

## **ITEM 1: COVER PAGE**



# **Coral Tree Partners**

**CORAL TREE MANAGEMENT, LP  
1490 Bienvenida Avenue  
Pacific Palisades, CA 90272**

**PART 2A OF FORM ADV  
FIRM BROCHURE**

**March 2022**

**This brochure (the “Brochure”) provides information about the qualifications and business practices of Coral Tree Management, LP (“Coral Tree” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Alan Resnikoff, the Firm’s Chief Compliance Officer (“CCO”), at (310) 467-1686 or [aresnikoff@coraltreelp.com](mailto:aresnikoff@coraltreelp.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Any reference to the Firm as a registered investment adviser does not imply a certain level of skill or training.**

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

## **ITEM 2: MATERIAL CHANGES**

Coral Tree Management, LP is amending this Brochure as part of its Form ADV Annual Amendment for fiscal year ending December 31, 2021, to reflect updated regulatory assets under management in Item 4. Since the last Other than Annual Amendment filed on August 30, 2021, there have been no material changes.

### ITEM 3: TABLE OF CONTENTS

	<b>Page</b>
ITEM 1: COVER PAGE.....	1
ITEM 2: MATERIAL CHANGES .....	2
ITEM 3: TABLE OF CONTENTS.....	3
ITEM 4: ADVISORY BUSINESS .....	4
ITEM 5: FEES AND COMPENSATION .....	5
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT....	9
ITEM 7: TYPES OF CLIENTS .....	9
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	10
ITEM 9: DISCIPLINARY INFORMATION.....	34
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS...	34
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	34
ITEM 13: REVIEW OF ACCOUNTS .....	36
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION .....	36
ITEM 15: CUSTODY .....	36
ITEM 16: INVESTMENT DISCRETION .....	37
ITEM 17: VOTING CLIENT SECURITIES .....	37
ITEM 18: FINANCIAL INFORMATION .....	37

## ITEM 4: ADVISORY BUSINESS

### Item 4.A. General Description of Advisory Firm

Coral Tree Management, LP (“**Coral Tree**” or the “**Firm**”), a Delaware limited partnership, was formed in January 2021. The Firm’s principal beneficial owners are William Wynperle and Hilary Wynperle, through the Wynperle 2008 Revocable Trust, and Alan Resnikoff and Meghan Resnikoff, through The Resnikoff Family Trust. William Wynperle and Alan Resnikoff each serve as a Partner of Coral Tree (each a “**Partner**” and collectively, the “**Partners**”). Coral Tree Partners, LLC, a Delaware limited company, serves as the Firm’s general partner.

### Item 4.B. Description of Advisory Services

Coral Tree is an investment management firm that provides advisory services on a discretionary basis to a privately offered pooled investment vehicle (the “**Fund**,” and collectively with any future private pooled investment vehicles to which the Firm or its affiliates provide investment advisory services, the “**Funds**”). The Fund is offered to qualified investors (each an “**Investor**” and collectively, the “**Investors**”). The Fund is authorized to include alternative investment vehicles (each an “**AIV**” and collectively, “**AIVs**”) established from time to time in order to permit one or more Investors to participate in one or more particular investment opportunities in a manner determined by Coral Tree to be desirable for legal, tax, regulatory or other similar reasons. AIV sponsors generally will have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Fund. The Funds and AIVs are collectively referred to herein as the “**Clients**.”

Coral Tree Partners GP, LP (the “**General Partner**”) serves as general partner to the Fund, and is a related person of and under common control with Coral Tree. While the General Partner retains management authority over the Fund’s business and affairs, Coral Tree has been delegated the role of investment adviser.

Coral Tree primarily invests Fund assets in lower middle market companies with strong growth prospects across the media, entertainment, communications, and related business services sectors, primarily in North America. Please see Item 8.A. for additional information regarding the Firm’s investment strategy.

The General Partner may also offer Investors, including strategic investors, advisors, consultants, or others the opportunity to co-invest in particular portfolio investments alongside the Fund. Decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms, are made in the sole discretion of the General Partner. As such, co-investment opportunities may be offered to some and not other Investors, and certain persons other than Investors may be offered co-investment opportunities, in the sole discretion of the General Partner.

#### **Item 4.C. Availability of Customized Services for Individual Clients**

Coral Tree's investment management and advisory services to the Fund are provided pursuant to the terms of the Fund's private placement memorandum and other offering documents, investment advisory agreement, limited partnership agreement or other governing documents (collectively, the "**Governing Documents**"). Investors cannot obtain services tailored to their individual specific needs.

Coral Tree has entered into certain side letter arrangements with certain Investors providing such Investors with different or preferential rights or terms, including but not limited to, modified fee, carried interest, and other economic arrangements with respect to particular Investors, rights to opt out of particular investments, information and reporting rights, transfers to affiliates, co-investment rights, withdrawal rights due to adverse tax or regulatory events, and consent rights to obtain certain Fund agreement amendments. Except as otherwise agreed with an Investor, the General Partner is not required to disclose the terms of side letter arrangements with other Investors.

#### **Item 4.D. Wrap Fee Programs**

Coral Tree does not participate in a wrap fee program.

#### **Item 4.E. Regulatory Assets Under Management**

As of December 31, 2021, Coral Tree managed \$309,407,404 of Client assets on a discretionary basis. The Firm does not currently manage any assets on a non-discretionary basis.

### **ITEM 5: FEES AND COMPENSATION**

#### **Item 5.A. Description of Compensation Arrangements**

Coral Tree is generally compensated for its advisory services through asset-based management and performance-based fees. A summary of the Fund's anticipated fees and expenses follows, but Investors should review the Fund's Governing Documents for details of the Fund's fee structure and expenses.

During the commitment period (as defined in the Fund's Governing Documents), Coral Tree will receive a management fee with respect to each Investor equal to 2.0% per annum of the Investor's aggregate capital commitment. After the commitment period, Coral Tree will receive a management fee with respect to each Investor equal to 2.0% per annum of each Investor's invested capital. Investors joining the Fund subsequent to the initial closing will contribute (from their unfunded commitments) their allocable share of the management fee that otherwise would have been payable had all Investors been admitted at the initial closing, plus additional amounts thereon at a rate of 8% from the date such management fees would have been paid. The management fee will be paid quarterly in advance and will be deducted directly from Investors' capital accounts.

Subject to the terms and limitations set forth in the Fund's Governing Documents, the General Partner is entitled to receive carried interest distributions equal to 20% of net profits derived from

the disposition of investments (following a return of capital contributions and fees and expenses attributable to disposed assets and a compound annual preferred return of 8% per annum to Investors on their capital contributions). The carried interest distributed to the General Partner is subject to a potential clawback if Investors have not received preferred return distributions equaling a certain threshold or the General Partner has received excess cumulative distributions, as outlined in the Fund's Governing Documents.

The management fees and carried interest distributions are generally not negotiable; however, the General Partner, in its sole discretion, may modify or waive the management fees or carried interest distributions for certain Investors as set forth in the Fund's Governing Documents.

Co-investment vehicles that are established by the Firm to invest alongside the Funds ("**Co-Investment Vehicles**") may not be required to pay a management fee or carried interest, provided that the Firm may charge management fees, carried interest and/or one-time funding fees in respect of Co-Investment Vehicles as the Firm determines in its sole discretion in accordance with the applicable governing agreements.

Any new fund launched by Coral Tree may have materially different terms than those summarized above.

#### **Item 5.B. Manner of Payment**

Management fees are typically funded with capital contributions drawn for such purpose, however they may be paid from unfunded commitments or investment proceeds (as defined in the Fund's Governing Documents). Carried interest distributions generally will be distributed to the General Partner from time to time upon the disposition of portfolio investments by the Fund and are distributed to the General Partner in accordance with the terms of the Fund's Governing Documents.

#### **Item 5.C. Other Fees and Expenses Clients May be Charged**

Coral Tree and the General Partner shall pay for all day-to-day expenses of their operations, including office overhead and compensation of employees, as outlined in the Fund's Governing Documents.

The Fund shall bear and be charged with all fees, costs, expenses, liabilities and obligations relating to the Fund, any AIV and/or its activities, business, portfolio companies or actual or prospective 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 prospective portfolio company or other third parties), including the following fees, costs, expenses, liabilities and obligations: (i) any and all fees, costs and expenses of any outside tax advisors, accountants, third-party administrators, attorneys, auditors, custodians, consultants (including accounting, compliance or cybersecurity consultants), executive advisors, operating advisors, strategic advisors, depositaries, investment bankers, brokers, deal finders, underwriters, loan administrators, agents, valuation firms, data providers (including related systems and services from such data providers and data management software) and other advisors, professionals and service providers (including audit and certification fees and the costs of preparing, printing and

distributing reports to Investors) and costs of related information management systems (whether maintained at the Firm or otherwise); (ii) any and all out-of-pocket fees, costs and expenses, if any, incurred in developing, investigating, organizing, negotiating, structuring, financing, refinancing, bidding on, consummating, acquiring, trading, settling, owning, managing, monitoring, operating, holding, hedging, restructuring, taking public or private, selling, valuing, winding up, liquidating or disposing of, as applicable, portfolio companies and actual or prospective portfolio investments or seeking to do any of the foregoing, including, without limitation, (a) any financing, legal, accounting, advisory, consulting, private placement, transaction or other third-party fees, costs and expenses and any travel and accommodation expenses in connection therewith, (b) any costs and expenses arising from any foreign exchange or other currency transactions, (c) any insurance, indemnity or litigation cost or expense and (d) costs and expenses related to transactions that may have been offered to co-investors; (iii) any and all out-of-pocket fees, costs and expenses, if any, incurred by or on behalf of the Fund, any AIV or any vehicles formed for co-investors in developing, investigating, organizing, negotiating, bidding on or valuing and structuring, as applicable, actual or prospective portfolio investments that are not ultimately made, including without limitation (a) any financing, legal, accounting, advisory, market research, consulting, transaction or other third-party fees, costs and expenses and any travel and accommodation expenses in connection therewith, (b) third party fees and expenses (including those of Executive Advisors (as defined below)) incurred in organizing, raising and negotiating any vehicle formed for co-investors, (c) breakup, reverse breakup, termination, topping and other similar fees payable by the Fund, any vehicle formed for co-investors or any acquisition vehicle in connection with portfolio investments that are not ultimately made, (d) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a prospective portfolio investment that is not ultimately made and (e) any deposits or down payments of cash or other property that are forfeited in connection with a prospective portfolio investment (collectively, **“Broken Deal Expenses”**), to the extent the Firm or the General Partner do not elect to bear such Broken Deal Expenses or they are not reimbursed by the applicable prospective portfolio company or by other third parties; (iv) any and all brokerage commissions, prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs, fees and expenses actually incurred in connection with the making, settling, holding, monitoring or disposing of actual portfolio investments; (v) any and all fees, costs and expenses of any lenders, investment banks and other financing sources (including interest on and fees and expenses arising out of all borrowings, other indebtedness of or guarantees made by or credit support provided by the Fund, including, but not limited to, the arranging thereof and any related fees or expenses (including professional fees) incurred in connection with any procedure reports for lenders, the delivery of legal opinions of counsel requested by lenders, and any indemnification obligations); (vi) (a) any and all costs and expenses of any litigation, governmental inquiry, investigation or proceeding, (b) directors and officers liability, errors and omissions liability, crime coverage, general partner liability and cybersecurity liability and other insurance premiums and other insurance expenses for the Fund, any AIV, the Firm, the General Partner, and their affiliates, and (c) indemnification or extraordinary expense or liability relating to the affairs of the Fund or any AIV; (vii) any and all out-of-pocket fees, costs and expenses, if any, incurred in connection with legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other law and regulation related to the activities of the Fund (including regulatory expenses of the General Partner incurred in connection with the operation of the Fund and legal fees), including, without limitation, reports to be filed with the U.S. Commodity Futures Trading Commission, reports, disclosures, filings and

notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive, Form PF, filings under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and any forms, schedules, filings, information or other documents prepared with respect to FATCA; (viii) any and all expenses of winding up and dissolving the Fund or any AIV and liquidating the assets of the Fund or any AIV; (ix) any and all taxes, fees or other governmental charges levied against the Fund or any AIV and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund or any AIV; (x) any and all out-of-pocket fees, costs and expenses, if any, incurred in connection with the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s or other administrative, informational or similar reports, or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xi) any and all filing, title, transfer, registration and other similar fees and expenses; (xii) any and all out-of-pocket fees, costs and expenses incurred in connection with protecting the confidential or non-public nature of any information or data; (xiii) any and all out-of-pocket fees, costs and expenses incurred in connection with amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund or any AIV, including the preparation, distribution and implementation thereof; (xiv) any and all unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer of interests of the Fund or any AIV; (xv) any and all out-of-pocket fees, costs and expenses incurred in connection with compliance with the provisions in side letters entered into with Investors, including “most favored nations” provisions; (xvi) any and all expenses of the limited partner advisory committee, including any and all out-of-pocket fees, costs and expenses incurred on behalf of the limited partner advisory committee for independent legal counsel, accountants, financial advisors and other advisors and consultants; (xvii) any annual Investor meeting or other periodic or special meetings of the Investors and any other reasonable costs and expenses incurred in connection with a conference or meeting with any Investor(s) (including travel expenses of the General Partner or its affiliates to attend such meetings); (xviii) any and all expenses incurred in connection with defaulting Investors; (xix) any and all travel, lodging, meals, entertainment or other accommodation expenses of the Firm, the General Partner, or their affiliates related to the expenses described above, including in connection with consummated and unconsummated investment and disposition opportunities; and (xx) any and all other fees, costs, expenses, liabilities or obligations approved by the limited partner advisory committee. In addition, the Fund will bear the initial expenses incurred in causing the General Partner and/or the Firm to register as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), including costs and expenses relating to the preparation and filing of Form ADV.

Coral Tree, the General Partner, and their respective affiliates are likely to be entitled to receive certain fees from the Fund’s portfolio companies in connection with the purchase, monitoring or disposition of investments, in connection with unconsummated transactions or as compensation for consulting, advisory, management, investment banking and other services (e.g., transaction, directors’, break-up and monitoring fees) (collectively, “**Transaction Fees**”). As described in the Fund’s Governing Documents, the Fund’s management fee is expected to be reduced, but not below zero, by an amount equal to 100% of the net Transaction Fees. To the extent such offsets would reduce the Fund’s management fee for a given quarterly period below zero, such offsets will be carried forward and reduce future installments of the management fee. If more than one vehicle controlled by the Firm participates in an investment, then Transaction Fees relating will generally be applied to offset the management fee (if any) with respect to each such vehicle.



However, in the event a Co-Investment Vehicle does not bear a management fee, the reduction from a Transaction Fee will not be applied to benefit such Co-Investment Vehicle.

Certain non-employee executive advisors or operating partners of the Firm or its affiliates (collectively, the “**Executive Advisors**”) may receive compensation for services provided to Fund portfolio companies or the Fund, including without limitation investigating and sourcing opportunities for the Fund, conducting due diligence and serving on the board of directors of a portfolio company, which compensation (i) shall not be an expense of the Firm or the General Partner and (ii) may be paid or reimbursed by portfolio companies or the Fund as an expense. Notwithstanding the foregoing, the General Partner may grant an Executive Advisor a portion of the carried interest payable to the partners of the General Partner, and such compensation will not increase the carried interest payable to the General Partner. Transaction Fees shall not include (and the Fund’s management fee shall not be reduced by) any compensation paid to Executive Advisors.

Co-Investment Vehicles will generally not be allocated any share of Broken Deal Expenses.

#### **Item 5.D. Timing of Fee Payments**

As noted in Item 5.A above, the Fund will pay its management fee quarterly in advance and Investors are not entitled to a refund of such management fees.

#### **Item 5.E. Receipt of Compensation for Sales**

Neither Coral Tree nor its supervised persons are compensated for the sale of securities or other investment products.

### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As noted under Item 5 above, the General Partner is generally entitled to receive carried interest distributions with respect to the Fund. Coral Tree recognizes that there could exist certain potential conflicts of interest associated with the presence of a performance-based fee. Carried interest distributions could motivate Coral Tree to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. Coral Tree seeks to address these conflicts of interest by advising the Fund in accordance with the Fund’s investment strategy, guidelines and any allocation restrictions as set forth in the Fund’s Governing Documents.

### **ITEM 7: TYPES OF CLIENTS**

Coral Tree provides discretionary investment advice solely to the Fund, as described in Item 4.B. above. Investors are generally “accredited investors” within the meaning of Rule 501(a) under the Securities Act of 1933, as amended, and are generally either “qualified purchasers” within the meaning of Section 2(a)(51) under the Investment Company Act of 1940, as amended, or “qualified clients” within the meaning of Rule 205-3 under the Advisers Act. The Fund’s interests may generally be offered to high net worth individuals, funds of funds, pension funds, endowments, insurance companies, and other institutions. The Fund generally has a minimum

investment amount for third-party Investors as provided in the Fund’s offering documents. Such minimum investment amount may be waived by Coral Tree or the General Partner at their sole discretion.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Item 8.A. Methods of Analysis and Investment Strategy**

Coral Tree’s strategy focuses on control/significant equity investments in lower middle market, high growth companies across media, entertainment, communications, and related business services primarily in North America. The Firm’s investment strategy centers around the team’s sector experience and longstanding industry network. Generally, Coral Tree focuses on making control equity investments of \$15 to \$50 million in companies with enterprise values of up to \$250 million. Coral Tree’s strategy includes the following key elements: (i) target lower middle market companies with strong growth prospects; (ii) thematic sourcing approach; (iii) flexible structuring capabilities; and (iv) differentiated value creation post investment.

#### Target Lower Middle Market Companies With Strong Growth Prospects

Coral Tree believes that the lower middle market represents a rich opportunity set, as companies in this segment are typically at an inflection point of growth and in need of capital, strategic guidance, and human resources to continue to scale effectively. Coral Tree believes that mid-sized businesses will stand to benefit the most from the team’s industry experience, deep network of relationships, and value-added approach and provide an opportunity to earn attractive risk-adjusted returns for the Fund. Additionally, Coral Tree believes that the lower middle market segment is generally less competitive from a buyer perspective, with many other private equity sponsors having moved up-market or broadened their aperture to become multi-sector generalists. Coral Tree views larger and/or generalist sponsors as potential exit opportunities for the Fund’s investments along with strategic buyers.

For each target company, Coral Tree typically seeks the following characteristics: (1) identified strong secular growth prospects, (2) significant revenue with an established business model, (3) competitive differentiation, and (4) talented management seeking a value added partner.

#### Thematic Sourcing Approach

Coral Tree believes it possesses significant advantages in sourcing and closing on attractive investment opportunities due to the team’s prior experience, reputation, and extensive personal networks within its target industries. Coral Tree’s proactive origination efforts will begin with the development, often in collaboration with the Firm’s executive relationships in the industry, of specific themes within individual subsectors. These will be based on the team’s deep understanding built through fundamental research of the subsector’s trends and impact across various end markets and enhanced by the Firm’s continuous inbound deal flow and ongoing dialogue with sector participants. Coral Tree believes it will frequently be able to position itself as a preferred partner to management/entrepreneurs due to its ability to “speak a common language,”

practice of approaching target companies with a well-researched, pre-developed investment thesis in hand, and the Partners' overall reputation, and prior experience in the sector.

### Flexible Structuring Capabilities

Coral Tree will consider creative capital structures in order to accommodate and balance the needs of the seller, goals of the management team, and Coral Tree's return target, and expects that it will often be able to bridge "valuation gaps" through structuring. Coral Tree views this capability as an advantage to be able to secure attractive opportunities and expects the Fund to execute on a range of transaction types including majority buyouts, recapitalizations, and late stage growth equity infusions. Coral Tree may invest through highly structured securities including convertible preferred or participating preferred equity, which may often times include a strong element of downside protection through various waterfall/liquidation preferences but maintains equity upside. Consistent with prior experience, Coral Tree intends to apply a conservative amount of leverage to investments in order to enable the flexibility to execute a portfolio company's strategic growth plans without burdensome levels of debt service.

### Differentiated Value Creation Post Investment

Coral Tree believes its deep industry experience and access to relevant relationships provide a differentiated perspective on growth and value creation potential for a company. Coral Tree, in partnership with its team of executive advisors, will generally seek to implement a four-step process post acquisition: (1) define a clear value creation strategy; (2) build the right organization; (3) execute on tactical objectives; and (4) implement and drive the relevant metrics/KPIs to attract exit interest. The Coral Tree team has demonstrated its ability to assist portfolio companies in multiple ways post acquisition including augmentation of the management team, building out/formalizing a business development function, making strategic introductions, assisting in the expansion of a company's product and/or market, and executing add-on acquisitions or securing transformative joint ventures/partnerships.

### **Items 8.B. and 8.C.**

### **Materials Risks Involved for Coral Tree's Strategies**

Investing in the Fund involves a high degree of risk that each prospective Investor should carefully consider before making an investment. There is a possibility of partial or total loss of capital and Investors must be prepared to bear capital losses which might result from investments. In addition, there will be occasions when the Firm, the General Partner, or its affiliates may encounter potential conflicts of interest in connection with the activities of the Fund. A summary of certain risk factors and potential conflicts are described below. For a more complete description of the specific risk factors and conflicts of interest relevant to an investment in the Fund, Investors should refer to the Fund's offering documents.

No Assurance of Investment Return. The Firm cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that the Fund will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions

described herein. There can be no assurance that any expected or targeted returns for the Fund will be achieved, or that an Investor will receive a return of its capital or that the Fund will otherwise be able to carry out its investment program. An investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

*Past Performance Not Indicative of Future Results.* The past performance of the investments in which Coral Tree personnel participated is not necessarily indicative of future results. There can be no assurance that the Fund will generate investment returns commensurate with the past performance. Although the types of investments targeted by the Fund have similarities to certain investments in which Coral Tree personnel have participated in the past, the size, focus and strategy of the Fund are different than those associated with past investment participation. There can be no assurances that the Fund will achieve comparable results.

*No Operating History.* Each of the Fund and General Partner are newly formed entities that have just commenced operations and, therefore, have very limited operating history upon which a prospective Investor may evaluate their performance. There can be no assurance that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective. Accordingly, investors should draw no conclusions from the experience of the Partners and should not expect to achieve similar returns.

*Business and Financial Risks.* The Fund's investment portfolio may include securities issued by publicly and 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.

*Investment in Junior Securities.* The securities in which the Fund invests may be among the most junior in a company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Fund's investment once made.

*Investing in Growth-Oriented Companies May be Risky and Volatile.* The Fund may invest in growth-oriented companies. These companies are often characterized by short operating histories, new technologies and products, evolving markets, intense competition and management teams that have limited experience working together. A portfolio company's ability to succeed will be dependent upon its ability to constantly evolve its business to be sure that its products keep pace with changing products and markets. In addition, a portfolio company will need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. The Fund's returns will depend upon the Firm's and the General Partner's ability to find and invest in companies that can successfully combine these strategies where products and markets are constantly evolving. There can be no assurance that the Firm and the General Partner will find and invest in a sufficient number of these companies to meet Investor return expectations. In addition, growth companies may be more susceptible to macroeconomic effects and industry downturns, including those resulting from acts of terrorism and war.

*Investments in Smaller or Less Established Companies.* The Fund may invest a portion of its assets in the securities of smaller or less established companies. Investments in such smaller or less established companies may involve greater risks than generally are associated with investments in

larger or more established companies. To the extent there is any public market for the securities held by the Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Smaller or less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the Fund invests, the Fund may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other portfolio investments.

*Risks in Effecting Operating Improvements.* In some cases, the success of the Fund's investment strategy will depend, in part, on the ability of the Fund to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies is difficult and entails a high degree of uncertainty. There can be no assurance that the Fund will be able to successfully identify and implement such improvements or that such improvements, if made, will result in improved financial performance.

*Investments in Media and Entertainment Companies.* The Fund may and likely will make investments in the media and entertainment sector. Such investments may include, but are not limited to, technology-enabled or related growth investments. The success of media and entertainment companies depends substantially on consumer tastes and preferences that change in often unpredictable ways. Such companies must often make large investments in products (e.g., film production, television programming, broadcast rights, etc.) before knowing the extent to which such products will earn consumer acceptance. If a media company's entertainment offerings and products do not achieve sufficient consumer acceptance, revenue from advertising sales, affiliate fees, subscription fees, theatrical film receipts, licensing rights, merchandise, etc. may decline or fail to grow to the extent anticipated when making investment decisions and thereby adversely affect the profitability of such company. The increasing number of choices available to audiences, including low-cost or free choices, could negatively impact not only consumer demand for media and entertainment companies' products and services, but also advertisers' willingness to purchase advertising from such companies. Such companies compete for the sale of advertising revenue with television networks and stations, as well as other advertising platforms, such as radio, print and, increasingly, online media. Additionally, the success of companies in this space is increasingly dependent on their ability to successfully adapt to shifting patterns of content consumption through the adoption and exploitation of new technologies. This trend has impacted the business model for certain traditional forms of distribution, as evidenced by the industry-wide decline in ratings for broadcast television, the reduction in demand for home entertainment sales of theatrical content, the development of alternative distribution channels for broadcast and cable programming and declines in subscriber levels for traditional cable channels. Additionally, the value of a media company's intellectual property rights is dependent on the scope and duration of such rights as defined by applicable laws in the U.S. and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of such rights, or if existing laws are changed, a company's ability to generate revenue from its intellectual property may decrease, or the cost of obtaining and maintaining rights may increase. The unauthorized use of intellectual property may increase the cost of protecting rights to

intellectual property or reduce our revenues. The convergence of computing, communication, and entertainment devices, increased broadband internet speed and penetration, increased availability and speed of mobile data transmission and increasingly sophisticated attempts to obtain unauthorized access to data systems have made the unauthorized digital copying and distribution of films, sports, television productions and other creative works easier and faster and protection and enforcement of intellectual property rights more challenging. The unauthorized distribution and access to entertainment content represents a significant challenge for intellectual property rights holders. Inadequate laws or weak enforcement mechanisms to protect entertainment industry intellectual property in one country can adversely affect the results of a company's operations worldwide, despite efforts to protect its intellectual property rights. As seen with COVID-19, in the event of a public health emergency, pandemic, or any other situation that could adversely impact the media and entertainment industry (for example, but not by limitation, where it is not feasible to attend live entertainment events), whether for an isolated event or a series of events or for a protracted period of time, such a situation could adversely impact any companies that are in any way dependent on the media/entertainment sectors to generate revenue, potentially materially so.

*Investments in Corporate Divestitures.* The Fund may invest a portion of its assets in the securities of companies that have been formed through divestitures from larger corporations. Investments in such companies may involve greater risks than generally are associated with investments in more established companies. Companies that are divested from larger corporations have no experience operating as separate stand-alone entities and may not have accounting, human resources or other systems in place to support their operations. Such companies may also require extensive restructuring, new management expertise and a significant commitment of financial and managerial resources from the Fund. Less established companies tend to have smaller capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases will have negative cash flow. Some of the portfolio investments may be considered highly speculative and may result in the loss of the Fund's entire investment. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other investments.

*Investments in Public Companies.* The Fund may make investments in the securities of portfolio companies that have gone public and in the securities of other publicly traded companies. Such public company securities may be thinly traded, relatively illiquid or may cease to be publicly traded after the Fund invests. Such investments may also be in private investment in public equity ("PIPE") investments that the Fund will generally not be able to sell or distribute unless the securities are registered under applicable securities laws or an exemption from such registration is available. In addition, since the Fund may take large ownership positions as part of PIPE transactions, even after the securities are saleable, it may take a significant period of time for them to be sold or distributed in an orderly manner during which time profit could have otherwise been realized or loss avoided, and in some cases the Fund may be prohibited by securities laws or by contract from selling such public company securities for a period of time. In addition, the Fund's sales of thinly traded securities could depress the market value of such securities. These circumstances or events could reduce the Fund's returns. Disposition of the Fund's public company investments may result in distributions in kind to Investors. If the market price of the distributed securities decline rapidly after such distribution, Investors may not be able to realize

the full value of the securities at the time of distribution. General fluctuations in the market prices of securities may affect the value of the portfolio investments held by the Fund. Instability in the securities markets may also increase the risks inherent in the Fund's portfolio investments.

*Concentration of Investments.* The Fund may participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of any single investment. Moreover, since not all of the Fund's investments can reasonably be expected to perform well or even return capital, for the 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, other than as set forth under the Fund's Governing Documents, Investors have no assurance as to the degree of diversification of the Fund's portfolio investments, either by geographic region, asset type or sector. To the extent the Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic to business conditions with respect thereto. Furthermore, if the Fund co-invests with other private equity funds, an Investor may have exposure to portfolio investments through more than one fund. In circumstances where the Firm or 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 the Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification. Furthermore, we expect that all of the Fund's portfolio companies will be concentrated in the media, entertainment, communications, and related business services markets. Concentration in select industries may involve risks greater than those generally associated with more diversified investment fund, including significant fluctuations in returns. In the event that any one of these industries decline, returns to Investors may also decline.

*Broad Investment Mandate.* Except as described generally in the Fund's Governing Documents, there are no material limitations on the instruments, markets or countries in which the Fund may invest or the specific investment strategies that may be employed on behalf of the Fund. Although the Fund generally considers and makes investments across a wide spectrum of investment types, including pursuing investments that involve control or influence over the underlying portfolio company and/or pursuing control/buyout transactions, the Fund may also pursue a venture capital strategy with a focus on growth potential. Additionally, and while the Fund generally intends to focus on investments within the media, entertainment, communications, and related business services markets as discussed more fully herein, the number and nature of potential investments within such industries are broad and wide-ranging. Moreover, the investment guidelines set forth in the Fund's Governing Documents are subject to the good faith interpretation of the Firm and General Partner, and transactions within such objectives may be effected using a broad array of transaction types, structures, and techniques. The Fund's portfolio may be concentrated at various points in time, including, for example, with respect to the number of investments included in the portfolio (which will be particularly limited when the Fund commences its investing activities), the nature of such investments and the geographies or industry sectors represented by the companies in which the Fund invests.

*Highly Competitive Market for Investments.* The business of identifying, negotiating, acquiring, monitoring, managing and selling investments is highly competitive, involves a high degree of

uncertainty and will be subject to market conditions. The Fund expects to encounter competition from other persons or entities with similar investment objectives. The Fund may be unable to find a sufficient number of attractive investments to meet its investment objectives. There can, therefore, be no assurance that investments of the Fund will meet all the investment objectives of the Fund, or that the Fund will be able to invest all of its available capital. Potential competitors include, but are not limited to, strategic industry acquirers, other investment partnerships and corporations, business development companies and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an increasing number of venture capital funds, private equity funds and hedge funds have been or are being formed (and many such existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than Coral Tree, the General Partner and their affiliates. It is possible that competition for appropriate investment opportunities may increase, which may also require the Fund to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Fund and adversely affecting the terms upon which portfolio investments can be made. Participating in auctions will also increase the pressure on the Fund with respect to pricing of a transaction. There can be no assurance that the Fund will be able to identify or consummate investments satisfying its investment criteria or that if such investments are made, that such investments will be realized upon at favorable valuations or that the objectives of the Fund will be achieved. There can be no assurance that the Fund will be able to locate, complete, and exit investments that satisfy the Fund's rate of return objectives, or realize upon their values, or that it will be able to invest all of its available capital. To the extent that the Fund encounters competition for investments, returns to Investors may decrease.

In addition, Coral Tree's investment strategies in certain cases may depend on its ability to enter into satisfactory relationships with joint venture partners or executive advisors. There can be no assurance that Coral Tree's current relationship with any such partner or advisor will continue (whether on currently applicable terms or otherwise) with respect to the Fund or that any relationship with other such persons will be able to be established in the future as desired and on terms favorable to the Fund.

*Reliance on the Firm and the General Partner.* Decisions with respect to the management of the Fund will be made by the Firm and the General Partner. The Firm and the General Partner will have the exclusive responsibility for the Fund's activities, and other than as expressly set forth in the Fund's Governing Documents, Investors will not be able to make investment or other decisions in the management of the Fund. Investors will also not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the Firm and the General Partner in its selection of investments, nor to receive the detailed financial information issued by portfolio companies that is available to the Firm and the General Partner. The success of the Fund will depend on the ability of the Firm and the General Partner to identify and consummate suitable investments, to improve the operating performance of investments and to dispose of investments of the Fund for a profit. The loss of services of one or more of the Partners, William Wynperle and Alan Resnikoff, could have an adverse impact on the Fund's ability to realize its investment objectives. There can be no assurance that each of the Partners will continue to be affiliated with the Fund through its anticipated term. One or more Partners may cease to be affiliated with the



Fund and new partners may be admitted to the Firm and the General Partner during the anticipated term of the Fund. The roles and responsibilities within Coral Tree of certain investment advisory professionals, including senior investment professionals, are likely to be modified during the life of the Fund, including modifications that result in less time devoted to the Fund.

*Other Activities.* The Partners and other employees of Coral Tree will devote that portion of their time to the affairs of the Fund necessary for the proper performance of their duties. Other business activities of the Partners may at times require those individuals to devote time to matters unrelated to the business of the Fund and the Fund will have no interest in these other activities.

*Reliance on Portfolio Company Management Teams.* Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the General Partner and the Firm will be responsible for monitoring the performance of each portfolio investment and the Fund seeks to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully. The success of many of the Fund's portfolio companies is heavily dependent on the management of such companies.

*Management Team Expenses; Platform Investments.* From time to time, the Fund may recruit a management team to pursue a new "platform" opportunity expected to lead to the formation of a future portfolio company. In other cases, the Fund may form a new investment and recruit a management team to build the portfolio company through acquisitions and organic growth. In both cases the Fund will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the platform company. Such expenses may be borne directly by the Fund as partnership expenses (or broken deal expenses, if applicable) or indirectly as the Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. In certain cases the services provided by a management team may overlap with the services provided by the Firm to the Fund. The compensation of management of a platform portfolio company may include interests in the profits of the portfolio company, including profits realized in connection with the disposition of an asset. Although a platform portfolio company may be controlled by the Fund, members of a management team will not be treated as affiliates of the General Partner for purposes of the Governing Documents. Accordingly, none of the expenses described above will offset the management fee.

*Investments in Restructurings and Distressed Debt.* While it is not the Fund's primary strategy, in limited instances the Fund may make investments in (i) restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties or (ii) distressed debt securities and instruments. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Fund to certain additional potential liabilities that may exceed the value of the Fund's original investments therein. In addition, under certain circumstances, payments to the Fund and distribution by the Fund to the Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Investments in distressed debt securities and instruments are inherently speculative and are subject to a high degree of risk. Companies experiencing financial distress are

often those operating at a loss or with substantial variations in operating results from period to period. Companies experiencing financial distress may be involved in insolvency proceedings and have the need for substantial additional capital to support continued operations or to improve their financial condition. Distressed companies may have further inability to service their debt obligations during an economic downturn or periods of rising interest rates, may not have access to more traditional methods of financing and may be unable to repay debt by refinancing. The value of distressed debt securities and instruments tends to be more volatile and may have an increased price sensitivity to changing interest rates and adverse economic and business developments than other securities and instruments.

*Debt Securities.* While the Fund invests primarily in equity securities, it may invest in debt securities of existing or new portfolio companies in instances where the General Partner believes it would be beneficial for the Fund to do so. Debt securities are subject to creditor risks, including the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws and so-called lender liability claims by the issuer of the obligations. Further, the laws with respect to creditors and other investors in non-U.S. jurisdictions may not be as comprehensive or as well developed as in the United States, and the procedures for the judicial or other enforcement of such rights may not be as effective as in the United States. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of the Fund’s investment in any such company. The Fund’s investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Fund earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that the Fund’s rate of return objectives will be realized. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of underlying assets selected as collateral may allow the Fund to withstand certain assumed deficiencies in payments occasioned by an issuer’s default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the Fund in respect to its investment. Any subordinated investments of the Fund will be subordinated to the senior obligations of an issuer. In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on and declines in the value of such securities more quickly than in the case of the senior obligations of such issuer.

*Non-U.S. Investments.* The Fund may invest a portion of its aggregate commitments outside of the United States. To the extent the Fund invests in companies organized or with substantial operations outside the United States, those investments will be subject to risks associated with foreign investments. These risks include, but are not limited to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Fund’s foreign investments are denominated, and costs associated with conversion of

investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including differences in rules and regulations, potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, political hostility to investments by foreign, venture capital or private equity Investors, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation or other changes in law; (v) differences between U.S. and foreign market contract terms (e.g., foreign contracts do not typically include many of the closing conditions that are commonly found in U.S. contracts) and conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities, including as a result of the loss of tax treaty benefits that were expected at the time of investment; (vii) less developed corporate laws regarding fiduciary duties and the protection of Investors; and (viii) less publicly available information. No assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Fund. In addition, certain of the aforementioned risks may be increased with respect to any investments by the Fund in developing and emerging markets.

Minority Investments. The Fund will often hold minority positions in portfolio companies with proportional board representation and, therefore, may have a limited ability to control various strategic decisions. While as a condition to an investment in a portfolio company, certain rights generally will be sought to protect the Fund's interests to the extent possible, these rights, when available, are generally in the nature of a veto versus the right to cause desired outcomes. There can be no assurance that the Fund will be able to obtain any such veto or similar rights. As a result, the Fund may not be able to cause a portfolio company to take actions which it believes would maximize the value of its investment or refrain from taking actions which it believes will impair the value of its investment. In such cases, the Fund will typically be significantly reliant on the existing management, board of directors and other equity holders of such portfolio companies, who may not be affiliated with the Fund and whose interests may conflict with the interests of the Fund.

Controlling Investments. The Fund intends to own a significant portion of the securities of its portfolio companies, including ownership positions which may represent a majority of a portfolio company's voting securities. These investments may entitle the Fund to elect substantially all of a portfolio company's directors and exert significant influence over a portfolio company's business, operations, affairs and transactions. These capabilities could lead the Fund to be viewed as controlling a portfolio company or being considered a controlling stockholder, and as a result, the could (i) expose the assets of the Fund to claims, lawsuits or investigations by such company, its security holders, creditors, government or regulatory authorities or other persons or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. In the event any such claims were successful, the Fund may be held liable for any damages that are awarded or be required to fund any settlement with such parties. Even if such claims, lawsuits or investigations

prove to be without merit, the Fund may be required to expend significant resources defending itself and its affiliates. In addition, the Fund's reputations and goodwill may be harmed if it is considered a controlling stockholder of a portfolio company that is subject to negative publicity.

*Illiquid and Long-Term Investments.* Investment in the Fund requires a long-term commitment with no certainty of return. There most likely will be little or no near-term cash flow available to Investors. Many of the portfolio investments will be highly illiquid and there can be no assurance that the 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 Investors. 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. The Fund will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act. In some cases, the Fund may be prohibited by contract from selling certain securities for a period of time. Even where the Fund holds freely tradable publicly traded securities, the Fund's position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity when the Fund wishes to dispose of or reduce its position in such company by selling shares into the market. In the event that the Fund acquires control positions in certain companies or acquires an interest in certain companies where officers or employees of the Firm or the General Partner serve as directors, the filing of various forms required by Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as part of the process of selling shares owned by the Fund may impact negatively the price of the shares that can be obtained by the Fund.

*Uncertainty of Projected Returns.* The Fund may make investments based on the Firm and the General Partner's estimates or targets of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of Fund assets, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual rate of return received upon the Fund's investments. The Fund may make investments that may have different degrees of associated risk. In addition, targeted returns of unrealized investments may not reflect the value obtainable in a sale of such investments under current market conditions. If such investments were liquidated under current market conditions, the values obtained may, with respect to certain investments, be materially lower than those indicated in the targeted values shown, as business plans generally assume the improvement of market conditions at the time of disposition. Accordingly, the actual realized returns on these unrealized investments may differ materially from the returns indicated herein.

*Risks Relating to Due Diligence of and Conduct at Portfolio Companies.* Before making investments, the General Partner and/or the Firm will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisors or consultants may present risks primarily relating to the General Partner's reduced control of the

functions that are outsourced. When conducting due diligence and making an assessment regarding an investment, the General Partner and/or the Firm will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the General Partner and/or the Firm carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Fund as being speculative and having a high degree of risk.

There can be no assurance that the Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis. Conduct occurring at the Fund's portfolio companies, even activities that occurred prior to the Fund's investment therein, could have an adverse impact on the Fund. In the event of fraud by any portfolio company or any of its affiliates, the Fund may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of the Fund's securities and/or instruments in such portfolio company. The Fund will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

*Use of Leverage.* While portfolio investments in leveraged companies offer the opportunity for capital appreciation, such portfolio investments also involve a higher degree of risk. The Fund's portfolio investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in companies in the media, entertainment, communications, and related business services markets described above) may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Fund may suffer a partial or total loss of capital invested in the portfolio company. In addition, borrowings by the Fund may be secured by Investors' commitments as well as by the Fund's assets. To the extent a portfolio company in which the Fund has 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.

In addition, portfolio companies may need to refinance their outstanding debt as it matures. There is a risk that portfolio companies may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of their existing loan agreements. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect the Fund's cash flows and the return on its investments.

Borrowings under any proposed subscription line credit facility will be secured, among other things, by Investors' interests in the Fund and its obligations to make capital contributions to the Fund. Any inability of the Fund (or its subsidiaries) to repay such borrowings could enable a lender to call capital from Investors and to take action against Investors and their interests in the Fund to the extent that such Investors fail to fund any such capital call. In connection with the foregoing, each Investor may be required, for the benefit of lenders extending credit to the Fund, to (i) acknowledge its obligation to make capital contributions to repay borrowings or other credit support obligations, (ii) provide the Firm or General Partner with copies of its current financial statements from time to time (including any legal opinions, certificates, Investor acknowledgments and information about such Investor's beneficial owners requested by the lender of such indebtedness), (iii) confirm from time to time the amount of its unfunded commitment and (iv) make certain customary representations and warranties regarding the obligation of such Investor to make capital contributions and as to the validity and enforceability of the subscription agreements and its obligations under the Governing Documents.

Bridge Financings. From time to time, the Fund may lend to Portfolio Companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within the Fund's control, such long-term securities or other refinancing or syndication may not be issued and such bridge loans and interim investments may remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the unsecured position taken by the Fund and may result in a greater concentration to a particular company and sector than anticipated.

Recycling; Reinvestment. The General Partner has the right to generally recall capital contributions applied to a portfolio investment that has been disposed of within a specified timeframe after the date such portfolio investment was made (or retain such amounts) and to recall amounts distributed to Investors up to the amount of capital contributions used to pay partnership expenses, management fees and organizational expenses. Accordingly, during the term of the Fund, an Investor may be required to make capital contributions in excess of their commitment, and to the extent such recalled or retained amounts are reinvested in portfolio investments, an Investor will remain subject to investment and other risks associated with such portfolio investments.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the 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, may result in a lost opportunity for the Fund to increase its participation in a successful operation, may result in the Fund's investment in the relevant portfolio company becoming diluted and in circumstances where the follow-on investment is offered at a discount to market value, may result in a loss of value for the Fund.

Investments Longer than Term. The Fund may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although the Firm and the General Partner expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the Firm and the General Partner has a limited ability to extend the term of the Fund, the Fund may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Fund the Firm and the General Partner will be required to use its best efforts to reduce to cash and cash equivalents such assets of the Fund as the Firm and the General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to Investors will occur.

General Economic and Market Conditions. The private equity industry generally and the success of the 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, environmental and socioeconomic circumstances. A sustained downturn in the U.S. or global economy (or any particular segment thereof) or adverse development in prevailing market trends could adversely affect the Fund's profitability, impede the ability of the Fund's portfolio companies to perform under or refinance their existing obligations, and impair the Fund's ability to effectively exit its portfolio investment on favorable terms. Factors affecting economic conditions, including, for example, inflation rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends and innumerable other factors, none of which will be in the control of the Fund, can substantially and adversely affect the business and prospects of the Fund. A recession or adverse developments in the securities market would be expected to have an adverse impact on some or all of the Fund's investments. The Fund may be adversely affected to the extent that it seeks to dispose of any of its investments into an illiquid or volatile market, and the Fund may find itself unable to dispose of an investment at a price that General Partner believes reflects the investment's fair value. Any of the foregoing events could result in substantial or total losses to the 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.

Moreover, to the extent that marketplace events such as the deterioration of the global credit markets in the aftermath of the global financial crisis of 2007-2008 were to occur in the future, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which the Fund has invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such defaults, the Fund may suffer a partial or total loss of capital invested in such companies, which could, in turn, have an adverse effect on the Fund's returns. Such marketplace events also may restrict the ability of the Fund to sell or liquidate investments at favorable times or for favorable prices and may negatively impact potential buyers of the Fund's investments. Additionally, the Fund may be required to pay break-up, termination or other fees or expenses even if the Fund is willing to close on an investment if it is ultimately unable to close on

such investment due to a lender's unwillingness to provide previously committed financing. In addition, a downturn in the performance of the public equity markets may limit the ability to exit investments through initial public offerings, subsequent follow-on offerings and/or block trades.

*Financial Market Fluctuations.* Turmoil such as that currently being experienced by the U.S. and global financial markets as a result of the ongoing COVID-19 pandemic, and such as markets endured during the global financial crisis of 2008, illustrates the risk that the financial markets can experience uncertainty, volatility and instability, potentially for protracted periods of time. Lending and the global credit markets may experience substantial volatility, disruption, liquidity shortages and to some extent financial instability. Global financial markets in the past have experienced considerable and prolonged declines in the valuations of equity and debt securities and periodic acute contraction in the availability of credit. There can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of the Fund's portfolio investments (including with respect to performing under or refinancing their existing obligations), their access to capital or leverage, their ability to effectively deploy their capital or realize investments on favorable terms, or their overall performance. Please see "Coronavirus and Public Health Emergencies" for additional important considerations regarding global economic conditions.

General fluctuations in the market prices of securities and interest rates may adversely affect the value of the Fund's portfolio investments and/or increase the risks associated with in the Fund's portfolio investments. In particular, conditions in the credit markets may have a significant impact on the business of the Fund. Among other things, the ability of companies, businesses, projects or assets to refinance debt depends on their ability to obtain financing, including by selling new debt in the high-yield debt or bank financing markets. However, disruption of the global credit markets, which may lead to instability in the global financial system generally as seen, for example, during the 2008 global financial crisis, makes it significantly more difficult for financial sponsors to obtain favorable financing terms for their investments. There can be no assurances that the current downturn in the global financial market conditions will not persist and that such downturn as well as market fluctuations will not adversely affect one or more of the Fund's portfolio companies, including with respect to performing under or refinancing their existing obligations, their access to capital or leverage, their ability to effectively deploy capital or realize investments on favorable terms or their overall performance.

Similarly, there can be no assurance that the Fund will not suffer material adverse effects from broad and/or rapid changes in market conditions in the future. The level of investment opportunities may decline from the General Partner's current expectations, making fewer investment opportunities available to the Fund (although, during a time of challenging market conditions, it is possible there could be opportunities to take larger positions in the transactions that do occur). Another possible consequence of a constrained credit market is that the Fund may take a longer than anticipated period to invest capital, as a result of which, at least for some period of time, the Fund may be more concentrated in a limited number of investments than expected. Consequently, during this period, the returns realized by the Fund (and thus Investors) may be substantially adversely affected by the unfavorable performance of a small number of these investments.



Furthermore, market conditions may unfavorably impact the Fund's ability to secure leverage on terms as favorable as more established borrowers in the market, or to obtain any leverage on commercially feasible terms. To the extent the Fund is able to secure financing for investments, increases in interest rates or in the risk spread demanded by financing sources would make the partial financing of investments with indebtedness more expensive and could limit the Fund's ability to structure and consummate its investments. Although the General Partner believes that the continued unfolding of the credit cycle will result in attractive investment opportunities, it may not be able to manage the timing of the Fund's investments in the most advantageous manner, which could result in further depreciation in values. The Fund's investment strategy and the availability of opportunities satisfying the Fund's risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast, or predict future events, and, in any event, past performance is not indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the General Partner will prove correct and actual events and circumstances may vary significantly.

*Hedging Policies / Risks.* In connection with the acquisition, holding, financing, refinancing or disposition of certain portfolio investments, the Fund may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange. The costs of such hedging techniques will be borne by the Fund. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. Further, such hedging transactions could result in diminished returns (or increased losses on capital) to the extent overall returns are less than the Fund's costs or losses associated with such hedging transactions.

*Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry.* The Fund's ability to achieve its investment objectives, as well as the ability of the Fund to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Fund's ability to achieve its investment objectives, as well as the ability of the Fund to conduct its operations. Financial services regulation, including regulations applicable to Coral Tree, has increased significantly in recent years, and may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or Congressional leadership. It is difficult to determine the full extent of the impact on Coral Tree of any new laws, regulations or initiatives that may be proposed or whether any of the proposals will become law.

There continues to be significant discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private equity industry. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law. A key feature of the Dodd-Frank Act is the extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") to financial institutions that are not currently subject to such regulation but that potentially pose risk to the financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is substantially engaged in activities that are financial in nature. The Financial Stability Oversight Council (the

“FSOC”), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to regulation by the Federal Reserve (including capital, leverage and liquidity requirements) if the FSOC determines that such company is systemically important. The Dodd-Frank Act does not contain any minimum size requirements for such a designation, and it is possible that it could be applied to private funds, particularly large, highly leveraged funds.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity funds and hedge funds and other provisions that will affect the private equity industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called “**Volcker Rule**” (as amended by the Reform Act, as defined below, and together with its implementing regulations) which takes the form of new Section 13 of the Bank Holding Company Act of 1956. Among other things, the Volcker Rule prohibits any “banking entity” (generally defined as any insured depository institution, subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law and any affiliate or subsidiary of the foregoing entities), as principal, from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the 1940 Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act.

Prospective investors in the Fund that are banking entities should consult their bank regulatory counsel prior to making an investment.

The Volcker Rule also requires certain nonbank financial companies that have been designated as systemically important by the FSOC and subject to supervision by the Federal Reserve (as discussed above) to comply with additional capital requirements and comply with certain other quantitative limits on such activities, although such entities are not expressly prohibited from engaging in proprietary trading or sponsoring or investing in such funds. The Volcker Rule became effective as a matter of statute on July 21, 2012, but banking entities have a so-called “conformance period,” running until July 21, 2015, to wind down, sell, transfer or otherwise conform their investments and activities to the Volcker Rule, absent an extension by the Federal Reserve or an exemption for certain “permitted activities.” On December 10, 2013, the Federal Reserve and other federal regulatory agencies issued final rules implementing the principal components of the Volcker Rule. Prospective Investors in the Fund that are banking entities should consult their bank regulatory counsel prior to making an investment.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on Coral Tree or the Fund, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on Coral Tree or otherwise impede the Fund’s activities. The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the “**Reform Act**”) was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying the Volcker Rule to exempt depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and

significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted certain clarifying amendments to the Volcker Rule's restrictions on sponsoring and investing in certain covered hedge funds and private equity funds, along with certain new exemptions that will allow banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation vehicles and family wealth management vehicles (the "**Covered Fund Amendments**"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments, which became effective as of October 2020, expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and such regulatory developments on the Fund and its activities remain uncertain, and the private investment fund industry may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or Congressional leadership. Prospective Investors should note that any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on the Fund and its activities.

In addition, as private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has recently been subject to criticism by some politicians, regulators, and market commentators. In Germany, for example, U.S. and U.K. private equity firms are perceived by some as being responsible for high levels of domestic unemployment. There have been similar concerns expressed in other European countries. Various federal, state and local agencies have been examining the role of placement agents, finders and other similar service providers in the context of investment by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the General Partner and its affiliates may be exposed to claims and/or actions that could require an Investor to withdraw from the Fund. As a related matter, Coral Tree may be required to provide certain information regarding some of the investors in the Fund to regulatory agencies and bodies in order to comply with applicable laws and regulations including the U.S. Foreign Corrupt Practices Act (the "**FCPA**"). Furthermore, elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing would not have a material adverse effect on the Fund and its ability to achieve its investment objectives.

This increased political and regulatory scrutiny of the private equity industry was particularly acute during the global financial crisis. For example, in addition to the U.S. legislative developments described above, other jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations and have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, private equity funds and hedge funds.

There is therefore a material risk that regulatory agencies in the United States, Europe, Asia or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity and hedge fund industry, or other changes that could adversely affect private equity firms, hedge fund firms and the funds they sponsor, including the Fund.

Finally, increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of Coral Tree and the General Partner, and may furthermore place the Fund at a competitive disadvantage to the extent that Coral Tree, the General Partner and/or the Fund are required to disclose sensitive business information.

As a result, there can be no assurance that any of the foregoing will not have an adverse impact on Coral Tree or otherwise impede the Fund's ability to effectively achieve its investment objectives.

*Legal, Tax and Regulatory Risks.* Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund, its portfolio companies or Investors. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. The Fund may invest in portfolio companies that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio companies that are subject to regulation. Failure to comply with any of these laws, rules and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have material adverse effects. The Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of a variety of countries. There can be no assurance that regulations promulgated in the U.S. or other countries where the Fund invests will not harm the Fund or its investments. Failure to comply with any of these laws, rules, and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have material adverse effects.

*Investments in Regulated Industries.* The Fund may make investments in portfolio companies operating in industries that are subject to greater amounts of regulation than other industries generally. Investments in portfolio companies that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. 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. A portfolio company also could 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 company. Governments have considerable discretion in implementing regulations including, for example, the possible imposition or increase of taxes on income earned by or from a portfolio company or gains recognized by the Fund on its investment in such portfolio company, that could

impact a portfolio company's business and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business. There can be no assurance that the relevant governmental entities will not legislate, impose regulations and/or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of the Fund's investments. The Fund or a portfolio company may be unable to effectively pursue legal remedies against governmental entities for a breach of contractual obligations or other violations of their legal rights.

*Economic Sanctions and Anti-Corruption Considerations.* Economic sanction laws in the United States and other jurisdictions may prohibit Coral Tree, Coral Tree's professionals and/or the Fund from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals and other parties subject to OFAC sanctions and embargo programs. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. Besides the economic sanctions enforced by OFAC, other jurisdictions maintain and enforce their own economic sanctions. These jurisdictions include the United Nations, the European Union and the United Kingdom. Coral Tree maintains policies and procedures to prevent violations of economic sanctions in all jurisdictions to which it is subject but compliance cannot be guaranteed. In addition, in spite of Coral Tree's policies and procedures, affiliates of the Fund's Portfolio Companies, particularly in cases where the Fund or another Coral Tree sponsored fund or vehicle does not control such Portfolio Company, may engage in activities that could result in OFAC violations. An allegation of a violation may cause Coral Tree to bear material legal and compliance fees and a finding of a violation of economic sanctions by OFAC or other relevant authorities may subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could materially and adversely affect Coral Tree's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities and of corruption. These factors, along with others, may increase the prevalence of corrupt activity in business dealings in certain countries. Coral Tree, the Coral Tree professionals and the Fund are committed to complying with the FCPA and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities and for investments to obtain or retain business. In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the UK Bribery Act of 2010 (the "UK Bribery Act") is broader in scope than the FCPA and applies to private and public sector corruption and holds companies liable for failure to prevent bribery unless they have adequate procedure in place to prevent bribery. Other countries have also adopted or improved their anti-corruption legal regimes in recent years. While Coral Tree has developed and

implemented policies and procedures designed to cause compliance by Coral Tree and its personnel with the FCPA, the UK Bribery Act and other similar laws, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of Coral Tree's policies and procedures, affiliates of the Fund's Portfolio Companies, particularly in cases where the Fund or another Coral Tree sponsored fund or vehicle does not control such portfolio company, may engage in activities that could result in a violation of the FCPA, UK Bribery Act or other similar laws. An allegation of a violation may cause Coral Tree to bear material legal and compliance costs. Any determination that Coral Tree has violated the FCPA or other applicable anti-corruption laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could materially and adversely affect Coral Tree's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations. The Fund may incur costs and expenses associated with engaging external counsel or other third party consultants or professionals in connection with inquiries or investigations relating to FCPA or other applicable anti-corruption laws or anti-bribery laws.

*Litigation.* In connection with ordinary course investing activities, the Firm, the General Partner, the Fund and their respective affiliates as well as the portfolio companies may become involved in litigation either as a plaintiff or a defendant. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Fund. Any such litigation could be prolonged and expensive. In addition, it is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments generally would be borne by the Fund and would reduce net assets or could require Investors to return to the Fund distributed capital and earnings. In addition, from time to time past or current members or employees of Coral Tree may disagree with Coral Tree and/or its management over terms related to separation or other issues. If not resolved, such disputes could lead to litigation or arbitration, which could be costly, distracting and/or time consuming for Coral Tree management.

*Cyber Security Breaches and Identity Theft.* Coral Tree's and 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 and earthquakes. Although Coral Tree has implemented, and portfolio companies will likely implement, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Coral Tree, the Fund and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Coral Tree's, the 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). Such a failure could harm Coral Tree'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.

*Investments in Which Other Coral Tree Funds Have a Different Principal Interest Generally.* The Fund may invest directly or indirectly in companies or other entities in which other Coral Tree Clients have or are currently making a different principal investment (including with respect to relative seniority) or vice versa. In such situations, the Fund and such other Coral Tree funds may have conflicting interests. For example, (i) if the Fund and other Coral Tree funds participate in separate tranches of a fundraising with respect to the same portfolio company or (ii) if the Fund makes or has an equity investment in a portfolio company in which another Coral Tree fund has a debt or equity investment (or vice versa), then Coral Tree will, in each case, generally have conflicting loyalties between the duties to the Fund and to such other Coral Tree funds. In that regard, actions may be taken for the other Coral Tree funds that are adverse to the Fund or vice versa. In addition, conflicts of interest may arise in determining the amount of an investment, if any, to be allocated among the potential investors and the respective terms thereof. There can be no assurance that the return on the Fund's investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction. It is possible that in a bankruptcy, insolvency or similar proceeding the Fund's interest may be subordinated or otherwise adversely affected by virtue of the involvement and actions of an affiliate of Coral Tree relating to its investment. Except to the extent of fees paid to the General Partner specifically relating to the Fund's capital commitment or investment of capital, Investors will in no way receive the benefit from fees paid to Coral Tree from a portfolio company and in any event Investors will receive the benefit of such fees only as set forth in the Fund's Governing Documents.

*Co-Investments by Coral Tree.* A Coral Tree Co-Investment Vehicle may co-invest with the Fund in each portfolio investment. Participants in such Coral Tree Co-Investment Vehicles may include estate planning vehicles, friends and family of Coral Tree, the General Partner and their respective affiliates, partners, members, shareholders, officers, directors, executives, executive advisors and employees. The terms of an investment made by Coral Tree co-investors in any Co-Investment Vehicle will differ from the terms on which Investors invest in the Fund in that Coral Tree co-investors will not be charged management fees or carried interest or bear any Broken Deal Expenses. All Broken Deal Expenses will be borne entirely by the Fund (including the General Partner and affiliated Coral Tree investors) and any parallel funds including the portion of Broken Deal Expenses that, had a transaction been consummated, would have been attributable to Coral Tree Co-Investment Vehicles or any other Co-Investment Vehicles.

*Advisors and Executive Advisors.* Coral Tree has engaged or retained consultants, executive advisors, and/or other professionals who are expected, from time to time, to receive payments from portfolio companies as well as from Coral Tree or the Fund. In such circumstances, such payments from portfolio companies will be treated as an expense of such portfolio companies, and such payments from Coral Tree and/or the Fund will be treated as partnership expenses. In each case, such payments will not be deemed paid to or received by Coral Tree, and such amounts will not offset management fees. Such compensation and benefits borne by portfolio companies may include, but will not be limited to, success fees in connection with the closing of the investment, the ability to invest in and receive stock options in the applicable portfolio company, and compensation relating to serving on the portfolio company's board of directors. The nature of the relationship with each of the consultants, executive advisors, and/or other professionals and the amount of time devoted or required to be devoted by them may vary considerably. In certain cases, they may provide the General Partner and/or the Firm with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide

reference checks on management teams. In other cases, they may take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities.

*Co-Investments Generally.* Prospective investors should note that while the General Partner may offer co-investment opportunities in its sole discretion, it is not expected to offer co-investment with respect to all investments made by the Fund. Nothing in this Brochure constitutes a guarantee, prediction or projection of the availability of future co-investment opportunities. Investing in the Fund does not give Investors any rights, entitlements or priority to co-investment opportunities and such opportunities may, and typically will, be offered to some and not other Investors, or Coral Tree affiliates, Coral Tree employees or third parties who are not investors in the Fund. The General Partner may present co-investment opportunities to certain Investors and other third-party potential co-investors at any time and with respect to any particular co-investment opportunity, at different times. Thus, one or more Investors and/or other third-party potential co-investors may have a longer period of time to evaluate a co-investment opportunity relative to other potential co-investors being offered the same opportunity. The allocation of co-investment opportunities may involve various benefits to Coral Tree, including, without limitation, asset-based fees or performance-based compensation from the co-investment opportunity. Further, certain co-investors may receive favorable terms or priority arrangements with respect to their participation in co-investment opportunities and the terms thereof (including, for greater certainty, potentially relating to reduced or waived management fees and/or carried interest arrangements).

*Force Majeure.* Investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, hurricanes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, or similar events such as “active shooters,” labor strikes and nationalization of industry). Some force majeure events may adversely affect a party’s ability (including a portfolio company or a counterparty to the Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In some cases, agreements can be terminated if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by the Fund or a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest specifically. Additionally, a major governmental intervention into an industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Fund, including if its investment in such portfolio company or asset is canceled, unwound or acquired (which could be without what the Fund considers to be adequate compensation) and any compensation provided by the relevant government may not be adequate. Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

*Coronavirus and Public Health Emergencies.* As of the date hereof, there is an outbreak of a novel and highly contagious form of coronavirus (“**COVID-19**”), which the World Health Organization has declared to constitute a “Public Health Emergency of International Concern.” The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity,



and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact, to the private equity industry and global markets as a whole, is currently unknown. The global ramifications of the outbreak are rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Many businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in the global public and private markets, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived), are increasingly uncertain and difficult to assess. While there have been coordinated efforts in many countries to distribute vaccines among populations, it remains uncertain how effective these efforts will be in combating the spread of COVID-19 and what impact these efforts will have on consumer confidence and economic activity levels.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the Fund and the portfolio companies and could meaningfully affect the Fund's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Fund's and the portfolio companies' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, Investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of the portfolio companies, the Fund's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and the Fund's ability to achieve its investment objectives, all of which could result in significant losses to the Fund. Any such disruptions may continue for an extended period of time. In addition, the operations of the Fund, the portfolio companies, and Coral Tree may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly the Partners, or the personnel of any such entity's key service providers. Additionally, restrictions on immigration and processing

of visas and other work permits may affect the work force of the Fund's portfolio companies, some of which may rely on foreign talent as an important part of its work force and which could have a material adverse impact on their ability to implement their business plans. The impact to businesses in such circumstances has been and is expected to continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, the Fund is expected to incur heightened legal expenses which could similarly have an adverse impact to the Fund's returns. For example, but not by limitation, the Fund or portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Fund and/or its portfolio companies. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to the Fund or the portfolio companies in the form of economic harm, data loss or other negative outcomes.

## **ITEM 9: DISCIPLINARY INFORMATION**

Coral Tree and its supervised persons have no reportable disciplinary events to disclose.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Item 10.A. Broker Dealer Affiliations**

Coral Tree and its management persons are not registered, nor have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Item 10.B. Commodity or Futures Industry Affiliations**

Coral Tree and its management persons are not registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, futures commission merchant, or an associated person of any of the foregoing entities.

### **Item 10.C. Affiliate Relationships**

The General Partner, an affiliate of the Firm, serves as general partner to the Fund and is entitled to carried interest distributions from the Fund, which is a performance-based fee.

### **Item 10.D. Investment Adviser Recommendations**

Coral Tree and its supervised persons do not recommend or receive compensation for the selection of other investment advisers for the Fund.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Item 11.A. Code of Ethics Generally**

Coral Tree has adopted a Code of Ethics (the “**Code**”), which sets forth standards of conduct that are expected of Coral Tree directors, officers, principals and employees and addresses conflicts of interests. The Code generally sets the standard of ethical and professional business conduct that Coral Tree requires of its personnel, sets forth the fiduciary obligations that Coral Tree and its personnel owe to the Fund, and requires personnel to comply with applicable federal securities laws and regulations.

The Code sets forth Coral Tree’s policies and procedures with respect to personal trading and requires Coral Tree personnel to obtain written approval before transacting in certain personal securities transactions, including transactions in private placements or limited offerings and initial public offerings. Coral Tree personnel must also report personal securities holdings initially and annually and personal securities transactions on a quarterly basis. Personal securities transactions by personnel who manage Client accounts are required to be conducted in a manner that prioritizes the Client’s interests in Client eligible investments. Additionally, the Code includes policies and procedures with respect to material non-public information and other confidential information, political contributions, gifts and entertainment and other matters related to potential conflicts of interest.

A copy of the Code is available to any Investor or prospective Investor upon request by contacting the number on the cover page of this Brochure.

#### **Item 11.B through Item 11.D. Related Person Transactions**

The General Partner and certain Executive Advisors may maintain investments directly in the Fund. The General Partner’s and certain Executive Advisors’ financial interests in the Fund could create a potential conflict in that it could cause Coral Tree to make different investment decisions than if such parties did not have such financial ownership interests. However, Coral Tree believes that these financial interests align Coral Tree’s and its personnel’s incentives with those of the Investors.

Coral Tree’s investment professionals may serve as members of the boards of directors of various companies other than the Fund’s portfolio companies and may participate in other activities outside of the General Partner and Coral Tree. Conflicts may arise as a result of such activities. The possibility exists that the companies with which one or more of the investment executives is involved could engage in transactions that would be suitable for the Fund, but in which the Fund might be unable to invest.

#### **ITEM 12: BROKERAGE PRACTICES**

Coral Tree currently does not engage in trading transactions on behalf of the Fund or utilize the services of broker-dealers for transaction related services. However, from time to time, the Firm may use a broker to effect transactions in public securities resulting from, or in connection with, portfolio investments. These circumstances would include, among other things, the distribution of securities acquired in a transaction effected on behalf of, or in connection with, portfolio investments. In these instances, Coral Tree has full discretionary authority with respect to the selection of, and commissions paid to, brokers. If Coral Tree determines to engage a broker, the Firm will select the broker considering the range and quality of its brokerage services, its execution

capability and trade efficiency, level of trading expertise, commission rate, infrastructure, financial responsibility, responsiveness to the Firm and other similar factors.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **Item 13.A. and 13.B. Review of Accounts**

Coral Tree will closely monitor the portfolio companies and other holdings of the Fund. The Fund's portfolios will be reviewed on an ongoing basis by the Firm's Investment Committee, which reviews and monitors the Fund's investments, identifies investment opportunities that meet the Fund's investment objectives and goals, reviews individual investment performance and recommends changes when appropriate, and works closely with staff to ensure that the Fund's investment objectives are being met. Coral Tree's Investment Committee is composed of the Partners.

### **Item 13.C. Client Reports**

Investors in the Fund will typically receive, among other things, a written quarterly report with respect to the Fund's portfolio investments and audited financial statements of the Fund on an annual basis. In addition, the Firm or the General Partner will also conduct an annual informational meeting for Investors. Coral Tree and the General Partner may also, from time to time, in their sole discretion, provide additional information relating to the Fund to one or more Investors as they deem appropriate.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **Item 14.A. Other Compensation**

Coral Tree is authorized to provide certain business or consulting services to companies in the Fund's portfolio and will receive compensation from these companies in connection with such services. As described in the Fund's Governing Documents, this compensation will, in many cases, offset a portion of the management fees paid by such Fund.

### **Item 14.B. Client Referrals**

Coral Tree has engaged Credit Suisse Securities (USA) LLC to serve as a placement agent and, in such role, facilitate the sale of interests in the Fund. General Partner will pay the placement agent a placement fee based upon the amount of interests committed to by applicable Investors.

Neither Coral Tree nor its related persons directly or indirectly compensate any person who is not a supervised person for client referrals.

## **ITEM 15: CUSTODY**

In accordance with Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"), the Fund will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and audited financial

statements of the Fund will be prepared in accordance with generally accepted accounting principles and distributed to Investors within 120 days of the end of the Fund's fiscal year. Investors should carefully review the audited financial statements of the Clients upon receipt, and should compare these statements to any account information provided by Coral Tree.

## **ITEM 16: INVESTMENT DISCRETION**

Coral Tree has discretionary authority to manage securities accounts on behalf of the Fund. As explained in Item 4.B. above, the Fund's investment strategy is set forth in detail in the Fund's Governing Documents. Investors do not have the ability to impose limitations on this discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in the Fund.

## **ITEM 17: VOTING CLIENT SECURITIES**

To the extent that Coral Tree has discretion to vote the proxies on behalf of a Client, Coral Tree will vote any such proxies in the best interests of the Clients and in accordance with its proxy voting policies and procedures outlined in the Firm's compliance manual (the "**Manual**"). While the securities evidencing the private equity investments made by the Fund are not typically the subject of proxies, there could be certain circumstances where Coral Tree, having discretionary authority over the Fund, may be asked to vote the securities of the Fund on restructuring or other corporate matters. Under certain circumstances, Coral Tree may abstain from voting specific proxies if it believes that doing so is in the best interests of the Fund.

In the event of a material conflict of interest, Coral Tree will follow the written policies and procedures detailed in the Manual. Although not intended to be used on a regular basis, Coral Tree may retain an independent third party to vote proxies in certain situations (including situations where a material conflict of interest is identified).

Investors generally do not have the ability to direct proxy votes. Investors or prospective Investors may obtain additional information regarding how Coral Tree voted proxies and may obtain a copy of Coral Tree's proxy voting policies and procedures by contacting the Firm. Contact information is provided on the cover page of this Brochure.

## **ITEM 18: FINANCIAL INFORMATION**

### **Item 18.A. Balance Sheet**

Coral Tree does not require nor solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance.

### **Item 18.B. Financial Condition**

Coral Tree is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

### **Item 18.C. Bankruptcy Petitions**

Coral Tree has not been the subject of a bankruptcy petition at any time during the past ten years.