, in turn, create further downward price pressure. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the relevant General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded capital commitments.

### ***Leveraged Investments***

A Fund may make use of leverage by having a portfolio company incur debt to finance a portion of the investment in such portfolio company, including in respect of companies not rated by credit agencies. Such use of leverage generally magnifies both a Fund's opportunities for gains and its risk of loss from a particular investment and increases the portfolio company's exposure to company, industry and economic conditions and changes in interest rates. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), 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 by a Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. 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. In addition, 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, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect Fund returns. 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 estimates or forecasts. Moreover, the companies in which the Funds will invest generally will not be rated by a credit rating agency. The Funds may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Funds also will result in interest expenses and other costs to the Funds that may not be covered by distributions made to the Fund or appreciation of its investments. The Funds may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partners or any of their affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Funds incur leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Funds' investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

### ***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 of a Fund 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 the partners, many 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 partners may be lower than the value of such securities determined pursuant to the relevant LPA,

including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

### ***Reliance on the General Partners and Portfolio Company Management***

Solum and each General Partner has a limited operating history. Control over the operation of a Fund will be vested with the relevant General Partner, and a Fund's future profitability will depend largely upon the business and investment acumen of the Investment Principals. The loss or reduction of service of one or more of the Investment Principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the Investment Principals currently, and may in the future, manage more than one Fund and the Investment Principals may need to devote substantial amounts of their time to the investment activities of such other Funds, which may pose conflicts of interest in the allocation of the time of the Investment Principals. Investors generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend on the actions of the relevant General Partner. In addition, certain changes in the relevant General Partner or circumstances relating to such General Partner may have an adverse effect on the relevant Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the relevant 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 a 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.

While the Investment Principals have previous experience making and managing investments similar to those contemplated by the Funds, only certain of the Investment Principals have experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that the Funds' investments will achieve results similar to those attained by previous investments of the Investment Principals. In addition, the Funds' investments may differ from previous investments made by the Investment Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

### ***Projections***

Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the relevant General Partner in its discretion. 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. Some important factors which could cause actual results to differ materially from forward-looking statements in any model, projection, forecast or estimates include: variances in actual harvest volume/yields of agricultural crops relative to modeled or budgeted volume/yields, fluctuations in the price for agricultural crops and related products, changes in interest rates; domestic and foreign business, market, financial or legal conditions; foreign exchange rates and the degree to which investments are hedged, if at all, and the effectiveness of such hedges, among others. 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. In addition, general economic, societal and political factors, which are not predictable, can have a material effect on the reliability of projections.

### ***United Kingdom (“UK”) Exit from the 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. On December 24 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period. Although provisionally agreed, the terms of the UK’s ongoing and future relationship with the EU are still uncertain, including the extent to which UK businesses will have access to the EU single market and the extent to which EU businesses have access to the UK market. There is also risk of significant disruption to trade between the UK and the EU, particularly as new trade arrangements are intended to be ratified and implemented. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives. The legal, political and economic uncertainty generally resulting from the UK’s exit from the EU may adversely affect both EU and UK-based businesses, including Solum 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.

### ***Russia-Ukraine Conflict***

There is currently an ongoing military conflict between Russia and 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.

### ***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, viruses, diseases or pandemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of 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.

### ***Non-U.S. Investments***

The Funds expect 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 (including greater uncertainty regarding the extent of the duties of officers and directors, the limitations of their liabilities and the protection of investors), 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 of a Fund with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or the partners of such Fund.

Repatriation of investment income, assets and the proceeds of sales by foreign investors, such as the Funds, may require governmental registration and/or approval in some emerging markets. A Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by a Fund or gains from the disposition of such financial instruments and other assets.

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) greater social, economic and political uncertainty, including conflict or social unrest; (f) greater governmental involvement in, and control over, the economy; (g) government instability; (h) governmental decisions to cease support of economic reform programs or to impose central planning of the economy; (i) higher dependence on exports and the corresponding importance of international trade; (j) greater controls on foreign investment and limitations on the realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (k) longer settlement periods for transactions and less reliable clearance and custody arrangements; (l) maintenance of a Fund's investments (as well as cash pending investment consummation or distribution) with non-U.S. brokers and securities depositories that may be subject to fewer regulations in terms of segregation of cash and assets and adequate capitalization; (m) risks associated with differing cultural expectations and norms regarding business practices; (n) less developed compliance infrastructure and less availability of qualified personnel with experience in compliance and risk management; (o) threats or incidents of corruption or fraud that may cause the Funds not to pursue certain investments, or to alter certain activities, liquidate certain portfolio investments or liquidate such investments prior to or after the time when the relevant General Partner would otherwise choose to liquidate to achieve optimal returns, all of which may cause losses or have other negative impacts on the Funds or their portfolio investments; and (p) nationalization and expropriation of private assets of confiscatory taxation. 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 (which may result in the unavailability of material information about portfolio investments).

In emerging markets, there can be less government supervision of or a less predictable application of regulations towards business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Many emerging market countries do not have mature legal or regulatory systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not proceed at the same pace as market developments, which could result in investment risks. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among tribal, local, regional and national requirements or authorities. In certain cases, the laws and regulations governing investments in securities and/or assets may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in some countries. The Funds may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

### ***Investments in Brazil***

Investment activities in Brazil involve a high degree of risk and special considerations not typically associated with investing in more developed and stable environments, including, but not limited to, those set forth below. The overall value of any portfolio investments in Brazil will be affected by Brazil's distinctive economic, political and regulatory environment, including, without limitation, interest rate levels, inflation, the availability of financing in local markets, as well as changes to the legal environment.

The Brazilian economy has been characterized by government intervention, including drastic intervention in certain circumstances, which has often changed monetary, credit, tax and other policies to influence Brazil's economy. The Brazilian government's actions to control inflation and affect other policies have often involved the determination of minimum wages and price controls in certain industries, fluctuation of the Central Bank of Brazil's base interest rates and modifications of the taxation of foreign investments. Actions taken by the Brazilian government concerning the economy may have important effects on Brazilian entities and investment vehicles, including local private equity funds (*Fundos de Investimento em Participações* ("FIPs")), and on market conditions and prices of Brazilian securities, including those that may be held by a Fund. For example, in the past, the Brazilian government maintained price controls, and the relevant General Partner cannot assure investors that price controls will not be reimposed in the future. A Fund's investments in Brazil may also be materially and adversely affected by the following factors and the Brazilian government's actions in response to them: devaluations and other exchange rate movements; monetary policies; inflation rates; economic and social instability; interest rates; exchange controls and certain taxes levied on remittances abroad, for which rates may vary from time to time; liquidity of the domestic capital and lending markets; tax policy; commodity price instability and other political, diplomatic, social and economic policies or developments in or affecting Brazil. The operation and cash flows of any portfolio investment may depend, in some cases to a significant extent, upon prevailing or improving market prices for energy commodities (such as oil, gas, coal and power). Market prices of these energy commodities as well as other inputs may fluctuate materially depending on a variety of factors beyond the control of the relevant General Partner or a Fund.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil. Historically, the political scenario in Brazil has influenced the performance of the Brazilian economy; in particular, political crises have affected the confidence of investors and the public in general, which adversely affected the economic development in Brazil. These and other future developments in the

Brazilian economy and governmental policies may adversely affect a Fund.

### ***Latin America - Economic Risks***

The economies of Latin American countries may differ favorably or unfavorably from developed market economies with regard to, among other things, the rate of growth of gross domestic product, the rate of inflation, amount of capital reinvestment, productivity, resource self-sufficiency and balance of payments. Although certain Latin American economies, such as Brazil, have become more diversified in recent years, they generally are still not as diversified as most developed market economies and many rely heavily on their ability to export, particularly in respect of commodities. The economic performance of Latin American countries may, therefore, be susceptible to developments in the economies of its main trading partners, such as Asia, Europe, the United States and other Latin American countries. A slowdown in any of the economies of any major trading partner or the global economy, could materially and adversely affect, either directly or indirectly, the economy of one or more Latin American countries. In addition, a drop in commodities prices, or a significant depreciation or appreciation of Latin American currencies in relation to the currencies of their main trading partners, could adversely affect such country's balance of payment position and negatively impact the growth of its economy.

### ***Latin America - Political Risks***

The political, social and economic stability of Latin American countries varies from time to time and from country to country. Investments will be exposed to the consequences of changes in the political or economic policies of the Latin American countries in which a Fund makes investments. The countries targeted by a Fund for investment have experienced social and political instability in the past. The possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments beyond the control of a Fund could adversely affect a Fund's investments. In addition, the interrelatedness of the economies in Latin American countries has deepened over the years, with the effect that economic difficulties in one country often spread throughout the region. No assurance can be given that a Fund's portfolio will not be adversely affected by circumstances in countries outside of where investments are located.

### ***Latin America - Governmental Influence***

Governments of certain Latin American countries have exercised, and continue to exercise, substantial influence over many aspects of the private sector. In some cases, governments own or control many companies, including some of the largest in their respective countries. The availability of investment opportunities for a Fund depends in part on governments in the Latin American jurisdictions targeted by a Fund continuing to liberalize their policies regarding foreign investment and to further encourage private sector initiatives. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the prices and yields of portfolio companies. In addition, some jurisdictions have the ability to expropriate assets under certain circumstances. Although there can be, at times, a legal obligation to indemnify the owner of expropriated assets, such indemnification is often lower than the market value of the expropriated assets. If any Fund assets were expropriated, there is a possibility that a Fund could lose all or part of its investment in such property, which could result in a material adverse effect on a Fund's financial performance.



## ***Latin America - Legal Risks***

The Funds may be required to register, and may be subject to significant regulation, in certain Latin American countries in which it makes an investment. Many of the laws that govern private foreign investments, securities transactions, intellectual property rights, creditors' rights and other contractual relationships in Latin American countries are new and largely untested. As a result, the Funds will be subject to a number of unusual risks, including inadequate investor protections, contradictory legislation, incomplete, unclear, inconsistent and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of standard practices and confidentiality customs standard of developed markets, a high degree of discretion on the part of governmental authorities and lack of enforcement of existing regulations. The Funds may also be subject to an understaffed, underfunded judiciary whose immunity from economic, political and nationalistic influences remains uncertain. Judges and courts may be inexperienced in business and corporate law and enforcement of court judgments can be selective and practically very difficult. Furthermore, it may be difficult to obtain and enforce a judgment in regional courts, and a judgment obtained from an arbitral panel may not be given direct effect by regional courts. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on a Fund and its operations. In addition, the laws and regulations of certain Latin American jurisdictions may impose restrictions that would not exist in developed markets such as the United States or Europe and investments in such countries may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in developed markets such as the United States or Europe. Certain countries (i) require governmental approval prior to investments by foreign persons and (ii) limit the amount of investment by foreign persons in a particular company. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. Furthermore, some Latin American governments from time to time impose restrictions intended to prevent capital flight that may, for example, require governmental approval for the expatriation of investment income or involve punitive taxation (including high withholding taxes) on certain securities transfers or the imposition of exchange controls making it difficult or impossible to exchange or expatriate the local currency. If such restrictions make it impracticable for a Fund to distribute the full amount of an investor's capital accounts in U.S. dollars, a Fund may make distributions to its investors in non-U.S. securities or currency.

## ***Investments in Latin America - Reporting Standards***

Companies in Latin America are subject to corporate governance rules, disclosure requirements and accounting, auditing and financial standards and requirements that differ, in some cases significantly, from those applicable under United States corporate and securities laws and United States generally accepted accounting principles ("U.S. GAAP"). In general, there may be substantially less information available about Latin American companies than would generally be available about public companies in the United States. Thus, the items appearing on the financial statements of a Latin American company may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with U.S. GAAP. The prices at which a Fund may acquire or sell investments could be affected by other market participants' anticipation of such Fund's activities and by trading by persons with material non-public information.

## ***Investments in Latin America - Restrictions and Control on Foreign Investments***

Foreign investment in securities of Latin American issuers is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in certain issuers and increase the costs and expenses of a Fund. There can be no assurances that these

restrictions will not adversely affect a Fund's ability to achieve its investment objective or that they will not adversely affect the performance of a Fund's investments. In addition, if there is a deterioration in a specific government's balance of payments or for other reasons, such government may impose temporary restrictions on foreign capital remittances abroad. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to a Fund of any restrictions on investments. Moreover, restrictions may be imposed on remittances to foreign investors relating to distributions or other proceeds relating to their investments. There can be no assurance that additional or different restrictions or adverse policies applicable to a Fund could not be imposed in the future, nor as to the duration or impact of such restrictions or policies if imposed.

### ***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 Fund 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.

### ***Currency Exchange Risk, Currency Devaluation***

Capital contributions to the Funds are payable in U.S. dollars and the Funds' assets will be valued in U.S. dollars. However, a significant portion of the Funds' investments are expected to be made in countries other than the United States and, consequently, a material portion of the investments in the Funds' portfolios is expected to be denominated in currencies other than the U.S. dollar. Accordingly, the value of such investments will depend in part on the relative strength of the U.S. dollar. As a result, changes in the rates of exchange between the U.S. dollar and other currencies will have an effect on the performance of the Funds and amounts available for distribution by the Funds. Some of the Latin American countries targeted by the Funds have experienced substantial rates of inflation and/or currency devaluation in recent years. There can be no assurance that inflation and/or currency devaluation will not become a serious problem in the future and thus have an adverse impact on the Funds' returns. In addition, the Funds will incur costs in connection with conversions between various currencies.

### ***Corruption Risks***

Corruption often remains a significant problem in emerging markets, including in Latin America, and

its effects seriously constrain the development of local economies, erode stability and trust and its macro-economic and social costs are immense. There often exists insufficient anti-corruption legislation and co-ordination of anti-corruption initiatives. Corruption could cause the Funds' investments to be adversely affected including through loss of rights to assets or profits or operational difficulties.

In addition, Solum, the Funds and their portfolio companies are subject to certain anti-corruption laws and regulations (collectively, the "Anti-Corruption Laws"). Such laws and regulations may make it difficult in certain circumstances for a Fund to act successfully on investment opportunities and for certain portfolio companies to obtain or retain business. As a result, a Fund may be adversely affected because of its unwillingness to participate in transactions that violate the Anti-Corruption Laws. In addition, in recent years, the U.S. Department of Justice and the SEC, along with certain non-U.S. regulators, have devoted greater resources to the enforcement of Anti-Corruption Laws. Any determination that Solum, a Fund or any portfolio investment has violated Anti-Corruption Laws could subject it or them to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, litigation and/or a general loss of investor confidence, any one of which could adversely affect a Fund's or its portfolio companies' business prospects and financial position, as well as its ability to achieve its investment objective and conduct its operations.

### ***Latin America - Environmental Risk***

The historical lack of pollution control and environmental conservation standards in many Latin America countries means that significant environmental clean-up costs are likely to be incurred not only by state and local governments but also by private enterprises in such Latin American countries. As a result, a Fund may be exposed to substantial risk of loss from environmental claims arising in respect of real estate owned by portfolio companies which may have environmental problems, and the loss may exceed the value of such investment. Even in cases where a Fund is indemnified by the seller with respect to an investment against liabilities arising out of past violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of a Fund to achieve enforcement of such investments. Furthermore, changes in environmental laws or in the environmental condition of a property may create liabilities that did not exist at the time of acquisition and that could not have been foreseen.

### ***Latin America - Local Intermediaries***

Transactions may be undertaken through local brokers, banks or other organizations, and a Fund will be subject to the risk of default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that a Fund would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash will expose a Fund to a variety of risks including theft, loss and destruction. A Fund will also be dependent upon the general soundness of local banking systems.

### ***Economic Sanctions Laws***

Economic sanctions laws in the United States and other jurisdictions may prohibit or otherwise restrict Solum, its professionals, the Funds and their portfolio investments from engaging in transactions in or relating to certain countries and relating to certain individuals and entities. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), U.S. Department of Commerce, and U.S. Department of State administer and enforce laws, Executive Orders and regulations establishing U.S. economic and trade sanctions and export controls. Such sanctions prohibit, among other things, transactions with, and the provision of services or certain

goods to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at [www.treas.gov/ofac](http://www.treas.gov/ofac). In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict a Fund's investment activities in certain countries. The economic sanctions, data privacy and related laws of different jurisdictions in which a Fund and its portfolio investments operate also may conflict with one another, such that compliance with all applicable laws may be difficult.

In addition, risks of sanctions violations in the banking industry are elevated, and OFAC has taken significant actions in response to U.S. and non-U.S. financial institutions' failures to comply with OFAC sanctions. Failure by a Fund or its portfolio investments to comply with OFAC or other relevant sanctions could have serious legal and reputational consequences.

Certain companies are required to implement the various applicable anti-money laundering or anti-terrorism laws, rules or regulations of the United States or other jurisdictions and other related screening requirements. Any material failure by any of a Fund's portfolio investments to comply with OFAC, the U.S. Patriot Act and the U.S. Bank Secrecy Act and other similar anti-money laundering or anti-terrorism restrictions or in connection with any investigation relating thereto could result in significant fines or penalties. Such fines or penalties could have a material adverse effect on a Fund, as well as other legal and reputational consequences.

#### ***Need for Follow-On Investments***

Following its initial investment in a given portfolio company, a Fund may 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 is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a 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 a Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

#### ***Hedging Arrangements; Related Regulations***

The General Partner may (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. A Fund may 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 may create for a 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.

### ***Non-Controlling Investments***

A Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

### ***Public Health Emergencies; COVID-19***

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19, have and are resulting in market volatility and 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 COVID-19, which 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. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions 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, steep 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 the resulting precipitous decline in economic and

commercial activity across nearly all of the world's largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The 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 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 a Fund and its 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 a Fund 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 a Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its 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 a Fund, its portfolio companies, a General Partner and Solum 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.

### ***Market Conditions***

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 a 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 relevant 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.

#### ***Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments***

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

#### ***Material Non-Public Information***

As a result of the operations of Solum and its affiliates, Solum frequently comes into possession of confidential or material, non-public information. Therefore, Solum and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Funds. Consequently, the Funds 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 Solum's internal policies. Due to these restrictions, the Funds may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

#### ***Unfunded Pension Liabilities of Portfolio Companies***

Recent 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, the Funds may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Funds may own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of a 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 hereof, which may change in the future as the case law and guidance develops.

### ***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 General Partners will apply a methodology they determine 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. There can be no assurance that the General Partners will have all the information necessary to make valuation decisions in respect of investments, or that any information provided by third parties on which such decisions are based will be correct. To the extent that portfolio companies targeted by the Funds do not have audited financial statements, instructive financial data or useful key performance indicators, as is often the case in the markets in which the Funds are expected to invest, the foregoing risks may be heightened. There can be no assurance that the valuation decision of the relevant 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. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage a Fund's investment portfolios and risks, and may also affect the diversification and management of a Fund's portfolio of investments. Also, the exercise of discretion in valuation by the General Partners may 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.

### ***Co-investments***

The General Partners may, in its discretion, provide or commit to provide co-investment opportunities to one or more Investors and/or other persons, in each case on terms to be determined by the General Partner in good faith in a manner which the General Partner believes to be fair and reasonable. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by a General Partner in its discretion, may not be in the best interests of a Fund or any individual Investor. In exercising its discretion in connection with such co-investment opportunities, a General Partner may consider some or all of a wide range of factors, which may include factors which benefit a General Partner such as the likelihood that an investor may invest in a future fund sponsored by such General Partner or its affiliates.

A Fund may 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 the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that a Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may



be made by the General Partners or their related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Investors. 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, Solum expects to be subject to conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. When and to the extent that employees and related persons of the General Partners make capital investments in or alongside the Funds, the General Partners are subject to conflicting interests in connection with these investments. The relevant General Partner's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and 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.

### ***Contingent Liabilities Upon Disposition***

In connection with the disposition of an investment, a Fund and the relevant General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by a Fund and, ultimately, its investors.

### ***Currency Risk***

Fluctuations in exchange rates may adversely affect the value of the Funds' investments. A Fund's investments will generally be subject to exposure to currency fluctuations in the countries in which the investments are located, and such Fund may or may not engage in currency hedging operations. Volatility in international exchange rates can affect pricing and the profit margin on sales and global export demand for products produced by a Fund's investment. In addition, foreign currencies received with respect to foreign investments may not be freely convertible into a Fund's base currency and it may not be possible to fully repatriate out of the various foreign countries. Further, to the extent the Fund's base currency is different than that of an Investor, the Investor will need to convert its local currency into the Fund's base currency in order to make contributions and convert distributions from the Fund back to its local currency. As a result, exchange rate fluctuations could adversely affect the rate of return of investments both at the Fund and Investor level. Finally, the Fund may encounter difficulty in competing for investments to the extent that valuations in the Fund's base currency are behind local and/or other foreign currency capital competing for such deals.

### ***Legal and Regulatory Risks***

Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the strategy. New or revised laws or regulations or interpretations of existing laws may be issued by U.S. and non-U.S. regulators or other governmental regulatory authorities or self-regulatory organizations and these could adversely affect the strategy.

## ***Cybersecurity***

Solum, the Solum Funds, and each Solum Fund's portfolio companies generally rely on information technology systems for current and planned operations. Information and technology systems of Solum and each Solum Fund's portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time, or cease to function properly, Solum, a Solum Fund, and/or a portfolio company may have to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause interruptions in Solum's, the Solum Funds', and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). The use of internet- or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments.

## ***Force Majeure***

Portfolio investments may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic (such as the current COVID-19 pandemic) or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a client or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a client of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which client Funds would invest. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to clients, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation).

## ***Diverse Investor Group***

Investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the structure, timing, or manner of disposition of investments. Consequently, conflicts of interest may arise in connection with decisions made by Solum, including with respect to the nature or structuring of investments or dispositions, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, Solum will consider the investment and tax objectives of each Fund and its investors as a whole, not the investment, tax or other

objectives of any investor individually.

## RISKS RELATING TO A FUND'S INVESTMENTS IN AGRICULTURALLY BASED INVESTMENTS

### ***Business Competition***

Agriculture businesses are frequently large, often global and competitive. Competitive factors may include price, species and grade, crop type, proximity to markets, ability to meet delivery requirements, increasing availability of substitute products, and supply and demand in the relevant market area. Investments made by a Fund will compete with a number of large, well-financed regional and international entities experienced in all aspects of agriculture business. In addition, in many instances, these competitors will have more experience in the geographic regions where the investments are located.

### ***Competition for Investments***

Investing in agricultural properties, particularly on the scale contemplated by the Funds, is a highly competitive enterprise. Identifying attractive agricultural investments is difficult and involves a high degree of uncertainty. Each Fund competes for investments with other institutional investors as well as other investment vehicles, the size and number of which has grown dramatically in recent years. As a result, it is possible that a Fund may not be able to acquire investments that satisfy its rate of return objectives or fully invest its committed capital within any applicable investment period.

### ***Sabotage and Theft***

There can be no assurance that agricultural properties will not be subject to vandalism, sabotage, unauthorized cutting, trespass and/or pilferage by employees, contractors, competitors or others.

### ***Agricultural Real Estate Risks***

Investments in farmland are subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, adverse natural conditions such as storms, floods, drought, windstorms, hail, temperature extremes, frosts, soil erosion, infestations and blights, financial situations of tenants, marketability of any particular kind of crop that may be influenced, among other things, by changing consumer tastes and preferences, import and export restrictions or tariffs, governmental subsidy or production programs, buyers and sellers of properties, availability of excess supply of property relative to demand, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, governmental regulation of and risks associated with the use of fertilizers, herbicides and other chemicals used in commercial agriculture, zoning laws and other governmental rules and fiscal policies, energy prices, changes in the relative popularity of properties, risk due to dependence on cash flow, as well as acts of God, uninsurable losses and other factors which are beyond the control of the Funds. In addition, certain countries, including those in the Core Areas as well as U.S. states, including Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota and Wisconsin have enacted legislation or regulation that restricts the ownership of agricultural or rural land and/or restricts the types of entities (including limited partnerships owned by non-family members) that are permitted to engage in farming operations. As a result, the Funds' ability to acquire and operate farmland in certain jurisdictions may be restricted by these protectionist laws. The Funds' ability to sell assets may also be restricted by protectionist laws of this nature.

Further, investment in a given geographic region is subject to the risk of natural disaster or market conditions unique to that region. If a significant allocation of investment resources is allocated in a region that suffers a natural disaster or a unique regional downturn in market conditions, the Funds' operating results and financial condition would be materially adversely affected.

### ***Changes in Operating Costs***

Changes in operating costs contribute to cash flow as well as the value of underlying agricultural assets. Agricultural markets are extremely competitive and although being a low-cost producer is part of the strategy, changes in these costs can impact investment return. Greenfield permanent planting investments have the most exposure to this risk as cost structures may not be entirely proven for certain regions and industries may not be fully developed. Building water infrastructure to transform dry land to a higher and better use also has a high exposure to operating cost risk. Annual crop operating costs are more widely known and are more correlated to commodity prices over longer timeframes. Operational expertise for annual crop farming is widely available but choosing qualified management is vital to the success of a property.

### ***Yield Risk in Dryer Years***

Investments in farmland are subject to the risk of yield variability in rainfed or dryland farms due to low rainfall or lack of rainfall during the early season and other critical time periods. The planting and harvest opportunity window can be affected by precipitation constraints, which may delay operations and directly contribute to yield loss and moisture variability of harvested grains. In the past, the Core Areas have been exposed to rainfall shortages that negatively affected crop yield.

### ***General Considerations***

Real property investments, including investment in farmland properties, are subject to risks incident to the ownership and operation of real estate. Real estate values are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of, or a reduction in demand for, rental farmland properties), the quality and philosophy of management by tenant farmers, competition based on rental rates, attractiveness and location of the properties, condition of the properties, financial condition of buyers and sellers of properties, quality of maintenance, insurance services, and changes in operating costs. If investments do not generate sufficient revenues to meet their operating expenses, including any debt service and capital expenditures, a Fund's cash flow and ability to pay distributions to its Investors will be adversely affected. In addition, in certain circumstances, a Fund may be required to drawdown additional capital from the Fund's Investors to pay the Fund expenses or to make follow-on investments in properties then held by such Fund. Certain significant expenditures associated with each investment (such as mortgage payments, real estate taxes and insurance and maintenance costs) are generally not reduced when circumstances cause a reduction in income from such investment. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing, participation by other investors in the financial markets and potential liability under changing laws.

### ***Land Titles Claims***

While the Funds intend to have their farmland registered under land titles systems, where such systems exist, such systems may not be available or, where land titles regimes are in place, there may be a risk of title claims in the future. Furthermore, leasehold opportunities in connection with crop rights are subject to risks not associated with farmland secured with clear title. These risks include

possible cancellation of operating licenses related to non-payment of land taxes, title disputes or other property-related judicial disputes where the landowner is responsible for managing conflicts. If a claim to any portion of a Fund's farmland is successful, such Fund could be required to forfeit such lands or pay amounts to the claimant, which could have a material adverse effect on such Fund's financial performance.

### ***Lessee Risks***

The Funds may receive income as lease payments under leases. Therefore, the Funds will likely be dependent upon the payment of lease payments and performance of other lease obligations by the lessees under the leases. The Funds have limited control over the success or failure of their lessees' businesses and, at any time, any of the Funds' lessees may experience a downturn in its business that may weaken its financial condition. As a result, a Fund's lessee may delay lease commencement or renewal, fail to make lease payments when due or declare bankruptcy, which could result in material losses to such Fund.

### ***Regulatory Matters***

The investment assets to be acquired by a Fund will be subject to numerous federal, state and local laws and regulations concerning environmental and safety matters, zoning, development, utilities, land use, and similar laws and regulations. Although the Fund does not anticipate incurring any material costs in compliance with such laws and regulations beyond those regularly incurred, there can be no assurance that future changes in such laws and regulations will not have a material effect on a Fund's operations.

### ***Investments in Partnerships, Joint Ventures and Other Entities***

Investments may be made through partnerships, joint ventures or other entities. Such investments may involve risks not present in direct or wholly-owned investments, including, for example, the possibility that a co-venturer or partner might become bankrupt, or may at any time have economic, business or governmental/public policy interests or goals that are inconsistent with those of the participating Fund. In addition, the participating Fund may be liable for actions of its co-venturers or partners. In some instances, the investment of a Fund may represent a minority or non-managing interest resulting in co-venturers or partners being in a position to take action contrary to the objectives or interests of such Fund.

### ***Legal Uncertainty***

Material contracts for a Fund or its investment subsidiaries, including real estate purchase and sale agreements, property management agreements and supply agreements, are generally individually negotiated and highly customized. Counterparties, courts and/or agreed mechanisms of alternative dispute resolution may interpret contractual terms differently than the Fund and, in such cases, the Fund may not be able to obtain the benefit of negotiated provisions either due to potentially high costs associated with pursuing contractual claims or due to adverse interpretations after litigation of a claim.

### ***Availability, Demand and Pricing of Agricultural Commodities***

Weather conditions (including drought, flooding and natural disasters), pests and disease have historically caused volatility in the agricultural commodities markets by causing crop failures or significantly reduced harvests, which can affect the supply and pricing of agricultural commodities.

Government farm programs and policies, tariffs and other potential barriers to trade, changes in global demand created by population growth, changes in standards of living and global production of competitive crops may also affect the availability and prices of agricultural commodities. While the Fund intends to mitigate certain of these risks through crop insurance, there can be no assurance that the Fund or its subsidiaries will not suffer losses as a result of the lack of availability or fluctuation of the prices of such commodities.

Increases in water prices or insufficient availability of water may also adversely affect crop production, and therefore the value, of agricultural properties, resulting in reduced profitability for a Fund. A Fund will seek to mitigate such risks by generally investing in properties with access to a steady water supply or properties using dryland technologies, but the loss or reduction of access to water sources or increased costs of maintaining such sources could have a material adverse effect on such Fund.

Increases in fertilizer prices may adversely affect crop production as farmers cut back on overall fertilizer use, which may reduce future harvests.

In the future, advances in seed technology, genetic engineering, irrigation improvements and other agricultural technology enhancements may lead to higher crop production on existing farmland. This could reduce a Fund's anticipated returns, which are, in part, based on certain assumptions regarding an increased global demand for agricultural products and declining availability of farmland.

### ***Spoilage and Crop Safety***

Many agricultural commodities have a limited lifetime during which they are marketable. Delayed shipments, inadequate packaging or poor storage conditions may result in crop rancidity. Delays in bringing products to market, transportation difficulties, poor weather and numerous other factors can lead to a complete loss of certain agricultural related investments. Additionally, the potential for contamination with various pathogens exists.

### ***Mitigating Crop Risk***

Mitigating crop risk with insurance can pose a significant drag on operating expenses, especially with limited farming history due to imposed country transitional yield history. There is also a risk of the Funds not being able to qualify for government subsidized crop insurance without disclosing its investors' identities.

### ***Potential Environmental Liability***

Under various U.S. federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such enactments often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. For example, the current owner of a parcel of land may be liable for environmental problems at, or emanating from, the parcel of land that were caused by a past owner or current operator of the site. The cost of any required remediation and the owner's liability therefore as to any property is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell the real estate or to borrow using such property as collateral. In addition, remediated property may attract a limited number of potential purchasers because of the property's history of contamination, which might also

adversely affect the owner's ability to sell the property. Further, a transfer of property does not relieve from liability a person who owned the property at a time when hazardous or toxic substances were disposed of on, or released from, such property. In addition, noncompliance with environmental regulations may allow a governmental authority to order the owner/operator to cease operations at the property or to incur substantial costs and expenses to bring the property into compliance through the implementation of burdensome remediation or prophylactic measures. Where appropriate to reduce the possibility of liability under environmental laws, the Funds will seek to obtain indemnities from sellers, purchase environmental insurance or hold title in limited liability entities. There can be no assurance that environmental laws relating to real estate transactions will not be amended in the future in ways that could adversely affect the Funds' investments.

### ***Potential Labor Liabilities***

The machinery used in production agriculture is dangerous and serious injuries may occur from time to time despite best efforts to train workers and use state-of-the-art equipment. In addition, certain regions can experience extremely high temperatures and workers may suffer from sun exposure, dehydration and other heat-related health conditions despite having access to water, shade, rest periods and protective clothing. The Funds' portfolio companies may be subject to labor liabilities associated with agricultural activities.

### ***Long-Term Supply Contracts***

The management strategy for agriculture-based investments may include the negotiation of long-term supply contracts guaranteeing customers a stable flow of agricultural products at market prices. Because the pricing mechanism in such contracts is usually determined by some fixed formula, it is possible that these contracts could result in Solum foregoing certain spot market opportunities that otherwise could have increased returns. Long-term supply contracts may also require that an investment unit continue harvesting when prices have decreased to a point that the harvesting activities would have been limited in the absence of the supply requirements. In addition, long-term supply contracts also expose the investment to counterparty risks as the customer to which the products are sold pursuant to the supply contracts could default, which could leave the investment without a secured customer for its product.

### ***Political Influence***

Due to the importance of agriculture to the sustainability of society, the agricultural markets are typically the subject of significant government subsidies, interventions and other programs. Political action is inherently unpredictable and creates a material uncertainty in these markets. The existence or continuation of government subsidies in the agricultural sector often determine whether it is economically feasible to continue to produce a particular crop. In certain of the emerging markets in which the Funds may make investments, not only is the role of political influence significant, but such influence is also highly unpredictable. Further, political embargoes, restrictions on land ownership, expropriation, confiscatory taxation, political changes, social instability or diplomatic developments and other actions taken by the governments of the countries in which the Funds may invest or in which agricultural products may be sold may also materially affect prices. Governmental policies affecting the agricultural industries such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products, as well as current or potential climate change regulations, can influence industry profitability, the planting of certain crops versus uses of agricultural resources, the location and size of crop production and whether unprocessed or processed commodity products are traded. In addition, international trade disputes

can adversely affect trade flows by limiting or disrupting trade between countries or regions. Future government policies may adversely affect the supply, demand for and prices of crops and commodities, may restrict the ability of tenants to do business in their respective target markets and consequently could cause the financial results of the participating Fund to suffer material losses as a result.

### ***Limitations on Ability to Harvest***

Revenues, earnings and cash flow from the operations of the investments are dependent to a significant extent on their continued ability to harvest crops at adequate levels. Weather conditions, crop growth cycles, access limitations and regulatory requirements associated with the protection of wildlife and water resources may restrict harvesting of the farmland, as may other factors, including damage by fire, insect infestation, disease, prolonged drought and other natural and man-made disasters. There can be no assurance that such investments will achieve harvest levels in the future necessary to maintain or increase revenues, earnings and cash flows. In addition, the operations of the portfolio investments are expected to be subject to seasonal variations in the regions in which the portfolio investments are located. Harvesting activity can be compromised by inaccessibility to some sites during wet seasons resulting in decreased harvest levels. Results of one quarter will not be indicative of results that may be achieved in other quarters or for the full year.

### ***Term of each Fund***

Each Fund has a limited term period, after which the Fund must liquidate any remaining investments and dissolve. Extensions of such term require the approval of a majority of Investors, and Investors may choose to decline an extension. Given the illiquid nature of direct agricultural investments and cyclical market fluctuations, there is no guarantee that investments will be sold within a Fund's initial term or any extension thereof. Investments that are still held by a Fund after the expiry of its term may need to be sold at a substantial discount during liquidation.

## **FOOD INDUSTRY-RELATED RISK FACTORS**

### ***Food Industry Competition***

A Fund may invest in portfolio companies or projects in the food industry, which is highly competitive with respect to price and quality of food products, new product development, advertising levels and promotional initiatives, customer service, reputation, restaurant or store location and attractiveness and maintenance of properties. If consumer or dietary preferences change, or certain portfolio companies or projects in which a Fund invests are unable to compete successfully with other restaurants, retail food and beverage outlets or food and beverage distribution companies in new and existing markets, their respective business could be adversely affected. Competition from delivery aggregators and other food delivery services has also increased in recent years, particularly in urbanized areas. Increased competition could have an adverse effect on the sales, profitability or development plans, which could harm the financial condition and operating results of portfolio companies or projects in which a Fund invests. In addition, labor is a primary operating cost component of most companies in the food industry. Competition for qualified employees could also require Fund portfolio companies to pay higher wages to attract a sufficient number of employees, which could adversely impact their profit margins.

### ***Changes in Laws and Regulations***

The activities of portfolio companies in which the Funds invest may be highly regulated and subject



to government oversight. Various laws and regulations govern food and beverage production, storage, distribution, sales and marketing, as well as licensing, trade, tax and environmental matters. Applicable governing bodies regularly issue new regulations and changes to existing regulations. The need to comply with new or revised regulations or their interpretation and application could materially and adversely affect the product sales, financial condition and operating results of portfolio companies or projects in which the Funds invest.

### ***Food Safety and Food-Borne Illnesses***

The Funds may invest in portfolio companies or projects the systems of which may be vulnerable to food-borne illnesses, such as *E. coli*, hepatitis A, trichinosis and *salmonella*, as well as certain food safety issues such as food tampering, contamination and adulteration. Any report or publicity linking them to instances of food-borne illness or food safety issues could adversely affect brands and reputations as well as revenues and profits, and possibly lead to product liability claims, litigation and damages. If a customer becomes ill from food-borne illnesses or as a result of food safety issues, a portfolio company's operations may be temporarily closed or disrupted, which would decrease revenues. In addition, instances or allegations of food-borne illness or food safety issues, real or perceived, involving portfolio companies, competitors, suppliers or distributors (regardless of whether they use or have used those suppliers or distributors), or otherwise involving the types of food served by the portfolio companies, could result in negative publicity that could adversely affect their sales. The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, which could result in disruptions in their supply chain and/or lower margins.

### ***Commodity, Labor and Operating Costs***

An increase in certain commodity prices, such as food, supply and energy costs, could adversely affect the operating results of portfolio companies or projects in which the Funds invest. Certain operating expenses also include employee wages and benefits and insurance costs (including workers' compensation, general liability, property and health) which may increase over time. Such increases could result from government imposition of higher minimum wages or from general economic or competitive conditions, which could affect wage rates. In addition, significant increases in gasoline prices could result in the imposition of fuel surcharges by distributors. Any increase in the prices of the commodities used by certain companies or operating expenses they incur could adversely affect their profit margins. Because portfolio companies in which the Funds may invest and their franchisees may provide competitively priced food, their ability to pass along increased expenses to customers may be limited.

### ***Changes in Economic Conditions***

The results of operations for companies in the food industry are dependent upon discretionary spending by consumers, which may be affected by general economic conditions globally or in one or more of the markets they serve. Some of the factors that impact discretionary consumer spending include unemployment, disposable income, the price of gasoline, stock market performance and consumer confidence. These and other macroeconomic factors could have an adverse effect on the sales, profitability or development plans of the portfolio companies or projects in which the Funds invest, which could harm their financial condition and operating results.

### ***Environmental Conditions***

Crop disease, severe weather conditions, such as floods, droughts, windstorms and hurricanes, and

natural disasters, such as earthquakes, may adversely affect the supply of food items, reduce sales volumes, increase unit production costs or prevent or impair the ability of certain portfolio companies in which the Fund invests to ship or receive products as planned. Severe weather conditions may occur with higher frequency or may be less predictable in the future due to the effects of climate change. When crop disease, insect infestations, severe weather, earthquakes and other adverse environmental conditions destroy crops planted on farms or prevent portfolio companies from distributing crops on a timely basis, they may lose their investment in those crops or their purchased supply costs may increase, which could have an adverse effect on the Funds.

### ***Changes in Consumer Preferences***

The food industry in general is subject to changing consumer trends, demands and preferences. Trends within the food industry change often, and failure to identify and react to changes in these trends could lead to, among other things, reduced demand and price reductions for the Funds' portfolio companies and could have an adverse effect on their financial results.

## **WATER-RELATED RISK FACTORS**

### ***General Impact of Applicable Regulations***

The investment assets to be acquired by the Funds will require sufficient water to operate farmland and such water assets will be subject to various federal, state, and local laws. These laws and associated regulations may increase the costs and timing of planning, designing, drilling, installing, operating and abandoning water wells and disposal/treatment facilities.

### ***Impacts Due to Draught***

During times of drought, production of groundwater for farming and ranching tends to increase. To the extent that farming becomes a significant category of water use in the Core Areas, there is a risk that a Fund's water supply will be adversely affected by drought conditions.

### ***Produced Water Disposal Operations***

Storage of produced water by the Funds carries with it the inherent risk of leaks or spills. A spill of produced water to soil or water may violate federal, state or local rules and a spill to waters of the United States will violate federal law under the Clean Water Act, which is enforced by the EPA and can result in substantial monetary penalties.

Transportation of produced water by irrigation pipelines carries with it the risk of a breach in pipeline integrity and a resulting spill of produced water. Pipeline integrity can be compromised in multiple ways. The combination of high produced water temperature and high ambient temperatures has led to incidents of melting of lay flat piping. Moreover, any type of above-ground piping is subject to accidental breakage due to impacts by vehicles or machinery. The Funds anticipate that there will be numerous third parties conducting operations using various types of vehicles and heavy machinery.

## **Conflicts of Interest**

Set forth below are certain conflicts of interest, in addition to those described elsewhere in this Brochure, that are expected to arise in the course of Solum carrying out its investment advisory activities. As described herein, Solum maintains policies and procedures intended to mitigate such

conflicts of interest. Generally, in the case of all conflicts of interest, Solum determines which factors are relevant, and how to mitigate and resolve such conflicts, using its best judgment, but in its sole discretion except to the extent otherwise specified in the Fund Documents (such as where the approval of an advisory committee is required). In resolving conflicts, Solum may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing.

Certain Investment Principals or employees maintain personal investments in securities similar to those recommended to the Funds. As a general matter, Solum does not believe such personal investments overlap with the strategies pursued by the Funds. However, conflicts of interest arise where a Principal's or an employee's personal investment could benefit, directly or indirectly, due to an investment by the Funds. Pursuant to Solum's Code of Ethics, described below, the Investment Principals and employees are required to report all such personal investments and are required to obtain the Chief Compliance Officer's pre-approval before seeking to transact in future limited offerings. Solum will always place the Funds' interests over those of any Principal or employee or their personal investments. Further, while it is not Solum's policy or intention to buy or sell securities held by a Principal or employee on behalf of the Funds, pursuant to Solum's policy regarding principal transactions, Solum would first disclose to the Fund the capacity in which the Principal or Employee is acting and obtain any required prior consent for such transaction.

Solum, its affiliates and certain personnel thereof generally are expected to directly or indirectly own an interest in one or more Funds. Such investments create incentives for the Investment Principals and employees to make different investment decisions (for example, increasing or decreasing the risk profile of the Fund) than if such parties did not have interests in the Funds. Solum has adopted a Code of Ethics that is designed to detect and prevent potential conflicts of interest between Solum and its clients. Please refer to Item 11 below for additional information regarding Solum's Code of Ethics.

Solum will devote such time, personnel and internal resources as are necessary to conduct the business and affairs of the Funds in an appropriate manner, as required by the Fund Documents, although the Funds and their respective investments will place varying levels of demand on their ability to do so over time. In the ordinary course of Solum conducting its activities, the interests of a Fund likely will conflict with the interests of Solum, one or more other Funds or other Solum clients, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Solum will determine all matters relating to structuring transactions 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 committees of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by Solum principals through such Fund, subject to certain limited exceptions set forth in the Fund Documents and Solum's allocation policies. From time to time, Solum will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and Solum clients. To the extent an investment opportunity is received that is unsuitable for a Fund, in Solum's sole discretion, Solum and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. In determining which investment vehicles should participate in such investment opportunities, Solum and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Fund Documents, Solum is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Solum in a portfolio company also have the potential to raise the risk of using assets of a client of Solum to support positions taken by other

clients of Solum.

Solum must first determine which Fund(s) or other Solum client(s) will, or are required to, participate in the relevant investment opportunity. Solum generally assesses whether an investment opportunity is appropriate for a particular Fund or other client based on the Fund Documents, as well as other factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by Solum in the manner set forth in the Fund Documents. Solum will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Solum's obligations and reserves the right to take into consideration factors such as those set forth above.

Solum's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Solum will allocate investment opportunities in a manner that it believes 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 such allocation would be if the potential conflicts of interest to which Solum expects to be subject, discussed herein, did not exist.

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 and/or Solum client, or if it were to invest in the securities of a company in which another Fund or Solum client has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds or Solum clients. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s), Solum client(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Solum and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds or Solum clients 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 and/or Solum client participating in or affected by such transaction. In that regard, actions taken for one or more Funds or Solum clients may adversely affect other Funds and Solum clients.

Subject to any relevant restrictions or other limitations contained in the Fund Documents, Solum will allocate fees and expenses in a manner that it believes 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, Solum expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds, Solum clients 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 Solum or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on number of Funds, co-investment vehicles or other Solum clients 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 Solum. 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.

Interests in Fund One and a parallel investment vehicle of Fund Two will be held primarily by two institutional investors and their affiliates (the “Anchor Investors”). Investment personnel of Solum were previously employed by one of the Anchor Investors. In exchange for providing significant initial capital commitments to Solum’s first two funds, the Anchor Investors’ interests will differ substantially from the interests of the other Investors in a Fund. In particular, the Anchor Investors will be entitled to receive a portion of the economics received by Solum and/or its affiliates in connection with the Funds (including future Funds managed or advised by Solum), including a portion of the management fee, and a portion of any carried interest distributions received by Solum and/or its affiliates. The Anchor Investors will also receive certain informational, participation and other protective rights not offered to other Investors in the Funds. In addition, Solum will provide services to an SMA held by the Anchor Investor at which certain Solum investment personnel were previously employed. The role of the Anchor Investors creates conflicts of interest as Solum has incentive to favor the interests of the Anchor Investors and/or their applicable investment vehicles. Solum has adopted certain policies and procedures, including the investment allocation policies described herein, which are designed to mitigate the conflicts of interest associated with this arrangement.

A portfolio company typically will reimburse Solum or service providers retained at Solum’s discretion for expenses (including without limitation travel expenses) incurred by Solum or such service providers in connection with its performance of services for such portfolio company. This subjects Solum 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. Solum determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

In connection with its services to the Funds and their investments, Solum, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Solum’s operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Solum 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, “Solum Information”). In many cases, Solum Information will include tools, procedures and resources developed by Solum to organize or systematize Solum Information for ongoing or future use. Although Solum expects its Funds and their portfolio companies generally to benefit from Solum’s possession of Solum Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Solum and its personnel) and not by the Fund or portfolio company from which Solum Information was originally received. Solum Information will be the sole intellectual property of Solum and solely for the use of Solum. Solum reserves the right to use, share, license, sell or monetize Solum 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.

Solum generally exercises its 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) Solum or a related person of Solum (which may include a portfolio company of such Fund); (ii) an entity with which Solum or its affiliates or current or former members or their personnel has a relationship or from which Solum or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Solum personnel are seconded, or from which Solum receives secondees; or (iii) certain limited partners or their affiliates. For example, Solum 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 related business. This discretion subjects Solum to conflicts of interest, because although Solum 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, Solum 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 Solum, 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 Funds or Solum), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Solum will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Solum 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 Solum 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.

In addition, as described above, it is Solum's practice to use or retain Operating Executives to provide Services to or with respect to one or more Funds or portfolio companies. Operating Executives are often involved in both pre-and post-investment activities relating to the investments. For potential portfolio investments, in connection with providing the Services, they may assist Solum in sourcing investment opportunities, conducting due diligence, validating the operational potential, and providing additional assistance through their industry contacts. After a portfolio investment is made, they often work closely with management of the investment to provide industry expertise and experience and to implement the value-creation plan constructed for the investment. Operating Executives may be hired by a Fund's investment subsidiaries in a senior executive capacity or serve on a Fund's investment subsidiary's board of directors after the investment is made. Compensation paid to Operating Executives is expected to include cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Operating Executive, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operating Executive, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies may provide opportunities for Operating Executives to invest in such portfolio company and reimburse costs and expenses incurred by Operating Executives. Operating Executives also may

receive remuneration from the General Partners and/or the Funds or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to an Operating Executive generally do not offset or reduce the Management Fee as described herein. Operating Executives may have a limited partnership or profit interest in the Funds, the General Partners, one or more other investment funds sponsored by the General Partners or in an affiliate of the General Partners. In the event one or more Operating Executives is providing services to multiple Funds, such fees will be allocated among these Funds in a fair and equitable manner. Although the use of Operating Executives and the allocation of compensation paid to them subjects Solum and/or its affiliates to potential conflicts of interest, Solum believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operating Executive is lower than market rates for the services provided and/or if the services of the Operating Executive align with Solum's model for the portfolio company and improve portfolio company performance. Although Solum seeks to retain Operating Executives with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Solum also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Solum believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Operating Executives (and other service providers) which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, 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.

Although uncommon, Solum reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Solum, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund or Funds is acquired by a portfolio company acquired by another Fund or 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.

Solum and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Solum and/or its affiliates; conversely, former personnel or executives of Solum and/or its affiliates may from time to time serve in significant management roles at portfolio companies or service providers recommended by Solum. Similarly, Solum, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, 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, Solum 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 Solum entities)

to Solum personnel and their estate planning vehicles. Solum 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 Solum information about markets and industries in which Solum operates (or is contemplating operations) or will provide other services that are beneficial to Solum or one or more other Funds. Solum expects to be subject to a potential conflict of interest in making such recommendations, in that Solum 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.

Solum, its affiliates, and Investment Principals and employees of Solum and its affiliates reserve the right to buy or sell securities or other instruments that Solum has recommended to a Fund. Any such transactions are subject to any restrictions contained in the Fund Documents and any related policies and procedures set forth in Solum's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Solum have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Except to the extent prohibited by the Fund Documents, Solum and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or special purpose acquisition companies the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Fund Documents and anti-"assignment" provisions of the Advisers Act, Solum and its personnel are also permitted to offer, restructure and monetize interests in Solum.

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 certain Funds' 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 Solum may not otherwise have done so.

Since Solum is permitted to retain certain Supplemental Fees (as described under Item 5 - "Fees and Compensation" above) in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. Additionally, Solum, its personnel, affiliates or others designated by Solum 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 Fund Documents are applied, Solum 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 Solum 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.



Solum and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms), information rights, disclosure rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, investment excuse rights and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by the relevant Fund 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, 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 Solum to 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 Solum 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 Fund 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.

Solum 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 Solum 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. Discounted prices or better terms offered by a portfolio company to Solum, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

The relevant liability standards under insurance coverage procured by Solum 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 Fund Documents. Investors generally will be responsible for insurance premiums, as set forth in the Fund Documents, regardless of whether the liability and/or indemnity standards in Solum's insurance coverage are higher or lower than that set forth in the Fund Documents.

**It is critical that Investors refer to the applicable Fund Documents for a complete understanding of the material risks involved in an investment in the Fund. The information contained herein is a summary only and is qualified in its entirety by such documents.**

#### **Item 9 – Disciplinary Information**

Neither Solum nor any of its management persons have any legal or disciplinary events that would be material to an Investor’s evaluation of Solum or the integrity of Solum’s management.

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

Neither Solum nor any of its management persons is registered, or has an application pending to register, as (i) a broker-dealer; (ii) a registered representative of a broker-dealer; (iii) a futures commission merchant; (iv) a commodity pool operator; (v) a commodity trading advisor; or (vi) is an associated person of any of (iii), (iv) or (v).

Solum is affiliated with each General Partner. As described in Item 6, this creates a potential conflict of interest in that it may cause Solum or the applicable General Partner to take greater risks than they may have otherwise. This conflict of interest is addressed as described in Item 6.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

##### **Code of Ethics**

Solum has adopted a written Code of Ethics (the “Code of Ethics”) in accordance with Rule 204A-1 under the U.S. Investment Advisers Act of 1940 (the “Advisers Act”). The Code of Ethics sets forth standards of conduct that are expected of Solum Investment Principals and employees and addresses conflicts that arise from personal trading. The Code of Ethics requires certain Solum personnel to report their personal securities transactions, prohibits or requires pre-clearance for Solum personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Solum personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Solum Chief Compliance Officer. In addition, the Code of Ethics requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code of Ethics will be provided to any investor or prospective investor upon request to Solum. 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.

Solum and its affiliated persons may come into possession, from time to time, of material non-public 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, Solum and its 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 Solum.

Accordingly, should Solum or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, Solum generally would be prohibited from communicating such information to clients, and Solum 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 Solum personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

### Co-Investments

From time to time, Solum will have the option to offer co-investment opportunities to investors in the Funds, or to third parties. Solum or its affiliates may, in its discretion, facilitate co-investments, including via the organization of a Co-investment Entity, as previously described, sponsored by Solum or its affiliates. Subject to any specific allocation requirements set forth in the Fund Documents, including the existence of co-investment partnerships described in the prior sentence and/or side letters granted to Investors, the following selection and allocation criteria will be considered in determining the selection of co-investors and the allocation of co-investment opportunities.

#### *Co-Investor Determination/Selection Criteria*

Co-Investments will be offered to investors based on a range of factors, including, but not limited to:

- Size of a co-investment opportunity;
- Economic advantages to the Fund such as risk sharing, access to certain financing vehicles, enhanced alignment of interest with property managers or otherwise;
- Any requirements or restrictions relating to the selection of co-investors set forth in the governing documents of the Fund(s) to which a co-investment opportunity relates and/or in any side letters granted to applicable Investors; and
- Any other factors determined by the applicable Fund's general partner, in its sole discretion, to be relevant to the co-investor selection process.

#### *Allocation Amongst Interested Co-Investors*

After the selection of interested co-investors, co-investment opportunities will be allocated based first on allocation-related requirements (including capacity reserves) set forth in any Fund Documents granted to Investors in the Fund(s), as well as any applicable legal or regulatory requirements. After such allocations, Solum and its affiliates, will, in their sole discretion, determine the allocation of such investment opportunity that is available for co-investment.

In addition, a Fund may buy assets from, or sell assets to, Solum, its affiliates or its management personnel (including the Investment Principals). This could potentially create a conflict of interest between Solum and a Fund because Solum would have an incentive to negotiate more favorable terms for itself, its affiliates or its management personnel at the expense of the Fund. As a result, Solum is subject to notice and consent obligations in connection with the operation of the Funds for which it acts as an investment manager in the event it enters transactions deemed to be "principal transactions." Solum has established policies and procedures that address these principal transactions. Additionally, the Fund Documents may establish the terms of any principal transactions or restrict principal transactions. To the extent that a Fund may engage in principal transactions with Solum, its affiliates or its management personnel, Solum provides Investors disclosure of the potential for principal transactions and the process for approving such transactions.

### *Co-Investment Expenses*

As discussed in Item 5, a Fund may incur expenses in connection with a potential investment that is expected to be made by such Fund but is abandoned before it is made (“Broken Deal Expenses”). As a general matter, the Fund will be obligated to pay all expenses incurred in connection with an investment opportunity that is considered by the Fund, even if the investment is not consummated and even if potential co-investors in that investment do not agree to pay any share of such expenses. For example, a Fund or the General Partner (or an affiliate thereof) may attempt to create a special purpose entity that will complete its formation and otherwise be able to bear expenses relating to a potential co-investment only if the co-investment is consummated. Thus, there may be no third party that has agreed to share expenses with the Fund if the co-investment is not consummated, with the result that the Fund may bear all of the Broken Deal Expenses relating to that potential investment notwithstanding that third parties may have benefitted from the opportunity to review, investigate and otherwise assess that potential investment. The General Partner is not required to limit co-investment opportunities to potential co-investors that agree to pay their share of Broken Deal Expenses. Consequently, a Fund may bear a disproportionate amount of Broken Deal Expenses relative to its expected investment in any potential investment that is offered to co-investors but is not consummated.

Notwithstanding the above, there may be deals for which a share of Broken Deal Expenses, when appropriate to do so, should be allocated to co-investors. In such cases, co-investors will bear their proportionate share of such Broken Deal Expenses relative to their expected investment in the potential deal, or on such other basis that treats all investors and co-investors fairly.

### Participation in Client Transactions

Solum, its affiliates and certain personnel thereof generally are expected to directly or indirectly own an interest in one or more Funds.

### Policy on Principal and Agency Cross Transactions

Principal transactions are generally defined as transactions where an investment manager or investment adviser, acting as principal for its own account, buys any security from, or sells any security to, a client. A principal transaction would occur if Solum bought securities for its own account from a client or sold securities that it owned to a client. In certain instances, a principal transaction may also occur if an affiliate of Solum bought or sold securities from or to a Solum client. It is our policy not to engage in any principal transactions without disclosing to the Fund before the completion of such transaction the capacity in which Solum is acting and obtaining any required prior consent for such transaction.

It is Solum’s policy not to engage in agency cross trading transactions. An agency cross trading transaction is defined as a transaction where an investment manager or investment adviser acting as broker for a person other than the advisory client, knowingly makes a sale or purchase of any security for the account of that client.

### **Item 12 – Brokerage Practices**

As described in Item 4, above, Solum is the investment adviser to the Funds investing in agricultural assets. Accordingly, these types of transactions generally do not require the use of a securities broker. In the event the use of a broker is required for a specific transaction, Solum has sole authority for selecting the broker-dealer used in each transaction of publicly traded securities and for

negotiating fees paid to the broker-dealer in connection with such transactions. When executing transactions in exchange-traded securities, Solum recognizes that it has a duty to seek “best execution” for any securities transactions made for the Fund.

Solum will consider several factors in selecting appropriate broker-dealers, including, but not limited to, net price, availability, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. Solum will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction. Solum may also consider the comprehensiveness and frequency of available research services and products provided by the broker-dealer.

In selecting or recommending broker-dealers, Solum does not consider Client referrals from a broker-dealer. Solum maintains no formalized “soft dollar” arrangements with broker-dealers.

Solum does not have directed brokerage arrangements.

Given Solum’s investment program, it does not intend to engage in the aggregation of orders or order bunching.

### **Item 13 – Review of Accounts**

The Fund’s portfolio and investments will be monitored regularly by Solum’s Investment Committee. The Investment Committee holds in-person or video-conference meetings on a regular basis to provide prompt attention to key investment decisions. All major decisions, such as acquisitions, large capital expenditure projects, dispositions, selection of a new operator, among other matters will require unanimous approval by all Investment Committee members.

Solum has established an Investment Committee, which reviews investment memoranda and recommended investments submitted by the investment team. Each investment requires the review and approval of the Investment Committee prior to funding. For more information on the Investment Committee and its members, refer to the offering documents.

Solum generally provides the following reports to Investors in the Funds:

- (i) unaudited quarterly reports within 90 days after the end of each of the first three quarters of each fiscal year;
- (ii) audited financial statements of the applicable Fund prepared in accordance with generally accepted accounting principles within 120 days after the close of each fiscal year; and
- (iii) a review of the Fund’s activities during the most recent fiscal year within 120 days after the close of each fiscal year.

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

Solum has entered into agreements with certain private placement agents with respect to the Funds. These agreements provide for Solum compensating the private placement agents for investors referred to Solum by paying a fee based on a percentage of the investor capital commitments to the Funds. Such private placement agents may have a conflict of interest in advising prospective investors whether to purchase or redeem interests in the Funds.

Other than the circumstances described above, Solum does not receive any economic benefits from

non-clients in connection with the provision of investment advice to the Funds.

### **Item 15 – Custody**

Solum is deemed to have custody of the Fund’s assets pursuant to Advisers Act Rule 206(4)-2. To ensure compliance with Rule 206(4)-2, Solum provides audited financial statements to Investors within 120 days after the end of the relevant Fund’s fiscal year (*i.e.*, generally by April 30).

Solum does not have custody of SMA assets as it does not have discretionary control over the investment of such assets and does not have the ability to deduct fees directly from such SMA’s accounts.

To the extent necessary, Solum maintains the assets of certain Funds in accounts with a “qualified custodian” pursuant to Rule 206(4)-2 under the Advisers Act.

### **Item 16 – Investment Discretion**

Solum generally has discretionary authority to manage securities accounts on behalf of each Fund, subject to the applicable Fund Documents. In such cases, investors do not have the ability to impose limitations on the discretionary authority of Solum. With respect to any Co-Investment Entities, often the decision to make a co-investment through a Co-investment Entity will be made by the investors in that Co-investment Entity instead of by Solum.

Solum or the General Partner may, from time to time, cause a Fund to enter into side letter agreements. Such side letter agreements may provide certain Investors with terms (e.g., Management Fees, Carried Interest, rights to participate in co-investment opportunities, limitations on certain investments, etc.) additional to, or different from, those terms set forth in the Fund Documents.

### **Item 17 – Voting Client Securities**

A significant portion of investments are expected to be in private securities. Due to the nature of these investments, Solum expects to have substantial authority to exercise voting rights with respect to such securities. Solum has developed policies and procedures in the event that it must vote proxies on behalf of the Fund.

Solum will vote any proxies received in the best interests of the Fund and in accordance with any procedures described to Investors. However, the policies permit Solum to abstain from voting proxies in the event that the Investor’s economic interest in the matter being voted upon is limited relative to its overall portfolio or the impact of the vote will not have an effect on the outcome of the matter up for vote or on the Investor’s economic interests. Prior to voting any proxies with respect to the Fund, Solum will review the applicable proxy solicitation materials for potential conflicts of interest. If a conflict is identified, Solum will determine whether the conflict is material. If no material conflict is identified pursuant to these procedures, Solum will vote such proxy in accordance with the best interests of the Fund. If a material conflict is identified, Solum will consider the conflict and determine what course of action is in the best interests of the Fund. Further, Solum will determine (in its sole discretion) whether it is appropriate to disclose the conflict to Investors.

Also, please let us know if you would like detailed information about how any proxies were actually voted by calling the Chief Compliance Officer at 617-655-9750.

**Item 18 – Financial Information**

Solum has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to affect its ability to manage client accounts or impair its ability to meet contractual commitments to clients.