

BayPine Holdings LP
Part 2A of Form ADV
Firm Brochure

801 Boylston Street
Fourth Floor
Boston, MA 02116
617.880.7440
www.baypine.com

March 31, 2022

This Brochure provides information about the qualifications and business practices of BayPine Holdings LP (the “Adviser,” “we,” “us” and similar terms). If you have any questions about the contents of this Brochure, please contact us at 617.880.7440.

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

BayPine is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2: Material Changes

The Adviser filed its most recent update to Form ADV Part 2 on March 30, 2021. This annual amendment reflects updates to the descriptions of potential risks of investment and related potential conflicts of interest under “Methods of Analysis, Investment Strategies and Risk of Loss,” and supplements existing disclosures relating to the practices of the Adviser and its affiliates under “Advisory Business,” “Fees and Compensation,” “Types of Clients,” “Other Financial Industry Activities and Affiliations,” and “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

Item 3: Table of Contents

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation	6
Item 6: Performance Based Fees and Side-by-Side Management.....	14
Item 7: Types of Clients	15
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9: Disciplinary Information	60
Item 10: Other Financial Industry Activities and Affiliations.....	61
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	61
Item 12: Brokerage Practices.....	63
Item 13: Review of Accounts	64
Item 14: Client Referrals and Other Compensation	64
Item 15: Custody	64
Item 16: Investment Discretion	64
Item 17: Voting Client Securities	65
Item 18: Financial Information.....	65

Item 4: Advisory Business

The Adviser is organized as a Delaware limited partnership and was formed on October 1, 2020. The Adviser is an investment adviser registered with the SEC under the Advisers Act. BayPine LP, a Delaware limited partnership, is a relying adviser and a subsidiary of the Adviser (the “Management Company”, and collectively with the Adviser and its affiliates described below, “BayPine”). The Management Company will utilize the Adviser’s personnel (employed through an affiliated service company (“BayPine Services”)) and the Adviser’s or its affiliates’ systems, infrastructure and office space. The Management Company’s investment committee (“Investment Committee”), which will direct Fund I’s and any Co-investing Funds’ (both defined below) investment activities, is comprised of Anjan Mukherjee (“Mr. Mukherjee”), David Roux (“Mr. Roux”), Brian Frank (“Mr. Frank”), Andrew Goldfarb (“Mr. Goldfarb”), Marius Haas (“Mr. Haas”), Stephen Ko (“Mr. Ko”), Wan Ling Martello (“Ms. Martello”) and Tom O’Rourke (“Mr. O’Rourke”), all of whom are employed by BayPine Services.

BayPine serves as an investment adviser and provides discretionary investment management and advisory services to privately offered investment vehicles. The Adviser has sponsored, and the Management Company manages, BayPine Capital Partners Fund I-A, L.P. (“Fund I-A”) and BayPine Capital Partners Fund I-B, L.P. (“Fund I-B”), and together with “Fund I-A”, “Fund I”) (collectively with any future private investment funds to which BayPine or its affiliates provide investment advisory services, the “Funds”). BayPine has also sponsored three co-investment vehicles: BayPine Pinnacle Co-Invest, LP; BayPine MTES Co-Invest, LP; and BayPine MTES Co-Invest I, LP, each, and any future BayPine-sponsored co-investment vehicle, a “Co-Investing Fund”, which are included in the defined term “Funds”, unless otherwise noted. Each Fund has a special purpose vehicle designated as its general partner (each a “General Partner”). The General Partner of Fund I (“Fund I GP”) is BayPine GP LP, a Delaware limited partnership, which is a subsidiary of BayPine General Partner Holdings LP, a Delaware limited partnership (the “GP Sponsor”).

BayPine Holdings GP LLC, a Delaware limited liability company, acts as the general partner of the Adviser and the GP Sponsor. The Management Company and Fund I GP are controlled by Messrs. Roux and Mukherjee. Fund I GP controls Fund I, and the Management Company manages Fund I’s day-to-day affairs, including its portfolio investments. As discussed above, the Management Company and Fund I GP are subsidiaries, respectively, of the Adviser and the GP Sponsor, both of which are controlled by Messrs. Roux, Mukherjee and Frank. The Adviser, the GP Sponsor, the Management Company and the General Partner are all subject to BayPine’s policies and procedures.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” BayPine’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. From time to time, where such investments consist of portfolio companies, the senior professionals or other personnel of BayPine or its affiliates generally are expected to serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

BayPine does and may continue to direct one or more of a Fund's investments, or certain (or all) of such Funds' investors' (each, a "Limited Partner" or "Investor" and collectively, the "Limited Partners" or the "Investors") investment in such Funds, or participation in such Funds' investments, through alternative investment vehicles (each, an "AIV," and collectively, the "AIVs") formed in connection with a specific investment, or a specific type of investment. For purposes of this Brochure, references to a Fund will include such Fund's AIV(s), if any, but not any investors in such Fund or in such Fund's AIV(s), if any.

BayPine's advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a "Memorandum"), the limited partnership or other operating agreements (each, a "Partnership Agreement" and, together with any relevant Memorandum, the "Governing Documents") and are further described below under Item 8: "Methods of Analysis, Investment Strategies and Risk of Loss." (the "Governing Documents").

All terms applicable to a Fund are generally established at or around the time of the formation of such Fund and are only terminable as set forth in such Fund's Governing Documents. The descriptions set forth in this Brochure of specific advisory services that BayPine offers to the Funds, and investment strategies pursued and investments made by BayPine on behalf of the Funds, should not be understood to limit in any way BayPine's investment activities. BayPine may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that BayPine considers appropriate, subject to the Funds' investment objectives and guidelines and as set forth in the Funds' applicable Governing Documents.

From time to time and as permitted by the Governing Documents, BayPine has provided and expects to continue to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, BayPine's personnel and/or certain other persons associated with BayPine and/or its affiliates, as described more fully below under Item 8: "Methods of Analysis, Investment Strategies and Risk of Loss" – "Co-Investments". Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic, deal timing considerations and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Where appropriate, and in BayPine's sole discretion, BayPine reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

BayPine's advisory services to the Funds are further described below under Item 8: "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the Fund but pursuant to the relevant Governing Documents, in certain circumstances can be excused from a particular investment due to legal, regulatory, tax or other agreed-upon circumstances ; such arrangements generally do not and will not create an adviser-

client relationship between BayPine and any investor. BayPine and the General Partner have entered, and expect to enter, into side letters or other similar agreements (“Side Letters”) with certain investors in the applicable Fund that have the effect of establishing different or preferential rights or terms, including but not limited to different Management Fee and Carried Interest (each, as defined below) calculations, information rights, co-investment rights, and liquidity or transfer rights under, or otherwise altering or supplementing the terms of, the relevant Governing Documents with respect to such investors.

BayPine does not currently participate in any wrap fee programs.

As of March 31, 2022, the Adviser and its relying advisers managed \$2,657,623,415 in client assets on a discretionary basis.

Item 5: Fees and Compensation

BayPine provides investment advisory services to the Funds pursuant to a management services agreement (the “Management Services Agreement”). The Management Services Agreement, along with the applicable Funds’ Governing Documents, set forth in detail, the fee structure relevant to the Funds. The terms of the Management Services Agreement and applicable Governing Documents are generally established at or around the time of the formation of a Fund, subject to amendment in accordance with the terms of the Governing Documents. All investors and prospective investors in any Fund should review the Governing Documents of the Fund in conjunction with this Brochure for complete information on the fees and compensation payable with respect to such Fund.

Management Fees

BayPine generally expects to receive a management fee (the “Management Fee”) from the Funds as set forth in the applicable Governing Documents. The Management Fee will typically be based on a percentage of committed capital or actively invested capital, charged quarterly in advance (and pro-rated for any period that is less than a full three-month period) and paid directly from the Fund’s assets.

BayPine’s services may be terminated by the Funds as set out in the applicable Governing Agreements. Upon termination, generally, any prepaid, unearned Management Fees will be refunded or otherwise not payable, and any earned, unpaid Management Fees will be due and payable.

Subject to the limitations set forth in the applicable Fund’s Governing Documents, BayPine or another BayPine affiliate are entitled to and expect to receive from portfolio companies or any prospective portfolio company certain supplemental fees and other amounts (“Transaction Fees”) consisting of (i) directors’ fees, financial consulting fees or advisory fees paid to the General Partner and/or the Management Company with respect to any Fund investment; (ii) transaction fees paid to the General Partner and/or the Management Company with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the General Partner and/or the Management Company, in each case net of certain expenses (as set forth in the relevant Fund’s Governing Documents); but not including, in any event, (i) any amount received by the General Partner and/or the Management Company or other person from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for

services provided to any portfolio company in the ordinary course of such portfolio company's business (other than monitoring and directors' fees) or (C) as compensation for services provided by the General Partner, the Management Company, including their respective partners and employees, or other person as an employee of or in a similar capacity for such portfolio company, or (ii) any fees, expenses or compensation (including fees, incentive equity, stock awards or other compensation) paid to, or received by, Operating Executives (defined below) from the Fund or any portfolio company or prospective portfolio company and any other fees or expenses approved by the relevant Fund's advisory board. A Fund's Governing Documents generally will provide that such Fund's applicable portion of Transaction Fees received by BayPine will be credited against the Management Fee otherwise owed to BayPine in a specified percentage (*e.g.*, 100%). The remaining amount of such Transaction Fees will, unless otherwise paid to another Fund, be retained by the Firm.

As a matter of practice, BayPine is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors or potential co-investors (which could include co-investment vehicles managed by BayPine, third parties, portfolio company management or employees and/or others), which have the potential to be significant. Transaction Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services. Unless otherwise agreed with investors, Transaction Fees generally will be payable without further offset during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Additionally, as further described below and in the applicable Governing Documents, it is BayPine's practice to use or retain certain Operating Executives to provide services to certain portfolio companies in which one or more Funds invest. Such Operating Executives generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, BayPine also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

BayPine and/or its affiliates generally have discretion over whether to charge Transaction Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Transaction Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and BayPine and/or its affiliates on the other hand.

Carried Interest Allocations

A portion of the Fund's net investment profit is expected to be allocated to the General Partner or its affiliates (the "Carried Interest"). The manner of calculation of such Carried Interest is disclosed in the applicable Governing Documents. The Carried Interest distributed to the General Partner is

subject to a potential giveback at the end of a Fund's life if it has received excess cumulative distributions and at certain interim intervals as provided the applicable Governing Documents. Generally, any eligible BayPine partner, member, employee, officer or advisor (or their respective family trusts or other estate planning vehicles) and other related persons who invest their own capital in the Fund will not bear or pay any Carried Interest. As described further below, in most cases, BayPine and the General Partners have the discretion to waive or reduce Management Fees and / or Carried Interest distributions with respect to a particular Fund or a particular investor within a Fund.

Other Information

BayPine is permitted to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or Carried Interest, including BayPine, its officers, directors, members, managers, partners, equity holders, principals, employees and affiliates and any other person designated by BayPine, such as "friends and family" of BayPine or its personnel. The General Partner reserves the right to make any such exemption from fees and/or Carried Interest by a direct exemption, a rebate by BayPine and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a BayPine professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and Carried Interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain BayPine affiliates have the right to permit investors, affiliated with BayPine or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or Carried Interest. In general, any Management Fee offsets apply only with respect to the capital commitments of fee-paying investors. BayPine retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

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

Principals or other current or former employees of BayPine generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, Carried Interest or other compensation received by BayPine or its affiliates.

In addition, there are senior advisers to BayPine who receive compensation from portfolio companies, and such compensation does not offset or reduce the Management Fee ("Senior Advisors"). The Senior Advisors are not employees of BayPine but rather third-party advisers who do not exclusively provide services to BayPine or its portfolio companies. Please refer to "Operating Executives" below and Item 8: Methods of Analysis, Investment Strategies and Risk of Loss — "Operating Executives" for additional considerations with respect to Senior Advisors and Operating Executives more generally.

Fund Expenses

In addition to the Management Fee and Carried Interest payable to BayPine, each Fund bears certain expenses (collectively, “Fund Expenses”). As set forth more fully in the Governing Documents, a Fund pays, or reimburses its General Partner and/or the Management Company for, all out-of-pocket fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, portfolio companies or actual or potential investments, including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all out-of-pocket fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the sourcing, structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund’s portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated external legal, financing, commitment, transaction or other fees and expenses payable to external attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence and deal-sourcing software and portfolio company software (including research, analytics, data enrichment and engagement software and other tools utilized by the Fund and/or the management teams for or on behalf of any portfolio company) and service providers, consultants and similar professionals in connection therewith) and any fees and expenses related to transactions that might have been offered to co-investors, for the avoidance of doubt, including the full amount of any such fees and expenses related to unconsummated transactions that, had they been consummated, would have been invested in by one or more co-investors; (ii) indebtedness of, or guarantees made by, the Fund, General Partner or any of its “affiliated partners” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository (including any depository appointed pursuant to AIFMD), Swiss representative and paying agent appointed pursuant to the CISA, trustee, record keeping, account, registered office, registered agent and similar services; (vi) external legal, accounting, research, auditing, investor reporting (including software), administration (including fees and expenses associated with the Fund’s third-party administrator and administration or reporting software, if any, as well as costs and expenses incurred in connection with engaging one or more administrators and/or similar persons to provide services in connection with anti-money laundering, “know your client” and treasury matters), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, the Operating Executives, consultants performing investment initiatives and other similar consultants (including deal sourcers)), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services); (vii) reverse break-up, indemnification, damages, termination and other similar fees (including, for the avoidance of doubt, any such fees incurred prior to the initial closing date), including any fees and expenses related to transactions that might have been offered to co-investors, for the avoidance of doubt, including such co-investors’ respective portion of such expenses; (viii) insurance (including

directors and officers liability fidelity bond, management liability, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses including any costs and expenses related to any retention or deductibles and broker fees, costs and commissions) and any consultants or other advisors utilized in the procurement, review and analysis of insurance policies; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedules K-1, FATCA, CRS, DAC and similar reporting and compliance, or any other administrative, compliance or regulatory filings or reports (including Form PF, any filings or reports contemplated by applicable law, rule or regulation (including any implementing law, rule or regulation relating thereto) and any reports required or requested by the U.S. Bureau of Economic Analysis), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of the applicable Fund or the Limited Partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs and expenses incurred in connection with applicable data protection laws or FOIA); (xiv) to the extent provided in the applicable Governing Documents, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of a Fund's advisory board (including any out-of-pocket costs, as well as travel and lodging expenses, incurred by representatives of the General Partner and advisory board members, permitted observers and other persons in connection with attending or otherwise participating in advisory board meetings); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any investor or other person pursuant to the Governing Documents and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the applicable Governing Documents; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xvii) any annual Limited Partner meeting or other periodic, if any, meetings of the Limited Partners and any other conference or meeting with any Limited Partner(s) (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by the relevant Fund, the General Partner or any other affiliate of the General Partner, including, without limitation, expenses attributable to non-Limited Partners, including individuals comprising the management of any portfolio company, attending such meetings; (xviii) the Management Fee; (xix) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any AIV or special purpose vehicle established by the General Partner or any of its affiliates to pursue a Fund's investment strategy, or their respective activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such AIV or special purpose vehicle) that would be a Fund expense or deemed an excess Organizational Expense in accordance with the applicable Governing Documents if it were incurred in connection with the Fund; (xx) the termination, liquidation, winding up or dissolution of the Fund and any legal entities owned directly or indirectly by the Fund; (xxi) defaults by Limited

Partners in the payment of any capital contributions; (xxii) except as set forth in the applicable Governing Documents, amendments to, and waivers, consents or approvals pursuant to, the Governing Documents of the applicable Fund, the General Partner, any entities owned directly or indirectly by a Fund and related entities and any AIV or special purpose vehicle of a Fund, including the preparation, distribution and implementation thereof; (xxiii) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations) related to the activities of a Fund (including any external legal fees, administrator, consulting or other third-party service provider costs and expenses related thereto), any external regulatory expenses of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and costs related to compliance with any environmental, social or governance or other investment considerations and policies (such as costs for annual reports, and consultants in connection therewith) applicable to the Fund and/or the General Partner; (xxiv) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the applicable Governing Documents; (xxv) any third-party experts, including independent appraisers and/or investment banks, engaged by the General Partner in connection with a Fund considering, making or holding an investment in the same entity as one or more other investment vehicles or accounts sponsored by the General Partner or its affiliates; (xxvi) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Limited Partner or any Limited Partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxvii) any taxes (including withholding taxes), fees and other governmental charges levied against a Fund, any special purpose vehicle, any AIV or intermediate entity and all expenses incurred in connection with any tax audit, inquiry, investigation settlement or review of a Fund (subject to any limitations in the applicable Governing Documents); (xxviii) distributions to the Limited Partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including expenses that are classified as extraordinary expenses under U.S. GAAP; (xxix) attendance of any member, manager, shareholders, partner, director, officer, employee or affiliate of the General Partner, the Management Company or any of their respective affiliates at any trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs; (xxx) any travel (up to but not exceeding the cost of first class commercial airfare, whether actually incurred or incurred as the deemed cost of using or chartering private aircraft or other private air travel (including the use of a private aircraft owned, partially owned or leased by the Management Company, any of its affiliates or any of their respective owners, members, managers, shareholders, partners, directors, officers, employees, agents, advisors, assigns, representatives or affiliates), other air travel, car or ride sharing services, other modes of transportation, and meals), and meals, lodging relating to the activities of the Fund, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxi) any of the items listed in clauses (i) through (xxxii) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors (including co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated); (xxxiii) any Organizational Expense deemed an excess Organizational Expense under the applicable Governing Documents; (xxxiv) any placement fee paid to a placement agent; (xxxv) developing, structuring, operating and winding up administrative structures in the relevant jurisdictions and elsewhere that are put in place to operate the Fund's investment activities (including any travel and

accommodation expenses related to such structures that would be Fund expenses under clause (xxvi) were they the expenses of the Fund, as well as, the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, or other overhead and rent expenses in connection therewith); (xxxvii) unreimbursed expenses and unpaid fees of any Operating Executives; (xxxviii) except to the extent the General Partner, acting reasonably, determines that such feeder fund should bear the same, all costs and expenses associated with operating a feeder fund which invests all or substantially all of its assets in the Fund, including all expenses associated with its management, operation, winding up, liquidation and dissolution and with preparing and distributing such feeder fund's financial statements, tax returns and feeder fund limited partner reports, but not including any income-based or similar taxes, fees or other governmental charges levied against such feeder fund; and (xxxiv) any other fees, costs, expenses, liabilities or obligations approved by the applicable Fund's advisory board.

Moreover, each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

Excluded from Fund Expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, including employees' salaries, rent, utilities and other similar expenses specified in the Governing Documents. In certain cases, these or similar expenses, such as Operating Executives' compensation as described more fully below, related benefits and personnel costs (and/or Transaction Fees), are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the BayPine's related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. As a general matter, broken deal expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated

for an elective or automatic contractual right that would have excused them from participating in the investment.

Fund Organizational Expenses

Subject to the applicable Governing Documents, each Fund and its affiliated entities generally bears organizational and startup expenses including legal, travel (up to but not exceeding the cost of first class commercial airfare, whether actually incurred or incurred as the deemed cost of using or chartering private aircraft or other private air travel (including the use of a private aircraft owned, partially owned or leased by the Management Company, any of its affiliates or any of their respective owners, members, managers, shareholders, partners, directors, officers, employees, agents, advisors, assigns, representatives or affiliates)), other air travel, car or ride sharing services, other modes of transportation, and related meals, lodging, tax and business entertainment, consulting, printing, capital raising, corporate filing or registration fees, accounting, regulatory compliance (including the initial registrations and compliance contemplated by the applicable jurisdictions, and any administrative or other filings and other organizational expenses) incurred in connection with the forming, structuring, organization, funding and start-up of the Management Company, the Fund, the General Partner, applicable parallel fund vehicles and general partner entities, including the preparation of, and negotiations with respect to, the applicable Governing Documents and Side Letters or similar agreements, agreements with placement agents and any other similar agreements, and out-of-pocket costs and expenses incurred related to marketing or capital raising by placement agents, finders or other persons performing similar services in connection with the foregoing, but not including any placement fees (all such expenses, the “Organizational Expenses”). If any Organizational Expenses are incurred for the account or for the benefit of more than one Fund or other client, the General Partner will generally allocate such expenses among the Funds and each other client in proportion to the size of the total capital commitments made to each such Fund (subject to the terms of the applicable Governing Documents) or in such other manner as the General Partner considers fair and equitable.

Operating Executives

Additionally, as further described below (at Item 8: Methods of Analysis, Investment Strategies and Risk of Loss, under “Investment Risks”) and in the Governing Documents, BayPine retains, and expects to continue to retain, on behalf of a Fund and/or the portfolio companies, as applicable, consultants, legal advisors, industry experts, Senior Advisors, and other service providers (“Operating Executives”).

Fees and expenses associated with the Services (collectively, the “Consulting Fees and Expenses”), are expected to be paid and/or reimbursed by applicable portfolio companies and/or the Fund, and Consulting Fees and Expenses do not offset or reduce the Management Fee. Certain Operating Executives are expected to make use of BayPine resources or otherwise be associated with BayPine. BayPine and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation.

Consulting Fees and Expenses are expected to include related benefits, cash fees, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits or equity

interests or grants in a portfolio company, incentive equity and stock awards, profits or equity interests in the Fund, the General Partner (such as a portion of the General Partner's carried interest) or affiliates, remuneration from BayPine and/or the Fund or affiliates, guaranteed minimums, 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 Executives, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such company. To the extent that Operating Executives are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or the Fund will bear a greater share of such compensation due to the utilization of the Operating Executives' services at a time when fewer portfolio companies or the Fund make use of such Operating Executives. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Operating Executive compensation as well as fees, costs and expenses of structuring Operating Executive arrangements.

Additionally, portfolio companies are permitted to provide opportunities for Operating Executives to invest in such portfolio company and reimburse costs and expenses incurred by Operating Executives. Operating Executives may have limited partnership interests in a Fund, a General Partner, one or more other investment funds sponsored by BayPine or in an affiliate of a General Partner. Operating Executives also generally will be reimbursed by one or more portfolio companies or the relevant Fund for certain travel and other costs in connection with their services. As described above, such investment opportunities, reimbursements and other compensation or fees paid to an Operating Executive will not offset or reduce the Management Fee. Although the General Partner intends to retain Operating Executives with a view to reducing costs to portfolio companies (and, ultimately, the Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. The use of Operating Executives subjects BayPine to potential conflicts of interest, as discussed below (at Item 8: Methods of Analysis, Investment Strategies and Risk of Loss, under "Investment Risks").

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

Performance-Based Fees

As described under "Carried Interest Allocations" in Item 5 above, the General Partner receives performance-based compensation in the form of Carried Interest from the Fund in accordance with the Fund's Governing Documents.

Although Carried Interest is a method of compensation generally used to align the General Partner's interests with those of the Funds' Limited Partners, the existence of this arrangement could create an incentive for BayPine to make riskier or more speculative investments or dispose of its Fund's portfolio investments at a time and in a sequence that would generate the most Carried Interest than would be the case if such Carried Interest were not part of its overall compensation structure. Please see Item 5 for additional information on Carried Interest.

BayPine seeks to address such conflicts in a fair and equitable basis in its good faith discretion and has established policies and procedures intended to address the potential conflicts of interest described above.

Side-by-Side Management

Subject to the terms of the Fund's applicable Governing Documents, BayPine reserves the right to commence the operation of a successor Fund or a different strategy investment vehicle, except that BayPine may not commence a new equity investment fund with principal objectives, strategy, scope, investment criteria, target investment hold period and size, liquidity profile and guidelines substantially similar to those of Fund I, unless Fund I's advisory board consents in writing in accordance with the terms set forth in Fund I's Partnership Agreement. In the event that a successor Fund or investment vehicle is making investments at the same time as a predecessor Fund, BayPine will allocate investment opportunities between such Funds or investment vehicles in accordance with its investment allocation policies and procedures.

BayPine reserves the right to provide concurrent advisory services to Funds that charge different rates of Carried Interest, Management Fees or other types of compensation. The potential for BayPine's related persons to receive greater Carried Interest, Management Fees or such other types of compensation will create a conflict of interest with respect to the allocation of investment opportunities, as BayPine will have an incentive to allocate investments in favor of the Fund that pays a greater Carried Interest, Management Fees or such other types of compensation.

BayPine seeks to address such conflicts on a fair and equitable basis in its good faith discretion and has established policies and procedures intended to address the potential conflicts of interest described above.

Item 7: Types of Clients

The Adviser provides investment advice to the Fund and not to the individual Limited Partners. Interests in the Fund are exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the Fund relies on an exclusion from registration as an investment company pursuant to Sections 3(c)(1) or 3(c)(7) under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, interests in each Fund are offered and sold exclusively to persons who are "accredited investors" (as defined in Regulation D under the Securities Act), "qualified purchasers" or "knowledgeable employees" (each, as defined in the Investment Company Act), or a "non-U.S. person" (as defined under Rule 902 under the Securities Act), or to persons who are otherwise permitted to invest under applicable securities laws.

The investors participating in the Funds generally may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of BayPine and its affiliates and members of their families, Operating Executives or other service providers retained by BayPine, and, potentially, executives of portfolio companies.

To the extent that the Fund has minimum investment amounts, such amounts are set forth in the relevant Governing Documents. Fund interests generally are offered and sold solely to accredited

investors and/or qualified purchasers (or knowledgeable BayPine employees) that are also “qualified clients” (as defined in Rule 205-3 under the Advisers Act). BayPine generally is permitted to waive such minimum investment amount.

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

General

BayPine is a private investment firm focused on making control and control-oriented equity investments in high-quality, market-leading businesses in the healthcare, consumer, specialty industrials and business services industries, with the intent of facilitating a comprehensive digital transformation. BayPine’s investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments.

Once an investment opportunity has been identified, BayPine seeks to implement an effective operating strategy to improve the performance of the acquired company by applying BayPine’s approach to value creation that builds on traditional operational improvement elements and overlays a holistic, digital agenda across a broad suite of initiatives, for every major functional area of the conventional private equity playbook.

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

Investment and Operating Strategy

BayPine’s investment process is anchored by a rigorous dual-committee investment process focused on bottom-up deal sourcing, comprehensive financial and operational underwriting, value creation through digital initiatives, active portfolio management, structured re-underwriting and strategic monetization activities. BayPine’s Investment Committee convenes periodically to review and evaluate new pipeline opportunities, active transactions and the current portfolio.

BayPine’s operating committee (“Operating Committee”) convenes a separate meeting to review and evaluate the operational underwriting for active transactions and initiatives involving the current portfolio. Investments are led by integrated deal teams comprised of both investment professionals and operating professionals and are co-underwritten by the Investment Committee and Operating Committee.

BayPine works with management teams based on a collaborative approach rooted in partnership and a shared focus on long-term value creation. Roles and responsibilities are clearly defined at the outset of each acquisition to provide clear direction and accountability for critical workstreams. While primary responsibility for executing the business plan rests with the portfolio company management teams, BayPine will be actively involved in high-priority engagement areas, including talent optimization, strategic growth initiatives, operational enhancement, digital architecture design, acquisition strategy and execution, product development, new market expansion, environmental footprint and sustainability initiatives, balance sheet optimization, capital structure considerations and exit strategy.

ESG Considerations. BayPine’s guiding principles and values are intrinsic to the execution of its investment strategy: BayPine’s belief in good business principles is rooted both in personal integrity and conviction that responsible companies are more valuable companies. BayPine believes that responsible and transparent policies with respect to environmental, social and governance (“ESG”) issues not only mitigate risk but also help to create more valuable businesses and improve investment returns. For these reasons, BayPine has developed the “Responsible Investment Policy”, which seeks to incorporate effective ESG management into its investment analysis, decision-making processes, and ownership practices. For example, BayPine conducts initial ESG screen to determine whether there are material ESG issues, integrates material ESG findings into Investment Committee and Operating Committee discussions regarding the allocation of investment capital and seeks to engage with portfolio companies’ management teams throughout ownership in an effort to mitigate identified, material ESG risks and create value throughout ESG opportunities. Post-acquisition, BayPine seeks to develop a plan to remediate or mitigate material ESG risks and plan to provide investors with ESG program updates through periodic reporting. Additional third-party specialists are engaged, as necessary, to assist with, or perform supplemental, ESG diligence and risk assessments on potential investments and provide reporting on portfolio companies or monitor progress in specific areas. In all cases, BayPine will seek to consider whether an identified ESG “risk” may be converted to a value-creating “opportunity”. See “ESG Matters” below for certain risk considerations with respect to BayPine’s ESG policy.

Risks of Investment

Each Fund and its investors bear the risk of loss that BayPine’s investment strategy entails. The risks involved with BayPine’s investment strategy and an investment in a Fund include, but are not limited to:

Business Risks. A Fund’s investment portfolio will consist primarily of securities issued by privately held companies and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. In some cases, the success of a Fund’s investment strategy will depend, in part, on the ability of such Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such improvements.

Other Activities. BayPine will require some of its employees to devote substantial amounts of their time to matters unrelated to the business of the Fund, including BayPine’s and/or DP’s (defined below) existing or future portfolio of investments, which may pose conflicts in the allocation of management resources. The Funds will have no interest in these other activities.

Concentration of Investments. Each Fund anticipates participating in a limited number of investments principally in the applicable targeted industry sectors, and, as a consequence, the aggregate return of a Fund may be materially affected by the performance of a single investment or a single industry segment. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified. Since all of a Fund’s investments cannot reasonably be expected to perform well or even return capital, for such Fund to achieve above-average returns one or a few of its investments must perform very well. There can

be no assurance that this will be the case. In addition, Limited Partners have no assurance as to the degree of diversification of a Fund's portfolio investments, either by geographic region, asset type or domain. To the extent a Fund concentrates investments in a particular issuer, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Furthermore, if a Fund co-invests with other private equity funds, a Limited Partner may have exposure to portfolio investments through more than one fund. In circumstances where the General Partner intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of a Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Proprietary Rights. Many target portfolio companies of BayPine rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that a Fund or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies. Furthermore, portfolio companies may be forced to spend significant time and expense on litigation related to defending such proprietary rights. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the United States is significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for intellectual property rights could adversely affect portfolio companies.

Dynamic Investment Strategy. While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner is permitted to pursue investments outside of the industries and sectors in which BayPine has previously made investments or has internal operational experience.

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. However, regardless of the extent to which the commitments of the Limited Partners are invested (or drawn down to be invested), the Limited Partners will be required to bear management fees through such Fund during the commitment period based on the entire amount of the Limited Partners' commitments to such Fund and other expenses as set forth in the Governing Documents. In addition, competitors for investment opportunities might be willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and fund-level guarantees. In the event a financing-related closing condition is not available to a Fund or if a Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, such Fund may become obligated to consummate a transaction on less favorable terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Investment in a Fund requires

a long-term commitment with no inherent likelihood of return. There most likely will be little or no near-term cash flow available to the Limited Partners. Many of the portfolio investments will be highly illiquid and there can be no assurance that a Fund will be able to realize returns on such portfolio investments in a timely manner. Consequently, dispositions of such portfolio investments may require a lengthy time period or may result in distributions in kind to the Limited Partners. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. While a portfolio investment may be sold at any time, it is not generally expected that this will occur for a number of years after the portfolio investment in a portfolio company is made. Even where a Fund holds freely tradable publicly traded securities, a Fund's position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity when a Fund wishes to dispose of or reduce its position in such company by selling shares into the market. In addition, there can be no assurance that a Fund will have sufficient cash flow to permit it to make annual distributions in the amounts necessary for the Limited Partners to pay all tax liabilities resulting from the Limited Partners' ownership of limited partnership interests.

Leveraged Investments. A Fund is permitted to make use of leverage by incurring debt to finance a portion of its investment in a portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and a Fund may invest in the most junior securities in a portfolio company's capital structure, which would be subject to the greatest risk of loss. 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, among other things, 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 will also result in interest expense and other costs to a Fund that may not be covered by distributions made to a Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates, and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of a Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency.

A Fund is also permitted to 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 such Fund would be compensated for providing such guarantee or exposure to such liability. A Fund is permitted to incur leverage on a joint and several basis with one or more other investment funds and entities managed by a General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital

commitments made by a Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of a Fund.

A General Partner may fund the making of investments or pay Fund expenses or organizational expenses with proceeds from drawdowns under one or more credit facilities (the collateral for which can be, for example, the undrawn commitments of investors, i.e., subscription lines) prior to calling commitments. For administrative convenience, capital calls, including those used to pay interest on subscription lines and other indebtedness, may be "batched" together into larger, less frequent capital calls (generally on a quarterly basis, although actual timing and amounts may vary), with a Fund's interim capital needs being satisfied by the Fund borrowing money from such credit facilities. The interest expense and other costs of any such borrowings will be Fund expenses and, accordingly, may decrease net returns of a Fund.

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

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

A credit agreement frequently will contain other terms that restrict the activities of a Fund and the Limited Partners or impose additional obligations on them. For example, a subscription line may

impose restrictions on the relevant General Partner's ability to consent to the transfer of a Limited Partner's interest in the Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Limited Partners.

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

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of each Fund's 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 Governing Documents, including the value used to determine the amount of carried interest available to BayPine with respect to such investment.

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 BayPine 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. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. 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. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Operating Executives. Additionally, as further described in the Governing Documents, BayPine retains, and expects to continue to retain, on behalf of a Fund and/or the portfolio companies, as applicable, Operating Executives. Such Operating Executives are expected to include affiliates of a General Partner, employees of such affiliates, portfolio companies of other funds managed by a General Partner or its affiliates, third party consultants (including individual consultants and external executives), also referred to as “strategic partners,” “executive partners” or “senior advisors.” Operating Executives are expected to regularly provide Services to, or in connection with, a Fund in relation to its activities, or to one or more portfolio companies. Operating Executives are not limited to provide services exclusively to a General Partner. Operating Executives include Senior Advisors, which are third party consultants and therefore not considered employees of BayPine nor subject to BayPine’s compliance policies and procedures.

Operating Executives are expected from time to time to include former employees of BayPine or certain portfolio companies, and in some circumstances former Operating Executives are expected to become BayPine 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, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that BayPine otherwise would be required to bear.

The General Partner also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that BayPine believes will align such persons’ interests with those of the Fund’s Limited Partners, and seeks to retain only Operating Executives and 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, expects to employ, use or retain certain Operating Executives to provide services to one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Operating Executives generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Operating Executives receive compensation, including, but not limited to related benefits, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from BayPine and/or its Funds or affiliates, guaranteed minimums or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Operating Executives, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund’s investment, and the relevant Fund typically will bear the costs of all Operating Executives’ compensation as well as fees, costs and expenses of structuring Operating Executives arrangements. Operating Executives also generally will be reimbursed for certain travel and other costs in connection with their services. No such amounts will offset or reduce the Management Fee.

Separately and for the avoidance of doubt, BayPine directly employs one or more individuals with the title of “Operating Partner” that help effectuate BayPine’s activities in relation to the identification, acquisition, holding, improvement and disposition of a Fund’s portfolio companies. Operating Partners generally are employees of BayPine, are subject to BayPine’s compliance policies and procedures and are compensated directly by BayPine rather than by a Fund or its portfolio companies. Operating Partners also generally advise on, and participate in, all BayPine investment-related meetings regarding all of a Fund’s investments and have access to the full range of BayPine’s investment committee materials for all BayPine investments.

Third-Party Involvement. A Fund is permitted to co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring less than 100% of the ownership interests in certain investments. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) a Fund and such co-venturers may reach an impasse on a major decision that requires the approval of multiple parties; (ii) the co-venturers or partners may at any time have economic or business interests or goals that are inconsistent with those of a Fund; (iii) the co-venturers or partners may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturers or partners may be in a position to take action contrary to a Fund’s investment objective; (v) the co-venturers or partners may take actions that subject the investment to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances a Fund may be liable for actions of its co-venturers or partners. The co-venturers or partners may be a joint venture partner or interest holder in another joint venture or other vehicle in which the Fund or its affiliates has an interest or otherwise controls. The co-venturers or partners may also be entitled to receive payments from, or allocations or performance-based compensation (e.g., carried interest) in respect of, a Fund as well as such investments, and in such circumstances, any such amounts may be treated as a Fund expense and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the General Partner, be deemed paid to or received by the General Partner or reduce the Management Fee. Moreover, BayPine may receive fees associated with capital invested by a co-venturer or partner relating to investments in which a Fund participates. This may be in connection with a joint venture in which a Fund participates or other similar arrangements with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which BayPine may receive fees associated with capital invested by a co-venturer or partner relating to investments in which a Fund participates. This may be in connection with a joint venture in which a Fund participates or other similar arrangements with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which BayPine performs services. In addition, a Fund may co-invest with non-affiliated co-investors or partners whose ability to influence the affairs of the companies in which a Fund invests may be significant, and even greater than that of a Fund and as such, a Fund may be required to rely upon the abilities and management expertise of a co-venturer or partner. It may also be more difficult for a Fund to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments (and any such investment may be subject to a buy sell right). A Fund may grant co-venturers or partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks or unanticipated exits from an investment. A deadlock could delay the execution of the business plan for the investment or require a Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment or require alternative dispute resolution in order to resolve such deadlock. As a result of these risks, a Fund may be unable to fully realize its expected return on any such investment. Furthermore, to the extent that a Fund offers

any co-investment opportunity to any Limited Partners or third parties, some or all of the risks described above may also apply to such co-investments.

Co-Investments. The General Partner reserves the right to, in its sole discretion, provide or commit to provide co-investment opportunities to one or more co-investors, who may include Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion subject to the Partnership Agreement. Further information regarding the allocation of investment opportunities, as well as information regarding other conflicts of interests can be found in “Conflicts of Interest” below.

Conflicts of interest may arise in the allocation of 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 the General Partner in its sole discretion, may not be in the best interests of a Fund or any individual Limited Partner. Co-Investors could include, without limitation other BayPine or DP funds, accounts or vehicles, BayPine or DP officers, directors, employees, managers, members, partners, advisors, agents, consultants, Operating Executives, Senior Advisors, vendors, service providers, deal sourcers and affiliates or third parties, and there is no guarantee that any Limited Partner will be offered any co-investment opportunities. In exercising its sole discretion in connection with the allocation of co-investment opportunities to co-investors, the General Partner reserves the right to consider some or all of a wide range of factors, which may include factors that benefit the General Partner such as, but are not limited to, the likelihood that an investor may invest in a future fund sponsored by the General Partner or its affiliates, an investor being willing to pay higher or any fees or carried interest in respect of such opportunity, the size of investor commitments to the Funds, vehicles and accounts and expected amount of negotiations required in connection with such investor’s commitment. Although the General Partner reserves the right to consider a prospective co-investor’s willingness to invest in future funds sponsored by BayPine or an affiliate, such willingness will not be the sole determining factor considered by the General partner in identifying co-investors.

BayPine will determine the allocation of investment opportunities among co-investors in a manner that it believes is fair and equitable consistent with BayPine’s obligations and reserve the right to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, accounting, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; BayPine’s perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, accounting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair BayPine’s ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; whether BayPine believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide

longer-term benefits to the relevant portfolio company, other portfolio companies, funds managed by BayPine or an affiliate of BayPine; and other factors that BayPine considers important in connection with the specific transaction or investment. Although BayPine reserves the right to consider a prospective co-investor's willingness to invest in future funds, such willingness generally will not be the sole determining factor considered by BayPine in identifying co-investors. BayPine reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities. Co-investment opportunities may, and typically will, be offered to some and not to other investors. In fact, only a small subset of Limited Partners (if any) are expected to be offered co-investment opportunities. It is contemplated that co-investment opportunities will generally be offered to the Funds' largest investors based on commitment size. Co-investment opportunities are also generally anticipated to be offered only to a limited subset of investors who have experience, internal capabilities and available capital to commit large dollar amounts to single deals on expedited time frames even if the deal at issue does not necessarily require the foregoing. Investing in a Fund does not give Limited Partners any rights, entitlements or priority to co-investment opportunities.

Prospective investors should also note that Limited Partners are not required, and generally may not be offered the opportunity to participate in co-investment opportunities offered by the General Partner. A Limited Partner who participates in a co-investment would, to the extent that such Limited Partner pays reduced (or no) economics in respect of its investment made outside a Fund, have a higher overall return with respect to the relevant investment than a Limited Partner who participates in such investment only through a Fund. BayPine may or may not charge Management Fees, advisory fees, transaction fees, monitoring fees, priority profit share, one-time funding fees and/or Carried Interest in respect of co-investments, as it determines in its sole discretion. The allocation of co-investment opportunities will in many or all cases coincide with a benefit to BayPine including, without limitation, fees (e.g., management fees, advisory fees, priority profit share and one-time funding fees) or carried interest from the co-investment opportunity, capital commitments to a Fund and capital commitments to other BayPine funds or pending, expected or future potential capital commitments to other BayPine funds. BayPine will receive and retain a co-investment vehicle's portion of any Transaction Fees, which will not offset the Management Fee.

As noted above, transaction-specific returns, and a Limited Partner's overall returns from its exposure to a Fund's portfolio companies, may be affected significantly by the extent to which it is offered and chooses to participate in co-investment opportunities. The actual number of co-investment opportunities made available to any Limited Partner may be higher or lower than those made available in connection with such Limited Partner's investment in any Fund. The performance of co-investments will not be aggregated with that of a Fund, including for purposes of determining the General Partner's Carried Interest or fees paid to BayPine under the applicable Governing Documents.

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-investor may at any time have financial difficulties, resulting in a negative impact on such investment, have economic or business interests or goals which are inconsistent with those of a Fund, or may be in a position to take (or block) action

in a manner contrary to a Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third-party co-investor or partner. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. 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. Co-investors generally will not share in Broker-Deal Expenses, and such expenses attributable to co-investments will be borne by a Fund.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the General Partner or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. When and to the extent that employees and related persons of the General Partner make capital investments in or alongside a Fund, the General Partner is subject to conflicting interests in connection with these investments. Co-investment opportunities typically will be offered to some and not to other Fund Limited Partners, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, BayPine expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. When and to the extent that employees and related persons of BayPine and its affiliates make capital investments in or alongside a Fund, BayPine and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The 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. While BayPine 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 the Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which BayPine expects to be subject, discussed herein, did not exist.

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 and/or its subsidiaries or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that such Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments or that the Fund will otherwise be permitted to make follow-on investments in light of size-related investment limitations set forth in the applicable Governing Documents. 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 or may result in a lost opportunity for a Fund to increase its participation in a

successful operation. 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 a Fund's ownership in a portfolio company if a third party invests in such portfolio company. In addition, certain of a Fund's portfolio investments, particularly those in "platform" phase, may need additional capital to sustain their working capital needs and/or acquisition strategies. The amount of such additional capital needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the capital provided by a Fund is not sufficient, or if a Fund is unable to provide additional capital, a portfolio company may have to raise further capital at a price unfavorable to existing investors, including a Fund. To the extent a portfolio company in which a Fund invested receives additional funding in subsequent financings and the Fund does not participate in such additional financing rounds, the interests of the Fund in such portfolio company would be diluted.

Consumer. The consumer sector can be significantly affected by various factors, including the performance of domestic and international economies, exchange rates, changing consumer preferences, demographics, marketing campaigns, cyclical revenue generation, consumer confidence, commodity price volatility, labor relations, interest rates, import and export controls, intense competition, technological developments and government regulation. Portfolio companies engaged in the design, production or distribution of products or services for the consumer discretionary sector are subject to the risk that their products or services may quickly become obsolete. The success of these companies can depend heavily on disposable household income and consumer spending. The consumer goods industry may be strongly affected by trends, marketing campaigns, demographics, changing consumer preferences and other factors affecting consumer demand. Governmental regulation affecting the use of various food additives may affect the profitability of certain companies in the consumer goods industry. Consumer goods that are marketed globally may be affected by the demand and market conditions in other countries and regions. The success of consumer product manufacturers and retailers depends heavily on disposable household income and consumer spending. Companies in the consumer staples sector may be subject to risks pertaining to the supply of, demand for and prices of raw materials. The prices of raw materials may fluctuate in response to a number of factors, including, without limitation, changes in government agricultural support programs, exchange rates, import and export controls, changes in international agricultural and trading policies, and seasonal and weather conditions.

Industrial & Business Services. Investments in the industrial sector may entail risks associated with more mature businesses and heavily regulated industries, including transportation, aerospace and defense, building products, chemicals and other industrial companies generally. These portfolio companies may also serve customers that include governmental entities. Investments that are subject to greater amounts of governmental regulation, or with significant customer concentration with governmental entities, pose additional and unique risks. Governmental budgeting and procurement requirements could adversely affect profitability. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased operating costs, increased compliance costs or the need for additional capital expenditures generally. Additionally, certain industrial portfolio companies may have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject a portfolio company to complex laws and regulations as well as labor relations disputes or difficulties generally. Business operations at one or more facilities may be interrupted as a result of work stoppages and delays in the process of

renegotiating collective bargaining agreements. Business services investments, including logistics, facility management, delivery and distribution businesses are generally highly fragmented, can be subject to heavy competition and low barriers to entry, and can be adversely affected by business cycles, economic downturns and the availability of skilled and unskilled labor.

Regulatory Costs Relating to Portfolio Companies in Specialty Industrials Sectors. Each Fund anticipates investing in manufacturing and service-oriented portfolio companies in the chemical and specialty industrials sectors which are expected to be required to comply with numerous federal, state and local statutory and regulatory standards including but not limited to those related to air emissions, water discharge, waste disposal, the environment and safety and health. Failure to obtain or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operation of an investment and result in fines or additional costs. Permits and approvals may be costly and/or time-consuming to obtain. Moreover, the adoption of new laws or regulations, or changes in the interpretation of existing laws or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a material adverse effect upon a portfolio company of the Fund and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

Hazardous Chemical Regulations. Certain target portfolio companies may produce hazardous chemicals that require care in handling and use that are subject to regulation by many U.S. and non-U.S. national, supra-national, state and local governmental authorities. In some circumstances, these authorities must approve products and manufacturing processes and facilities before a portfolio company may sell some of these chemicals. To obtain regulatory approval of certain new products, it must be demonstrated to the relevant authority that the product is safe for its intended uses and that such product is capable of being manufactured in compliance with current regulations. The process of seeking approvals can be costly, time consuming and subject to unanticipated and significant delays. Approvals may not be granted on a timely basis, or at all. Any delay in obtaining, or any failure to obtain or maintain, these approvals would adversely affect a portfolio company's ability to introduce new products and to generate revenue from those products. New laws and regulations may be introduced in the future that could result in additional compliance costs, bans on product sales or use, seizures, confiscation, recall or monetary fines, any of which could prevent or inhibit the development, distribution or sale of products and could increase customers' efforts to find less hazardous substitutes for products.

Claims Related to Improper Handling, Storage or Disposal of Hazardous Chemicals. Certain portfolio companies may use or produce hazardous chemical materials. The risk of accidental contamination or discharge and any resulting injury from these materials cannot be eliminated. The portfolio companies may be sued for any injury or contamination that results from their use or the use by third parties of these materials, and their liability may exceed any insurance coverage and their total assets.

Environmental and Safety Regulations. Certain portfolio companies may be subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Actual or alleged violations of envi-

ronmental laws or permit requirements could result in restrictions or prohibitions on company operations, substantial civil or criminal sanctions, as well as, under some environmental laws, the assessment of strict liability and/or joint and several liability. Moreover, changes in environmental regulations could inhibit or interrupt the operations of portfolio companies, or require portfolio companies to modify their facilities or operations. Accordingly, environmental or regulatory matters may cause portfolio companies to incur significant unanticipated losses, costs or liabilities, which could reduce their profitability.

In addition, portfolio companies could incur significant expenditures in order to comply with existing or future environmental or safety laws. Capital expenditures and costs relating to environmental or safety matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards which impose requirements on portfolio companies' operations. Capital expenditures and costs beyond those currently anticipated may therefore be required under existing or future environmental or safety laws.

Furthermore, portfolio companies may be liable for the costs of investigating and cleaning up environmental contamination on or from their properties or at off-site locations where they disposed of or arranged for the disposal or treatment of hazardous materials. The portfolio companies may therefore incur additional costs and expenditures beyond those currently anticipated to address all such known and unknown situations under existing and future environmental laws.

Product Liability Claims; Product Recall. The sale of certain products of portfolio companies involves the risk of product liability claims and voluntary or government-ordered product recalls. For example, certain of the products that the portfolio companies manufacture could be used in and around other chemical manufacturing facilities, highways, airports and other locations where personal injury or property damage may occur or could be used in certain consumer goods such as beverages, personal care products and medicinal applications. While portfolio companies attempt to protect themselves from product liability claims and exposures through adherence to standards and specifications and through contractual negotiations, there can be no assurance that such efforts will ultimately protect the portfolio companies from any such claims. A product liability claim or voluntary or government-ordered product recall could result in substantial and unexpected expenditures, affect consumer or customer confidence in the portfolio company's products and divert management's attention from other responsibilities. A product recall or successful product liability claim or series of claims against a portfolio company in excess of its insurance coverage and for which it is not otherwise indemnified could have a material adverse effect on its business, financial condition, results of operations or cash flows.

Regulatory Approvals for Healthcare Products. The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a healthcare industry company's products are subject to an extensive regulatory approval process by the U.S. Food and Drug Administration ("FDA") and other regulatory agencies in the United States and abroad. The process for obtaining FDA and other required regulatory approvals, including the required preclinical and clinical testing is very lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, a portfolio company will be able to obtain the necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and promotional activities. If a portfolio company is unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is

later shown to be ineffective or to have unacceptable side effects not discovered during testing, the portfolio company may experience significant adverse effects, which in turn, could negatively affect the performance of a Fund.

Regulated Industries. Certain industry segments in which a Fund intends to invest, including various segments of the healthcare, business services and consumer sectors are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare, business services and consumer sectors, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests. By way of example, the healthcare and financial services industries have been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industries are introduced from time to time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which the Fund may invest.

Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. In addition, a Fund may require the consent or approval of applicable regulatory authorities in order to acquire or hold particular portfolio companies. If a Fund or any of its portfolio companies is unable to obtain required consent or approval, the Fund or such portfolio company may be unable to enter into transactions or to structure transactions in ways that are optimal for a Fund.

Each Fund intends to invest in portfolio companies it believes have obtained all necessary regulatory approvals. However, such approvals and permits may be subject to conditions and there is no assurance that portfolio companies will be successful in meeting such conditions. A failure to satisfy such conditions could prevent the operation of certain facilities or result in additional costs to the portfolio companies, which may adversely affect the Fund's investment results. There can be no assurance that a portfolio company will be able (a) to obtain all required regulatory approvals that it does not yet have or that it may require in the future, (b) to obtain any necessary modifications to existing regulatory approvals or (c) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay in satisfying or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or leases to third parties or could result in additional costs to a portfolio company.

A portfolio company could also be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such portfolio company. Governments have considerable discretion in implementing regulations that could impact a portfolio company's

business, and as local governments may be influenced by political considerations, they may make decisions that adversely affect a portfolio company's business. Moreover, additional regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in a portfolio company's lessee or for other reasons.

Cybersecurity Risks Breaches and Identity Theft. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. As part of its business, BayPine processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the limited partners. Similarly, service providers of BayPine or the Funds, especially any administrator, may process, store and transmit such information. BayPine's and the portfolio companies' information and technology systems 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, typhoons, earthquakes, wars, terrorist attacks and other similar events. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. Measures designed to manage risks relating to these types of events cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, a Fund or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in BayPine's, a Fund's 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). A cybersecurity incident could have numerous material adverse effects, including on the operations, liquidity and financial condition of the Fund. Cyber threats or incidents could cause financial costs from the theft of Fund assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: misappropriation of assets, intellectual property or confidential information, corruption, deletion or destruction of data, physical damage and repairs to systems, reputational harm, litigation costs, preventative and protective costs, financial losses from remedial actions and costs associated with reputational damage, and/or disruption of operations, any one of which could be materially adverse to a Fund. Such a failure could harm BayPine's, the Fund's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, BayPine, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in BayPine's, the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security,

confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors).

The service providers of BayPine and the Funds are subject to the same electronic information security threats as BayPine. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the Limited Partners may be lost or improperly accessed, used or disclosed.

Third-Party Reimbursements. In both the U.S. and foreign markets, sales of a healthcare product and its success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of pharmaceutical companies may be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of health care. Significant uncertainty exists as to the reimbursement status of newly approved health care products. There can be no assurance that a company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Risk of Litigation. It is difficult to predict with certainty the cost of defense, of prosecution or of the ultimate outcome of litigation and other proceedings filed by or against portfolio companies in the healthcare, consumer, specialty industrials and business sectors, including penalties or other civil or criminal sanctions, or remedies or damage awards, and adverse results in any litigation and other proceedings may materially harm a Fund's portfolio companies. Litigation and other proceedings may include, but are not limited to, actions relating to intellectual property, international trade, commercial arrangements, product liability, environmental, health and safety, joint venture agreements, labor and employment or other harms resulting from the actions of individuals or entities outside of BayPine's control. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in a portfolio company's business and injunctions prohibiting its use of business processes or technology that are subject to third-party patents or other third-party intellectual property rights. Litigation based on environmental matters or exposure to hazardous substances in the workplace or from a portfolio company's products could result in significant liability for such portfolio company, which would have an adverse effect on a Fund's financial condition, cash flows and profitability.

Unfunded Pension Liabilities of Portfolio Companies. Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although BayPine intends to manage each Fund's investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies

in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry and, more generally, there is an increased focus on tax avoidance strategies employed by businesses. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of a Fund to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of a Fund's business, including to establish greater substance in certain jurisdictions in which a Fund invests or proposes to invest. The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions.

Furthermore, it is unclear what further legal or regulatory changes may be implemented in any jurisdictions in which a Fund or its portfolio companies operate, which changes may result in increased costs and expenses being incurred by a Fund in order to ensure compliance with any new regimes.

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

Certain legislation proposing greater regulation of the industry is periodically considered by Congress, as well as the governing bodies of various jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to a Fund, a General Partner, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of a Fund and increase the risk a Fund could be required to disclose the identities of the Limited Partners.

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 BayPine 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 BayPine and its affiliates, the Fund and/or its investments, as well as increase their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Fund.

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

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

Further, non-U.S. investment in securities of companies in certain of the countries in which a Fund may invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude non-U.S. investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of a Fund. While regulation of non-U.S. investment has liberalized in recent years throughout much of the world, there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales by non-U.S. investors and non-U.S. currency. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities held by a Fund, and income on such securities or gains from the disposition of such securities may be subject to withholding taxes imposed by certain countries where a Fund invests or in other jurisdictions.

Russia-Ukraine Conflict. Russia launched a large-scale invasion of Ukraine on February 24, 2022, and in response, the United States and other governments imposed economic sanctions and other severe restrictions or prohibitions on the activities of certain Russian individuals, including Russian government officials and other government-linked individuals, and Russian corporate entities and financial institutions, banned certain Russian financial institutions from global payments systems that facilitate cross-border payments and have taken other economic and political measures. It is possible that governments could impose broader or additional economic or political sanctions on Russia. The extent and duration of the military action, the possibility of the conflict expanding beyond Ukraine and Russia, and resulting sanctions and other economic and political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region and collateral effects globally, including significant negative impacts on the global economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors. Such effects and impacts could have a material adverse effect on the Fund and its investments. 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. 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. 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.

Bridge Financings. From time to time, a Fund is permitted to provide bridge financing to facilitate portfolio company investments, including by lending to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within a Fund's control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the bridge financing would be treated as a permanent investment of the relevant 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 the Fund's investment limitations, which generally exclude bridge financing investments.

Hedging Arrangements; Related Regulations. The General Partner is authorized (but not obligated) to endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The 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 the 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 the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "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.

Public Disclosure; FOIA. A Fund may be subject to public disclosure requirements as a result of some of the Limited Partners being public pension plans and listed investment vehicles, which are subject to public disclosure requirements. Such public disclosure requirements include the U.S.

Freedom of Information Act (“FOIA”), governmental public records access laws, state and other jurisdiction’s laws similar in intent or effect to FOIA, and any other similar statutory or regulatory requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to a Fund, or its investments, results from limited partnership interests being held by public investors, a Fund may be adversely affected. To the extent that a General Partner determines in good faith that, as a result of FOIA, any governmental public access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a Limited Partner or any of such Limited Partner’s affiliates may be required to disclose information relating to a Fund, its affiliates and/or any entity in which an investment is made (other than certain fund-level, aggregate performance information), which disclosure could, for example, affect a Fund’s competitive advantage in finding attractive investment opportunities, a General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Limited Partner, as more fully described in the applicable Governing Documents. Without limiting the foregoing, in the event that any party seeks the disclosure of information relating to a Fund, its affiliates and/or any entity in which an investment is made under FOIA or any such similar law, a General Partner may, in its discretion, initiate legal action and/or otherwise contest such disclosure, which may or may not be successful, and any expenses incurred therewith will be borne by a Fund. In addition, potential future regulatory changes applicable to investment advisors and/or the accounts they advise could result in BayPine or the Fund becoming subject to additional disclosure requirements the specific nature of which is as yet uncertain.

Limited Access to Information. Limited partners’ rights to information regarding a Fund, the relevant General Partner or BayPine generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund’s investments that will not be disclosed to Limited Partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of BayPine’s control. Decisions by BayPine or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor BayPine and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on a Fund’s advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and BayPine reserves the right to withhold certain information from investors subject to such laws for reasons relating to BayPine’s public reputation, business strategy or other reasons.

Side Letters. BayPine has entered, and expects 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: (i) more favorable Management Fee and other economic arrangements (including discounts and terms applicable in exchange for closing by a specified deadline, making a certain size commitment or other parameters) with respect to such Limited Partners; (ii) excuse or exclusion

rights applicable to particular investments (see below for details on impacts of excuse or exclusion) or withdrawal rights from a Fund, including without limitation, as a result of a Limited Partner's specific policies or certain violations of federal, state or non-U.S. laws, rules or regulations, such as so-called "pay-to-play" rules with respect to public pension plan investors (which may materially increase the percentage interest of other Limited Partners in, and their contribution obligations, for future investments and expenses, and reduce the overall size of the Fund); (iii) the General Partner's agreement to extend certain information rights or additional reporting (including customized reports) to such Limited Partner, including, without limitation, to accommodate special regulatory or other circumstances of such Limited Partner, which will be time-consuming, divert the attention of personnel and the management teams of the General Partner and its affiliates and the costs of which will be borne by a Fund and are likely to be material, including on a cumulative basis over the life of a Fund; (iv) waiver of certain confidentiality obligations; (v) prior consent of the General Partner to certain transfers by such Limited Partner or other exercises by the General Partner of its discretionary authority under the Governing Documents for the benefit of such Limited Partner; (vi) restrictions on, or special rights of such Limited Partner with respect to the activities of the General Partner; (vii) special priorities, rights and economic and other terms with respect to co-investment allocation and participation, as well as economic terms in respect of co-investments; (viii) rights or terms necessary in light of particular legal, arbitration, regulatory or policy characteristics of a Limited Partner (including with respect to limitations on the ability to provide indemnification); (ix) certain adjustments with respect to economic provisions (including potential mandatory waivers of compensation as a result of certain violations of law with regard to public pension plan investors); (x) additional obligations and restrictions of the General Partner and a Fund with respect to the structuring of any particular investment in light of the legal, tax, accounting and regulatory considerations of particular Limited Partners (including with respect to alternative investment vehicles); (xi) agreements to assist with the taking or defending of tax positions; (xii) the right of the General Partner to waive any requirements of Limited Partners to execute acknowledgements or other documents in connection with any subscription line or other credit facility; (xiii) certain obligations or restrictions on the General Partner with respect to the exercise of its discretion on certain matters, including amendments, exercising default remedies and waiving confidentiality or terms; and (xiv) agreement to various sovereign immunity, jurisdiction and venue provisions applicable to certain governmental, sovereign, or other types of investors on behalf of the General Partner and/or a Fund (which could limit the ability to initiate or maintain legal proceedings against certain Limited Partners in certain jurisdictions). Side Letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, 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.

Impacts of Excuse or Exclusion. Limited Partner's participation in a Fund's investments can be limited in certain cases by virtue of a General Partner's right to exclude a Limited Partner from, or a Limited Partner's right to be excused from, participating in certain of a Fund's investments as set forth in the applicable Governing Documents, thereby increasing the participation of other Limited Partners. As a consequence of one or more Limited Partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one investment by a Fund. For certain Funds, a material portion of the commitments of the

Limited Partners are subject, to varying degrees, to rights to be excused from participating in investments in companies in certain industries (e.g., gambling, gaming, alcohol, tobacco and tobacco-related products or illicit drugs, firearms or ammunition, pornography, prostitution or similar enterprises, the production or trade of any product, or any services, promoting the termination of human life, the production or trade of any product or activity that is deemed illegal in the jurisdiction in which the relevant person or entity is located pursuant to applicable laws or regulations or which contravenes any applicable international conventions, agreements or bans). The fact that a material portion of the commitments of the Limited Partners could elect to be excused from such investments could effectively preclude a Fund from investing in such targets, due to any resulting reduction in the amount of capital available to a Fund to pursue such targets.

Public Company Holdings. A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased regulatory action, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including BayPine's principals, and increased costs associated with each of the aforementioned risks.

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 or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including the rapid pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which are likely to have adverse effects on the operating performance of portfolio companies. A climate of uncertainty, including the contagion of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the 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 Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon portfolio companies in which Funds makes investments.

Market Conditions. The private equity industry generally and the success of a Fund's investment activities will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. A renewed downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect a Fund's profitability, impede the ability of a Fund's portfolio companies to

perform under or refinance their existing obligations, and impair a Fund's ability to effectively exit its portfolio investment on favorable terms. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to turmoil in the markets (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 a 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 a 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 a Fund to dispose of investments at prices that a 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 objectives.

Public Health Emergencies. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola, and COVID-19 (as defined below), have resulted in market volatility and disruption, and the continuation of this emergency 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 a Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"). This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 significantly diminished global economic production and activity of all kinds and contributed to volatility in all financial markets. Among other things, these unprecedented developments resulted in volatility in demand across most categories of consumers and businesses, volatility in the credit and capital markets, labor force and operational disruptions, slowing or complete idling

of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households. Certain industries have felt such impacts, and may continue to feel such impacts, particularly acutely, for instance, industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment, and industries related to natural resources production and development. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results.

The COVID-19 crisis and any other public health emergency could result in significant adverse impacts on the Funds. The extent of the impact of any such emergency depends on many factors, all of which are highly uncertain and cannot be predicted, which may impact the ability of BayPine or a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, or cause significant changes or reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. Likewise, social or governmental mitigation actions may (among a wide variety of other potential effects) constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect Fund's ability to fulfill its investment objectives. They may also impair the ability of Funds' investments 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 investments, BayPine and their respective affiliates 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 social, political, financial, legal, regulatory and other factors related to an actual or threatened public health emergency (such as COVID-19), 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.

The spread of COVID-19 among BayPine's personnel and its service providers would also significantly affect BayPine's ability to properly oversee the affairs of a Fund (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of the Fund's investment activities or operations.

Adequacy and Availability of Insurance. While a Fund expects to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized in an effort to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement

or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, terrorist attacks, cyber-attacks, other malicious Internet-based activity or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact a Fund's profitability. In general, losses related to terrorism and/or cyber-attacks are becoming harder and more expensive to insure against. Most insurers are excluding terrorism and/or cyber-attack coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts and/or cyber-attacks for additional premiums, which can greatly increase the total costs of casualty insurance. As a result, it is unlikely that any of a Fund's investments will be insured against damages attributable to acts of terrorism and/or cyber-attacks.

Control Person Liability. Each Fund is expected to have controlling interests in a number of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, a Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, a Fund might suffer significant losses. While each General Partner intends to manage the applicable Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims against a Fund and/or its affiliates cannot be precluded.

Director Liability. A Fund will often obtain the right to appoint one or more representatives to the board of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

Limitation on Recourse and Indemnification. The Governing Documents will limit the circumstances under which a General Partner and its affiliates will be held liable to a Fund. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Governing Documents will provide that a Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. See also "Indemnification" below.

Contingent Liabilities. In connection with an investment in private securities, a Fund may assume, or acquire, a portfolio company subject to contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things. To the extent these liabilities are realized or a Fund is unable to negotiate or collect on any indemnification relating thereto, they may materially and adversely affect the value of a portfolio company. In addition, if a Fund has assumed or guaranteed these liabilities, the obligation would be payable from the assets of a Fund, including Commitments of Limited Partners. To the extent that the assets of a Fund are inadequate to meet such liabilities, the Limited Partners may be required to return amounts to a Fund that were previously distributed to them in order to meet such liabilities.

In connection with the disposition of an investment, a Fund and its 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.

Indemnification. A Fund may be required to indemnify certain persons set forth in the applicable Governing Documents including, without limitation, the General Partner, BayPine, the members of such Fund's advisory board, and the General Partner's, and BayPine's partners, members, managers, employees, agents, advisors, affiliates, and personnel for liabilities incurred in connection with the affairs of a Fund and otherwise as provided in the applicable Governing Documents. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. For example, in their capacity as directors of portfolio companies, the partners or affiliates of a General Partner may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of a Fund would be payable from the assets of a Fund, including the unfunded Commitments of the Limited Partners. If the assets of a Fund are insufficient to pay any such indemnification obligations, a General Partner may recall distributions previously made to the Limited Partners to pay such obligations (subject to certain limitations set forth in the applicable Governing Documents). Such liabilities of a Fund may not be resolved prior to the date that such Fund will be dissolved, either by expiration of the Fund's term or otherwise. Furthermore, as a result of the provisions contained in the Governing Documents, the Limited Partners may have a more limited right of action in certain cases than they would in the absence of such limitations. It should be noted that a General Partner may cause a Fund to purchase insurance for the Fund, the General Partner, BayPine and their employees, agents and representatives.

Liability of a Fund and the Partners. A General Partner has unlimited liability for all debts and obligations of a Fund. Except as provided in the applicable Governing Documents, the total liability of a Limited Partner is limited to the amount of its Commitment, except in certain circumstances. If a Fund is otherwise unable to meet its obligations, the Limited Partners may, under applicable law, be obligated to return to a Fund or to creditors whose interests have been injured distributions previously received by them pursuant to any rules regarding fraudulent conveyances. In addition, a Limited Partner may be liable under applicable bankruptcy law to return distributions made during a Fund's insolvency.

Allocation of Time. In addition to advising a Fund, BayPine and certain other employees manage other investments and will devote only so much of their time as is necessary or appropriate in connection with a Fund's activities (including, in certain cases, only a minority of such time to a Fund). The foregoing persons may also serve as members of the boards of directors of various companies other than Fund portfolio companies. The possibility exists that such companies could engage in transactions which would be suitable for investments of a Fund, but in which such investments of a Fund might be unable to invest. As discussed further below under "Conflicts of Interest", conflicts may arise as a result of such other activities.

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of BayPine and its affiliates, as well as in connection with officerships or directorships of BayPine personnel, BayPine frequently comes into possession of confidential or material non-public information. Therefore, BayPine and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or BayPine's internal policies and practices.

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

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

CFIUS and National Security Clearance Considerations. Certain investments are expected be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner

generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

Other Fees. As discussed more fully above under Item 5: "Fees and Compensation", BayPine and its affiliates expects to receive certain fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions (e.g., transaction, directors', financial consulting, break-up and other similar fees). Subject to the limitations set forth in the applicable Governing Documents, any such compensation to BayPine or its affiliates will not reduce the Management Fee or Carried Interest with respect to the applicable Fund, and Limited Partners will receive no benefit from such fees. Such fees therefore have the potential to create a conflict with respect to the role of BayPine and its affiliates in connection with a Fund. Certain decisions made by BayPine may be influenced by this conflict of interest, including that (1) BayPine may determine or strongly influence the amount of such fees that it or its affiliates receive; (2) BayPine and its affiliates approve amounts paid by a portfolio company to other board members of the portfolio company and may have an incentive to gain favor with those board members so they will approve an increase in fees paid to the relevant General Partner and its affiliates; and (3) the amount of such fees may be substantial. The payment of such fees will detract from the performance of the relevant portfolio company. In addressing such conflicts, the BayPine seeks to act in a fair and equitable manner consistent with its fiduciary duties to the Funds.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by (i) BayPine's employees, (ii) portfolio company directors, officers or employees, and (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of a Fund and/or BayPine and cause significant losses to a Fund. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Fund, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to a Fund. BayPine has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines

as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the General Partner with respect to an investment will represent the value realized by the relevant 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 the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments. The exercise of discretion in valuation by a General Partner 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.

United Kingdom Exit from the EU. On March 29, 2017, the United Kingdom (the "UK") formally notified the European Council of its intention to leave the EU. The UK formally left the EU on January 31, 2020 and entered a transition period, which ended on December 31, 2020. On December 24, 2020, the UK government and the EU Commission provisionally agreed to a trade and cooperation agreement governing their future relationship, which has been ratified by the UK Parliament and the EU Parliament.

Although the terms of the UK's future relationship with the EU have been agreed, the terms of the trade and cooperation agreement are silent on financial services and there is still uncertainty as to the extent to which UK businesses will have access to the EU single market, and the extent to which EU businesses will have access to the UK market. There is also a risk of significant disruption to trade between the UK and the EU, particularly in the initial period following the end of the transitional period and the implementation of the new trade arrangements. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on the Fund and its investments, including the ability of the 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. 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.

Significant Developments Stemming from Changes in the U.S. Administration. On January 20, 2021, Joseph R. Biden and Kamala D. Harris became the President and Vice President of the United States, respectively. The previous U.S. presidential administration took action to withdraw from and/or modify a number of existing international trade agreements, supported greater restrictions on trade generally and implemented significant increases on tariffs on goods imported into the United States. It is unclear what courses of action the Biden administration may take with respect to trade agreements, individual companies or countries. If the Biden administration takes action to re-enter, withdraw from or materially modify any international trade agreements, to implement greater restrictions on free trade, and/or to increase tariffs or duties other countries may respond to such actions with similar actions (e.g., by imposing tariffs on U.S. imports), thereby adversely affecting the business, financial condition and performance of certain of a Fund's portfolio investments.

The trade relation between the U.S. and China had been a particularly contentious area of focus for the previous U.S. presidential administration. At this time, it remains unclear whether the Biden administration will strike a final trade deal between the two countries and, if so, the specifics of such deal and its effects on the broader geopolitical environment and global economic stability. BayPine also cannot predict how other countries will respond to the Biden administration's actions. For example, BayPine is unable to predict whether legislation or regulations that would have adverse impacts on the Fund or its investments may be passed in other jurisdictions in response or related to any measures that may be imposed by the Biden administration, including the imposition of tariffs on U.S. goods imported into such jurisdictions, increased inspections on U.S. companies, delays on approvals for mergers and acquisitions involving U.S. companies, preferential treatment of non-U.S. companies, media campaigns against U.S. companies and/or goods, and delays on license approvals in such jurisdictions. Moreover, social media has the potential to influence public sentiment and escalate tensions, which could negatively impact stock markets and economies around the globe and the Fund's investments.

The Biden administration has signaled that it intends to seek to enact changes to numerous areas of law and regulations currently in effect. The nature, timing and economic effects of potential changes to the current legal and regulatory framework affecting financial institutions, technology companies and other industries under the Biden administration remain highly uncertain. Any such changes could significantly impact a Fund and/or its portfolio companies. Specific legislative and regulatory proposals discussed during election campaigns and more recently that might materially impact a Fund and/or its portfolio companies include changes to climate policies, trade agreements, immigration policy, import and export regulations, tariffs and customs duties, income tax regulations and the federal tax code, public company reporting requirements and antitrust enforcement. Changes in federal policy, including tax policies, and at regulatory agencies occur over time through policy and personnel changes following elections, which lead to changes involving the level of oversight and focus on the financial services and technology industries or the tax rates paid by corporate entities. For example, in July 2021, the Biden administration signed an executive order that, among other things, targets "Big Tech" by cracking down on unfair methods of competition, including, without limitation, in internet marketplaces (including relating to online surveillance and the accumulation of sensitive online user data) and scrutinizing mergers and acquisitions more heavily, among other recommendations contemplated to take effect through new rules and policies contemplated to be adopted by, among other U.S. federal agencies, the U.S. Federal Trade Commission. The implementation of any such recommendations in the executive order could result in increased compliance costs, the need for additional capital expenditures and/or limit or otherwise make certain deal-related activity more challenging to engage in, in each case, which in turn could adversely affect the number of available investments, the value of a Fund's existing investments and the net returns to investors.

Moreover, it is anticipated that the U.S. Federal Trade Commission will be enhancing its level of enforcement and scrutiny of alleged anticompetitive behavior, including merger and related activity of technology and other companies. None of BayPine, a relevant General Partner, a Fund or their respective affiliates can predict the ultimate impact of any of the foregoing on a Fund, its portfolio companies, or the private equity industry generally, and any prolonged uncertainty could also have an adverse impact on a Fund and its investment objectives. Future changes may adversely affect a Fund's operating environment and/or its portfolio companies, business, operating costs, financial condition and results of operations. Further, an extended federal government shutdown resulting

from failing to pass budget appropriations, adopt continuing funding resolutions, or raise the debt ceiling, and other budgetary decisions limiting or delaying government spending, may negatively impact U.S. or global economic conditions, including corporate and consumer spending, and liquidity of capital markets.

Moreover, changes in U.S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, outsourcing development and investment in other countries with which its portfolio companies may do business, and any negative sentiments towards the United States as a result of such changes, could adversely affect the performance of a Fund's investments. In addition, negative sentiments towards the U.S. among non-U.S. customers and among non-U.S. employees or prospective employees could adversely affect sales or hiring and retention, respectively, in portfolio companies.

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

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

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

Alternative Investment Fund Managers Directive. The European Union ("EU") Alternative Investment Fund Managers Directive. (the "AIFMD") as implemented in each member state of the European Economic Area (the "EEA") and as implemented and retained by the United Kingdom ("UK") following its departure from the European Union (the "EU"), regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the EEA and the UK. To the extent a Fund is actively marketed to investors domiciled or having its registered office in the EEA or the UK: (a) such Fund, the General Partner

and/or BayPine will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (b) the Fund, the General Partner and/or BayPine may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions and the UK, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Fund; (c) the General Partner and/or BayPine will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (d) the AIFMD will restrict certain activities of the Fund in relation to EEA or UK portfolio companies, including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA or UK portfolio company within the first two years of ownership, which may in turn affect the operations of the Fund generally.

LIBOR, and Other Benchmark Rates. To the extent a Fund's investments (whether made, acquired or otherwise) are subject to a variable interest rate based on (or calculated with reference to) the London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate ("EURIBOR"), the Canadian Dollar Offered Rate ("CDOR") or any other offered rate, benchmark or index (collectively, "Benchmark Rates"), such Fund will be subject to certain material risks, some of which are described below.

Certain Benchmark Rates have historically been, may presently be, and/or may in the future become, the subject of manipulation, regulatory scrutiny and/or reform, phase-out, permanent discontinuation, replacement, tremendous volatility, and other change(s) which may have resulted and/or may result in: (i) any such Benchmark Rate being artificially lower (or higher) than it otherwise would have been; (ii) changes to the applicable calculation methodology; and/or (iii) market uncertainty as to the current and/or future status of any such Benchmark Rate. To the extent any Fund investment bears interest based on (or calculated with reference to) a Benchmark Rate, any such investment may not appropriately embed a return that is commensurate with its risk exposure.

In July 2017, the UK Financial Conduct Authority ("FCA") announced its intention to cease compelling panel banks to submit quotes for LIBOR and to phase-out the LIBOR Benchmark Rate by December 31, 2021. On November 30, 2020, the ICE Benchmark Administration ("IBA"), the FCA-regulated LIBOR administrator, announced its intention to (i) consult on LIBOR cessation in December of 2020 and, (ii) to the extent confirmed during such consultation, to cease the one-week and two-month United States Dollar ("USD")-LIBOR tenors by December 31, 2021, and to cease all other USD-LIBOR tenors by June 30, 2023.

As of the date hereof, the current nominated replacement for United States Dollar-LIBOR is the Secured Overnight Financing Rate ("SOFR") and the nominated replacement for GBP-LIBOR is the Sterling Overnight Interbank Average Rate ("SONIA"). In March 2020, the Federal Reserve began publishing 30-, 90- and 180-day tenor SOFR Averages and a SOFR Index and in July 2020, Bloomberg began publishing fall-backs that the International Swaps and Derivatives Association ("ISDA") intends to implement in lieu of LIBOR with respect to swaps and derivatives. In many cases, the nominated replacements, as well as other potential replacements, are not complete or ready to implement and require margin adjustments. There is currently no final consensus as to which Benchmark Rate(s) (along with any adjustment and/or permutation thereof) will replace all

or any LIBOR tenors after the discontinuation thereof and there can be no assurance that any such replacement Benchmark Rate(s) will attain market acceptance.

Any transition away from LIBOR to one or more alternative Benchmark Rates is complex and could have a material adverse effect on a Fund's business, financial condition and results of operations, and those of any of its portfolio investments.

ESG Matters. BayPine maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that BayPine will be able successfully to implement its ESG policy or to make investments in companies that create a positive ESG impact while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by BayPine, or any judgment exercised by BayPine, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic. BayPine's interpretations and decisions are expected to differ from others' views and could also evolve over time. In addition, in evaluating an investment, BayPine expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause BayPine to incorrectly assess a company's ESG practices and/or related risks and opportunities. BayPine does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on BayPine's view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policies, which could negatively impact BayPine's performance.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and BayPine's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. BayPine's ESG policies could become subject to additional regulation in the future, and increased costs may be required to implement compliance with such regulations, and BayPine cannot guarantee that its current approach will meet future regulatory requirements.

Conflicts of Interest

BayPine is subject, and the Funds will be exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have an adverse effect on the Funds. However, BayPine is substantially incentivized to seek appreciation in the value of the capital of the Funds (and therefore, indirectly, the limited partnership interests (the "Interests")), and therefore, merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of the Funds or the Interests.

In the future, BayPine is permitted to engage in a broad range of advisory and non-advisory activities, including investment activities for its own account and for the account of other vehicles, and may provide transaction-related, legal, management and other services to funds and portfolio companies. BayPine will devote such time, personnel and internal resources as are necessary to conduct the business affairs of each vehicle in an appropriate manner, as required by the relevant governing documents, although any such future activities may place varying levels of demand on such time, personnel and resources over time. It is conceivable that the interests of a Fund will conflict with such future activities. Certain of these conflicts of interest are discussed herein. As a general matter, BayPine will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the applicable Fund's advisory board.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by BayPine principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and BayPine's Allocation Policy. Without limitation, BayPine principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. BayPine personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. BayPine's principals and BayPine's investment staff will continue to manage and monitor such investments until their realization. Such other investments that BayPine principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, BayPine principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in BayPine's sole discretion, BayPine and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, BayPine personnel are permitted to serve on boards or act in other roles unaffiliated with BayPine, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

Until the earliest of the time at which a Fund's commitments have been substantially invested, legally or contractually committed for investment, used for Fund Expenses or reasonably held in reserve for follow-on investments or reasonably anticipated expenses of a Fund or the date the investment period of a Fund expires and / or under such other circumstances set forth in the Governing Documents, each Fund will pursue substantially all appropriate investment opportunities that meet the investment criteria of a Fund principally for the benefit of such Fund. Over time, certain investment opportunities suitable for a Fund are likely also to be suitable for other investment funds, products or vehicles advised by BayPine or its affiliates (each, an "Other BayPine Fund"). Determinations regarding the allocation of an investment opportunity are inherently subjective, and there can be no assurance that other third parties would reach the same conclusions.

BayPine's allocation of investment opportunities among a Fund and any of the Other BayPine Funds thereby often will not be proportional. Therefore, such allocations may be more advantageous to a

Fund relative to one or all of the other investment funds, or vice versa. While BayPine will allocate investment opportunities in a way that it believes is fair and equitable to a Fund under the circumstances, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the potential conflicts of interest to which BayPine expects to be subject did not exist.

In certain situations, a Fund generally reserves the right to seek to co-invest alongside an Other BayPine Fund, and conflicts of interest can arise if the Fund makes an investment in a portfolio company in conjunction with an investment made by any Other BayPine Fund. For instance, the Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such Other BayPine Fund. This likely will result in differences in price, investment terms, leverage and associated costs between the Fund and any Other BayPine Fund. Additionally, the Fund and/or such Other BayPine Funds may have different expected termination dates and/or investment objectives (including return profiles) and BayPine, as a result, may from time to time have conflicting goals with respect to the price and timing of disposition opportunities. There can be no assurance that a Fund and the Other BayPine Fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any Other BayPine Fund participating in the transactions. BayPine and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers express different views regarding the same investment. There can be no assurance that the return on a Fund's investments will be the same as the returns obtained by other investing fund(s) participating in a given transaction. Moreover, investments by more than one client of BayPine in a portfolio company also have the potential to raise the risk of using assets of a client of BayPine to support positions taken by other clients of BayPine. In situations where a Fund seeks to invest alongside an Other BayPine Fund, the Fund is subject to restrictions designed to mitigate conflicts set forth in the Partnership Agreement; however, given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund. In that regard, actions taken for one or more investing funds may adversely affect the Fund.

Where a Fund and an Other BayPine Fund make investments at different or overlapping levels of an issuer's capital structure or otherwise in different classes of an issuer's securities, such investments are expected to inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. To the extent a Fund holds securities that are different (including with respect to their relative seniority) than those held by an Other BayPine Fund, BayPine and its affiliates have the potential to be presented with decisions when the interests of the two funds are in conflict. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to a Fund that has invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund may or may not provide such additional capital, and if provided, the Fund generally will supply such additional capital in such amounts, if any, as determined by BayPine in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio

company, BayPine expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of a Fund versus an Other BayPine Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with an Other BayPine Fund on a joint and several basis, BayPine is expected to enter into one or more agreements that provide each fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, BayPine expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and an Other BayPine Fund seeking reimbursement. In certain circumstances a Fund is expected to be prohibited from exercising (or BayPine may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of a Fund or an Other BayPine Fund may be subject to creditor claims regarding subordination of interests. BayPine intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause a Fund and such Other BayPine Fund to each bear its proportionate share of the applicable indebtedness, without undue favoritism over time. In some circumstances, BayPine's duties to a Fund and the Other BayPine Fund have the potential to conflict. BayPine may in its discretion take steps to reduce the potential for adversity between a Fund and the Other BayPine Fund, including causing the Fund and/or such Other BayPine Fund to take certain actions that, in the absence of such conflict, it would not take.

BayPine 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 BayPine Funds or co-investors or co-investment vehicles or DP. 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 the Fund is acquired by a portfolio company acquired by an Other BayPine Fund, or vice versa. Certain of such transactions raise potential conflicts of interest, including where the investment of the Fund supports the value of portfolio companies owned by an Other BayPine Fund, or vice versa. 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. To the extent required by the Partnership Agreement or otherwise in the sole discretion of the applicable General Partner, the General Partner reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or "arm's-length" nature of a purchase or sale price) or by obtaining the consent of the relevant funds (including, where authorized, the consent of each fund's advisory board) to such transactions. In certain circumstances, the General Partner reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to a Fund under then-current market conditions. BayPine intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each fund under the circumstances, including a consideration of the potential present and future benefits with respect to each fund.

Subject to the requirements of Section 206 of the Advisers Act and any other requirements of the Governing Documents, BayPine reserves the right to engage in principal transactions with the Funds in connection with BayPine's management of the Funds (e.g., a "warehoused" transaction whereby a Fund purchases from the General Partner investments or securities that the General Partner had

“warehoused” for sale to such Fund). BayPine will conduct such principal transactions in accordance with the requirements of the Advisers Act as they relate to principal transactions, including making disclosures to the applicable Funds regarding the proposed principal transactions (*e.g.*, disclosures about the material terms of such transactions, such as the acquisition price) and obtaining requisite advance consent to the transactions prior to consummating such transactions.

Moreover, while BayPine generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements in which one fund ultimately bears liability for all or part of the obligations of another fund, it is possible that a counterparty, lender or other unaffiliated participant in a transaction will require or desire to face only one fund entity or group of entities, which may result in (i) any of the Fund and/or such Other BayPine Fund(s) being solely liable with respect to such third party for its own and such Other BayPine Fund(s)’ share of the applicable obligation and/or (ii) any of the Fund and/or such Other BayPine Fund(s) being jointly and severally liable for the full amount of such applicable obligation, which in each case may result in the Fund and/or such Other BayPine Fund(s) entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Fund and/or such Other BayPine Fund(s) would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty. Furthermore, as a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, a Fund may be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such vehicles are unable to repay their pro rata share of such indebtedness.

BayPine will cause a Fund to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for, insurance to insure the Fund, the General Partner, the Management Company, BayPine and/or their respective directors, officers, employees, affiliates, agents, representatives, members of the applicable Fund’s advisory board and other indemnified parties, against liability in connection with the activities of the Fund. This includes a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by BayPine that cover, among others, the Fund, Other BayPine Funds, the Management Company and/or their respective affiliates (including their respective directors, officers, employees, agents, representatives, members of the Fund’s advisory board and other indemnified parties). BayPine will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among, among others, the Fund, Other BayPine Funds, the Management Company and/or their respective affiliates on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

BayPine and its affiliates may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses among a Fund and Other BayPine Funds (including co-investment vehicles). The relevant General Partner, in its sole discretion, will allocate fees and expenses in accordance with the applicable Fund’s Partnership Agreement and in a manner that it believes is fair and equitable to the Fund under the circumstances and considering such factors as it deems relevant, but in any case, in its 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 or co-investors receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining

whether a particular expense has greater benefit to the Fund or BayPine. In exercising such discretion, the General Partner expects to be faced with a variety of potential conflicts of interest. In particular, the Fund is expected to bear certain fees and expenses related to unconsummated transactions that would have been borne by co-investment vehicles had such transactions been consummated. Any Transaction Fees with respect to an investment in a particular portfolio company will be allocated among a Fund and any Other BayPine Funds and other investors in such portfolio company in proportion to the cost of the investment or potential investment in the portfolio company held (or committed to be held) by each. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by BayPine or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. Other BayPine Funds are expected to generally have different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in a Fund bearing different level of expenses with respect to the same investment. As described elsewhere in this Memorandum, the Fund will only benefit from the Management Fee reduction with respect to the portion of any such Transaction Fee allocable to non-affiliated partners and not the portion of any fee allocable to any other investor in a portfolio company. While BayPine believes such circumstances to be highly unlikely, it is possible that one of the Other BayPine Funds could default on its obligation to reimburse the Fund in connection with a shared expense in which such Other BayPine Fund is responsible for with respect to its share thereof.

The Funds intend to make controlling investments in portfolio companies. As a result of these controlling interests, the General Partner typically has the right to appoint portfolio company board members (including current or former General Partner personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Furthermore, a member of the Investment Committee who was previously a senior employee of DP (i.e., Mr. Goldfarb) continues to serve as a member of the board of directors of a portfolio company owned by DP funds, and Messrs. Ko and Rayner each also serve as a member of a board of directors of a DP portfolio company. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to the General Partner in connection with services provided by the General Partner and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. The General Partner's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the General Partner subjects the General Partner and any such portfolio company board appointees to potential conflicts of interest. Additionally, a portfolio company typically will reimburse the General Partner or service providers retained at the General Partner's discretion for expenses (including, without limitation, travel expenses) incurred by the General Partner or such service providers in connection with the performance of services for such portfolio company. This subjects the General Partner to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Partnership Agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion.

The General Partner may also, from time to time, reserve the right to employ personnel with pre-existing ownership interests in, or who were employed by, portfolio companies owned by a Fund or other funds or investment vehicles advised by BayPine or its affiliates; conversely, current or

former personnel or executives, as well as former and/or existing partners, of the General Partner are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by the General Partner. Additionally, certain of BayPine's back-office personnel, and in particular its CFO, GC/CCO and Head of IR have obligations to provide select services to DP. Similarly, BayPine and its affiliate and/or their respective personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and certain 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, the General Partner, its affiliates and/or the Funds. In other circumstances, these vendors could potentially provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through BayPine entities) to BayPine personnel and their estate planning vehicles. The General Partner expects to be subject to a 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 owned by the Fund 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 Other BayPine Funds, will provide the General Partner information about markets and industries in which the General Partner operates (or is contemplating operations) or will provide other services that are beneficial to a Fund or Other BayPine Funds. For example, the General Partner reserves the right to cause a Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for a Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a successor fund rather than the Fund making the payment. The General Partner expects to be subject to a potential conflict of interest in making such recommendations, in that the General Partner has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for a Fund and Other BayPine Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

Over the life of each Fund, the General Partner generally exercises its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with various service providers, and from time to time, such service providers are expected to include: (i) the General Partner (or an affiliate, which may include other portfolio companies of a Fund or Other BayPine Funds) at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or its affiliates or current or former members of their personnel has a relationship or from which such persons derive a financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where BayPine personnel are seconded, or from which BayPine receives secondees; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates.

A portfolio company typically will reimburse BayPine, an affiliate or service providers retained at BayPine's or its affiliate's discretion for expenses (including, without limitation, travel expenses) incurred by BayPine, such affiliate or such service providers in connection with their performance of services for such portfolio company. This subjects BayPine and its affiliates to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the

amount of such reimbursements over time has the potential to be substantial. BayPine determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to the Limited Partners, their effect is reflected in a Fund's audited financial statements, and any fee paid or expense reimbursed to BayPine, such affiliate or service providers generally is subject to the following: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest. Additionally, potential conflicts of interest arise in making such recommendations, as the General Partner and its affiliates have incentives to maintain goodwill between them and their 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.

Although the General Partner intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, it has a potential incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the General Partner, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner or the Funds), would favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. The General Partner will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although the General Partner 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. In certain circumstances where the General Partner commits or has committed to seek "market" or "arms-length" rates or terms, the General Partner will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. BayPine reserves the right to deem a third-party's investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, the General Partner undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets or services or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, BayPine reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the General Partner has a relationship with 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 certain circumstances, current or former BayPine personnel are expected to serve in interim or part-time roles at a portfolio company, or provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at BayPine. Under such arrangements, BayPine and/or the relevant portfolio company is authorized to pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondees

relationships or to former employees generally will not offset or reduce the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis. Employees may or may not return to BayPine at the end of such secondee arrangement.

A Fund's portfolio companies may be counterparties to or participants in agreements, transactions or other arrangements with portfolio companies of such Fund or Other BayPine Funds, subject to any requirements of the relevant governing agreements, including arrangements that may not have otherwise been entered into but for the relationship with BayPine or an affiliate thereof. It is anticipated that the applicable portfolio companies will negotiate these arrangements. However, in the unexpected event that BayPine or an affiliate thereof participates in negotiating such arrangements, such arrangements will be made on an arms'-length basis and the General Partner will make determinations of competitive market rates based on its consideration of a number of factors, which could include, for example, benchmarking data and other methodologies determined by the General Partner to be appropriate under the circumstances. While the General Partner generally intends in such situations to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential and/or bespoke nature of such services. Therefore, such market comparisons may not result in precise market terms for comparable services.

The fact that the General Partner's Carried Interest is based on a percentage of net profits may create an incentive for the General Partner to cause the relevant Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because a Fund has a fixed investment period after which capital from Limited Partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of a Fund, calculated based upon the invested capital of such Fund, the Management Fee structure may create an incentive for the General Partner to deploy capital when it might not otherwise have done so.

The officers, directors, members, managers, partners, equity holders, principals, employees and affiliates of BayPine reserve the right to buy or sell securities or other investments for their own accounts that BayPine has recommended to a Fund. In addition, officers, directors, members, managers, partners, equity holders, principals, employees and affiliates of BayPine reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to the applicable Governing Documents, restrictions and reporting requirements as may be required by law or otherwise determined from time to time by BayPine. Employees and related persons of BayPine have, and are expected to continue to have, capital investments in or alongside a Fund, 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. For the avoidance of doubt, a Fund may sell investments

to any third party, including Limited Partners in such Fund, Other BayPine Funds and investors therein and co-investors.

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

Since BayPine is permitted to retain certain Transaction Fees (as described under Item 5, "Fees and Compensation") 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. In many cases, Transaction Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Transaction Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. Additionally, BayPine, its personnel, affiliates or others designated by BayPine 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 Governing Documents are applied, BayPine and/or such other recipients will be permitted to retain such securities as Transaction 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 BayPine) 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.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, BayPine reserves the right to accrue, defer or forego payments of Transaction Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

BayPine 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 or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of BayPine's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic procedural and other terms.

BayPine is likely to have its own economic and/or other business incentives to provide certain terms to certain Limited Partners (e.g., based on commitment amount to a Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to BayPine, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to BayPine, its affiliates and personnel, or the Funds). Further, Side Letters may also relate to strategic relationships under which an Investor agrees to make commitments to multiple Funds. Except where required by Governing Documents, other Investors will not receive copies of Side Letters or related provisions, and as a general matter, the other Investors have no recourse against a Fund, BayPine, 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 BayPine to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Fund's advisory committee results in the Investor receiving additional information relative to other investors. To the extent an Investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other Investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although BayPine believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Unless restricted by the Governing Documents, BayPine personnel are permitted to serve on boards or act in other roles unaffiliated with BayPine, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

Prospective investors should note that the General Partner and its affiliates from time to time engage in transactions with prospective and actual investors and co-investors that entail business benefits to such investors. Such transactions may be entered into prior to or coincident with an investor's admission to a Fund (or commitment to co-invest) or during the term of its investment. The nature of such transactions can be diverse and may include benefits relating to the Fund, Other BayPine Funds and their respective portfolio companies. Examples include the ability to co-invest alongside Other BayPine Funds, investments in Other BayPine Funds, sales of companies to Limited Partners and recommendations to underwriters for allocations in initial public offerings or loans to co-investors (or joint venture partners) by BayPine or an Other BayPine Fund. Investing in the Fund does not give Limited Partners access to any such transactions.

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

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

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither BayPine nor any of its members, partners, officers or employees (the "Employees"), have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

The Adviser is affiliated with other BayPine investment advisers, including the General Partner and equivalent entities formed from time to time and subject to the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. As discussed above under Item 4: "Advisory Business", these advisers also include the Adviser's relying adviser, such as the Management Company, that are registered under the Advisers Act pursuant to the Adviser's registration. These entities operate as a single advisory business together with the Adviser and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

Declaration Partners

Mr. Frank controls, and is the majority owner of, Declaration Partners LP, a Delaware limited partnership ("DP"). DP is an investment adviser registered with the SEC under the IAA. DP advises funds on investments in growth equity, fund seeding, certain tactical opportunities, real estate and certain other investments. Such funds include three single asset pooled investment vehicles, several investments primarily owned by the family office of one of the Fund's investors, a blind pool co-mingled real estate investment fund (the "DP RE Fund"), and are anticipated to include (among other advisory activities) a blind pool co-mingled growth equity fund (the "DP Growth Fund", and, together with the DP RE Fund, the "DP Funds"). Certain of BayPine's back-office personnel, and in particular its Chief Financial Officer ("CFO"), General Counsel and Chief Compliance Officer ("GC/CCO"), and Head of Investor Relations (the "Head of IR") have obligations to provide select services to DP. In addition to continuing to receive carried interest and fees (including portfolio company fees) of or in respect of all or certain other DP investment vehicles and funds, including along with the individuals mentioned below and certain other BayPine employees, the foregoing persons will be compensated by DP for their respective services to DP but, as is the case with Mr. Frank, it is intended that these services will phase away after a transitional period of time (although there is no set period in which this will occur). The other former DP employees who have joined BayPine will work solely on BayPine-related matters other than Mr. Goldfarb who, among other activities at DP, continues to serve as a member of a board of directors of a portfolio company owned by DP Funds and Messrs. Ko and Rayner each also serve as a member of a board of directors of a DP portfolio company. The Investment Committee members each receive a share of the carried interest of and portfolio company fees in respect of a DP investment vehicle and expect in the future to share in the carried interest and the fees (including portfolio company fees) of or in respect of certain other DP investment vehicles and funds, including the DP Funds.

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

BayPine has adopted the BayPine Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of BayPine principals and employees (collectively, "BayPine personnel") and addresses conflicts that arise from personal trading. BayPine's Code prohibits BayPine personnel from trading Reportable Securities (as defined therein) in accounts over which the BayPine personnel have beneficial ownership (other than sales of pre-existing legacy positions); that is, personal trading is permitted in non-Reportable Securities only. The CCO, in his sole discretion, may permit BayPine personnel to trade Reportable Securities

in accounts over which the BayPine Personnel has beneficial ownership. In addition, the Code generally requires certain BayPine personnel to report their personal securities accounts and holdings, prohibits or requires pre-clearance for BayPine personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits BayPine personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from BayPine's CCO. In addition, the Code 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 will be provided to any investor or prospective investor upon request to Leigh Rovzar, BayPine's CCO, at (212) 321-4038. 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.

BayPine 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, BayPine 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 BayPine.

Accordingly, should BayPine 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, BayPine generally would be prohibited from communicating such information to clients, and BayPine 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 BayPine personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of BayPine and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

BayPine and its affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

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

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

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

Item 12: Brokerage Practices

The Fund may purchase or sell securities in privately negotiated transactions, or, at the recommendation of the Adviser from time to time, may use specific brokers and dealers to execute, settle and clear securities transactions. The Adviser has discretion in deciding which brokers or dealers are to be used for a particular transaction and the compensation for those transactions.

The Adviser seeks to obtain best execution for all transactions and evaluates brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Adviser and the Fund. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Adviser may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

BayPine does not receive research or other products and services through soft dollar arrangements with brokers and dealers.

Item 13: Review of Accounts

All investments are carefully reviewed and approved by BayPine's investment team. The Funds' investments are reviewed on a continuous basis and the investment personnel meet regularly to monitor current investments.

Each Fund generally will provide to its Limited Partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each Limited Partner's tax return and (iii) annual valuations of each portfolio company investment.

Item 14: Client Referrals and Other Compensation

BayPine does not receive economic benefits from non-clients for providing investment advice and other advisory services. BayPine and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees. *See* Item 5 – "Fees and Compensation."

BayPine reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. Any fees payable to any such placement agents generally will be borne by BayPine indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, may be borne by the relevant Fund(s).

Item 15: Custody

With respect to the Funds, BayPine will comply with Rule 206(4)-2 under the Advisers Act (the "Custody Rule") by requiring that the Funds (i) be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and (ii) distribute their audited financial statements to all of their respective Limited Partners generally within 120 days of the end of the relevant Funds' fiscal year. Limited Partners will not receive statements from any custodians.

Item 16: Investment Discretion

BayPine has discretionary authority to manage investments on behalf of the Funds. As a general policy, BayPine does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, BayPine and/or its affiliates have entered, and expect to enter, into Side Letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. BayPine assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the Limited Partner of such Fund.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 under the Advisers Act, the Adviser has adopted proxy voting policies and procedures (“Proxy Policy”). The Proxy Policy is to vote proxy proposals, amendments, consents or resolutions (collectively, “Proxies”), in a prudent and diligent manner that will serve the applicable Fund’s best interest and is in line with such Fund’s investment objectives.

In limited circumstances, the Adviser may refrain from voting Proxies where the Adviser believes that voting would be inappropriate.

As is typical in private equity investing, BayPine generally approves one or more Employees to act as representatives on the board of directors of portfolio companies or issuers on behalf of the Fund.

Conflicts of interest may arise between the interests of a Fund on the one hand and the Adviser or its affiliates on the other hand. If the Adviser determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, the Adviser will vote in accordance with its Proxy Policy.

BayPine does not consider service on portfolio company boards by BayPine personnel or BayPine’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies.

Clients or investors that would like a copy of BayPine’s complete Proxy Policy or information regarding how BayPine voted proxies for particular portfolio companies may contact Leigh Rovzar, BayPine’s CCO, at (212) 321-4038, and it will be provided at no charge.

Item 18: Financial Information

A balance sheet is not required to be provided as BayPine does not solicit fees more than six months in advance.

BayPine (i) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients and (ii) has not been subject to any bankruptcy proceeding during the past 10 years.