

# Allies Capital Management LLC

## Part 2A of Form ADV

### The Brochure

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March 2023

This brochure provides information about the qualifications and business practices of Allies Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at (914) 383-8788. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Allies Capital Management LLC is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference to Allies Capital Management LLC as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

## **Item 2      Material Changes**

This item discusses material changes that were made to this brochure since our initial registration filing dated May 2022. Since that date we have made no material changes to this brochure.

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## **Item 4      Advisory Business**

### ***General Information***

Allies Capital Management LLC (“ACM” or “the Firm”) is a Delaware limited liability company formed in January 2021. ACM is 100% owned by M. Klein Associates, LLC (“MKA”). MKA is 100% owned by Michael Klein, who is also the controlling, managing member of MKA.

### ***Our Firm***

ACM is planning to conduct the following business as described throughout this brochure. ACM provides discretionary investment advice to its private investment funds (the “Funds”) and certain other advisory clients. The Funds managed by ACM have a flexible mandate for investment opportunities including in private growth companies and public markets transactions as well as private equity and special situations. To identify investment opportunities, ACM will leverage the network and investment personnel of its affiliates: M. Klein & Company, The Klein Group, LLC (“TKG”), Archimedes Advisor Group LLC (“Archimedes”), and the entities comprising Churchill Capital (together with Archimedes, “Archimedes/Churchill”). ACM generally focuses on minority investments with the ability to selectively pursue certain controlling investment situations. These minority investments are achieved using transactions in later-stage venture capital, growth equity, crossover fundings, IPO anchor orders, recapitalizations, structured equity, convertible debt and founder shares and publicly traded securities of listed equity vehicle business combinations. ACM’s advisory services consist of providing investment advice and other management and administrative services, including investigating, structuring, and negotiating potential investments on behalf of the Funds, monitoring the performance of such investments and advising as to disposition of such investments.

### ***Nature of Our Clients***

ACM provides discretionary investment management services through affiliated entities that are specifically formed to serve as general partners of the Funds (the “General Partners”). The Funds are typically U.S. limited partnerships or other investment vehicles that are not registered or required to be registered under the U.S. Investment Company Act of 1940 (“1940 Act”) or the U.S. Securities Act of 1933 (“Securities Act”), and are privately placed to qualified investors in the United States and elsewhere.

Persons and entities that invest in the Funds are referred to in this brochure as “investors” or “limited partners.” ACM provides investment advice and other services directly to the Funds and not individually to the investors in the Funds.

### ***Types of Advisory Services Offered***

Discretionary investment management services will be provided to the Funds in accordance with the terms of private placement memoranda and relevant offering materials and governing documents, including limited partnership agreements, side letters and management agreements, of the Funds (together, the “Fund Documents”).

Discretionary investment management services are provided directly to each Fund, subject to the discretion and control of the applicable General Partner, and not individually to the investors in such Fund. The terms upon which the Firm serves as investment manager of a Fund are established at the time such Fund is established and are generally set out in the Fund Documents applicable to such Fund. These terms may vary among each Fund and potentially restrict investments in accordance with certain diversification provisions.

Discretionary investment management services may also be provided in a “sub-advisor” capacity to private investment funds that are not affiliated with ACM.

### ***Assets Under Management***

As of 12/31/2022, ACM has approximately \$25,000,000 of regulatory assets under management all of which are managed on a discretionary basis.

## **Item 5 Fees and Compensation**

### ***Management Fees***

ACM and the General Partners of the Funds generally receive management fees and “carried interest” allocations, as described in Item 6 below, respectively, in connection with the investment management and other services the Firm and the General Partners provide to the Funds. Such fees and carried interest allocations paid by a Fund are indirectly borne by investors in such Fund.

Clients will pay ACM investment management fees in accordance with their investment management agreements. These fees can include fixed fees for investment management services.

The Funds generally pay annual management fees based upon aggregate commitments during the commitment period (i.e., period of time during which the applicable General Partner may draw upon the limited partners’ capital commitments to make new investments pursuant to (and in accordance with the terms and conditions set forth in the Fund Documents)) of the relevant Fund, and, following the commitment period, based upon funded commitments with respect to investments that have not been the subject of a disposition.

The precise amount of, and the manner and calculation of, the management fees for each Fund are established by ACM, as modified by negotiations with limited partners in the applicable Fund, and are set forth in such Fund’s Fund Documents received by each limited partner prior to investment in such Fund. ACM may irrevocably elect to waive all or any portion of the management fee payable with respect to one or more limited partners. The management fees and other fees and distributions described herein are generally subject to waiver or reduction by ACM or the applicable General Partner, in their sole discretion, both voluntarily and on a negotiated basis with selected investors. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another, as well as among limited partners in the same Fund.

To the extent provided in the Fund Documents of the Funds, ACM will pay out of management fees its own operating expenses incurred in connection with the management of the Funds (which,

for the avoidance of doubt, exclude those expenses borne directly by the Funds as described below). Additionally, ACM will bear full economic responsibility for “excess organizational expenses” in respect of a Fund as set forth in the applicable Fund Documents and for any placement fees through an offset against management fees.

### *Expenses*

Each Fund will bear all legal and other expenses incurred in the formation of such Fund and the relevant General Partner, up to an agreed maximum amount, and subject to the terms set forth in the relevant Fund Documents. To the extent provided in the applicable Fund Documents, ACM will pay all of its own ordinary administrative and overhead expenses in managing Fund investments, including salaries, benefits and rent.

Each Fund will typically pay all costs and expenses relating to its operations. The operating expenses for each Fund are set forth in the Fund Documents, but generally include, but are not limited to, the following: (a) the management fee; (b) expenses incurred in connection with the identification, structuring, negotiation, making, sourcing (including any retainers, success fees, finder’s fees and other compensation paid to investment banks, consultants, finders and similar persons), researching, holding, monitoring, development, ownership, operation, management, financing, sale, restructuring, proposed sale or restructuring, other disposition or valuation of portfolio investments and temporary investments (including bridge financings) or investments and temporary investments considered for the Fund (including due diligence in connection therewith), including, but not limited to, legal, accounting, audit, consulting, appraisal, travel, lodging, transportation, meals, entertainment, hedging and other expenses, the attendance at conferences in connection with the evaluation of potential portfolio investments or specific sectors or industries solely to the extent that such conferences are in furtherance of Fund business, and expenses for business development and entertainment directly related to the development and management of portfolio investments and any prospective portfolio investments, in each case, to the extent that such fees and expenses are not reimbursed by a portfolio company or other third party; (c) premiums for D&O insurance and other insurance protecting the Fund and any “indemnified party” from liabilities; (d) legal, trustee, paying agent, record-keeping, auditing and accounting fees and expenses; (e) expenses related to the administration of the Fund or its subsidiaries, including, but not limited to, fees, expenses and costs of a third party administrator, fees, expenses and costs incurred in connection with the preparation and circulation of drawdown notices and distribution notices (including, without limitation, fees, expenses and costs of service providers), the maintenance of the Fund’s books of account and the preparation of audited or unaudited financial statements required to implement the provisions of the Fund’s partnership agreement or by any governmental authority with jurisdiction over the Fund (including those of independent auditors, accountants and counsel, those of preparing and circulating the reports called for by the Fund’s partnership agreement (including, without limitation, Schedules K-1 or other similar schedules), and any fees or imposts of a governmental authority imposed in connection with such books and records and statements) and other routine administrative fees, costs and expenses, including, but not limited to, those relating to the preparation of tax returns, cash management expenses and insurance and legal expenses and other reports to Partners; (f) auditing, investment banking, accounting, banking and consulting fees and expenses; (g) appraisal expenses, including the cost of any independent valuation expert; (h) expenses related to the organization, documentation and

maintenance of persons through or in which portfolio investments may be made (including, without limitation, parallel investment vehicles, alternative investment vehicles, holding vehicles, feeder funds, blocker corporations and underlying partnerships and the Fund's and their respective subsidiaries); (i) expenses of the limited partner advisory committee and expenses of meetings thereof (including travel expenses and expenses of any independent counsel engaged by the limited partner advisory committee with the consent of the General Partner); (j) taxes and other governmental charges, fees and duties payable by the Fund (including interest and penalties thereon), in each case, except to the extent that such amounts are (i) allocable to, or indemnifiable by, a limited partner and (ii) actually borne or paid by such limited partner, and all expenses incurred by the tax matters representative, as provided in the Fund's partnership agreement, or in connection with any tax filing, audit, examination, investigation, settlement or review of the Fund; (k) costs of any meetings with limited partners, including the limited partner annual meeting (including expenses relating to accommodation, meal, event, entertainment, travel of employees and operating partners or advisors and other similar expenses and costs related thereto); (l) costs of winding up and liquidating the Fund, any parallel investment vehicles, alternative investment vehicles, holding vehicles, feeder funds, blocker corporations, underlying partnerships and their respective subsidiaries; (m) costs and expenses incurred in connection with all legal and regulatory compliance obligations under applicable U.S. and non-U.S. laws and regulations, including those directly related to the making, holding or disposing of portfolio investments by the Fund, whether such compliance obligations are imposed on ACM, the General Partner, their affiliates or the Fund (including, without limitation, (i) Form PF, (ii) Section 13, Section 16 and other filings under the Securities Exchange Act of 1934, (iii) costs and expenses relating to the European Union's Alternative Investment Fund Managers Directive (the "AIFM Directive") (including applicable filings and reports and the expenses of any custodian and/or depository appointed by the General Partner or its affiliates in relation to the performance of any functions of a custodian and/or depository contemplated by the AIFM Directive or any related national private placement regime), (iv) any filings or other documents necessary to avoid the imposition of withholding or other taxes pursuant to FATCA, (v) applicable CFTC filings, and (vi) applicable antitrust filings); (n) costs, expenses, interest and liabilities related to borrowings, guarantees and credit support and other obligations, including all legal, audit, accounting, consulting, appraisal and other expenses (to the extent not subject to reimbursement) incurred in connection therewith; (o) expenses incurred in connection with the implementation of environmental, social and governance policies in connection with the activities of the Fund or any portfolio investment or proposed portfolio investment, including due diligence and reporting; (p) expenses relating to a defaulting partner; (q) expenses incurred in connection with hedging transactions; (r) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the General Partner, to the extent necessary to implement a restructuring or amendment to the Fund's partnership agreement or other Fund documents; (s) expenses incurred in connection with distributions to partners; (t) expenses incurred as a result of a proposed transaction or investment by the Fund that is not consummated, to the extent not reimbursed by a third party (including out-of-pocket expenses incurred by any operating partner or operating advisor, break-up fees and fees and expenses related to unconsummated transactions and including expenses and costs that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such persons); (u) extraordinary expenses, including costs and liabilities incurred in connection with litigation, investigations, settlements or review of the Fund or other extraordinary events, and indemnity

expenses, including the amount of any judgments or settlements; (v) expenses incidental to the transfer, servicing and accounting for the Fund's cash and securities, including all charges of depositaries and custodians; (w) communications expenses (including any software or online data portal used in connection with reporting, capital call notices, distribution notices and other communications with partners); (x) expenses incurred in connection with a purchase, sale, assignment, pledge or transfer of all or a portion of a limited partner's interest in the Fund or the withdrawal or termination of a limited partner (except to the extent allocable to or payable by, and actually borne and paid by, the applicable purchaser or limited partner, assignee, pledgee or transferee, as the case may be); (y) fees, costs and expenses of anti-money laundering or "know your customer" compliance, tax diligence expenses and/or related procedures; (z) out-of-pocket expenses incurred in connection with the collection of any amounts due to the Fund from any person; and (aa) expenses associated with the notification and election process in connection with the "most favored nations" process, including the preparation of any compendium related thereto.

In certain instances, certain expenses of a Fund or a General Partner incurred in connection with making, holding or otherwise disposing of, or otherwise relating to, a portfolio investment may be borne or reimbursed by the applicable portfolio company and, as such, will not be paid by such General Partner or such Fund (and any amounts received as reimbursement of expenses by a portfolio company shall not be considered Transaction Fees (as defined below) for purposes of any offset of management fees contemplated by the Fund Documents).

In addition, in some cases, expenses will be attributable to more than one Fund or to ACM and one or more Funds. In such cases, ACM will allocate such expenses to all affected Funds in its discretion. ACM will experience a conflict of interest when determining and applying an allocation methodology. Please see item 8 below for information regarding the conflicts of interest that may arise in relation to ACM's expense allocation.

### ***Co-Investment Funds***

In certain cases, a co-investment vehicle will be formed in connection with the consummation of a transaction. Co-investment opportunities may be effected through limited partnerships or other entities formed to effect such co-investments ("Co-Investment Funds"). The management fees and incentive allocations charged to a Co-Investment Fund or another co-investor in an investment made alongside a Fund may, in the sole discretion of ACM, vary from the management fees and carried interest amounts payable by the investors in other Funds. In addition, if a proposed transaction is not consummated, no such Co-investment Fund generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction would therefore be borne by the Fund or Funds selected by ACM as proposed investors for such proposed transaction.

### ***Other Fees***

ACM, its affiliates and personnel may, in accordance with the terms and conditions set forth in the Fund Documents, receive (i) transaction, consulting, advisory and other similar fees associated with portfolio investments or proposed portfolio investments or commitments made by a Fund, (ii) fees in connection with transactions that are not completed (i.e., break-up fees) and (iii) directors' fees



in connection with portfolio investments ((i), (ii) and (iii), collectively, “Transaction Fees”). For purposes of determining the management fee offset described below, Transaction Fees exclude any portion thereof that is allocable to or is based on an investment by any parallel investment vehicle, alternative investment vehicle, co-investment vehicle, or other investor, on the basis of capital committed (or to be committed) by each to the relevant transaction. Generally, under the terms of the applicable Fund Documents, Transaction Fees are net of out-of-pocket costs and expenses incurred by ACM in connection with consummated or unconsummated investments or in connection with generating any such fees. Transaction Fees may be substantial and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although Transaction Fees are in addition to the management fees, ACM will generally apply all or a specified percentage of such Transaction Fees to reduce the amount of management fees paid by the applicable Fund in connection with the receipt of such Transaction Fees. The amount and manner of such reduction is set forth in the Fund Documents of the applicable Fund. As some Funds (in particular, co-investment funds) do not pay management fees, any such reduction will not benefit such Funds.

In addition, ACM is authorized to waive or reduce all or a portion of the management fee payable by a Fund in full or partial satisfaction of any obligation of ACM and certain employees and affiliates of ACM to invest in and/or alongside such Fund, which could result in acceleration of investor capital contributions. Waived or reduced management fees may not be subject to various offsets or the reductions described above. Due to waived or reduced management fees and/or the timing of receipt of compensation subject to offsets, Fund investors may not receive the full benefit of reductions or offsets.

As part of its strategy, the Firm expects to enter into certain strategic relationships with operating partners, operating advisors and similar persons to provide certain services in connection with sourcing investments, due diligence and/or providing operating management to portfolio companies. In connection with such services, these persons may be entitled to (a) receive cash and/or non-cash (e.g., equity) consideration for their services from the applicable portfolio companies, (b) invest directly in one or more portfolio companies and (c) participate in a portion of the carried interest received by a General Partner. Any such cash or non-cash consideration received by an operating partner, operating advisor or similar person from a portfolio company will not be considered Transaction Fees for purposes of any offset of management fees contemplated by the Fund Documents.

### ***Affiliated Broker-Dealer***

ACM is an affiliate of TKG, which is registered as a broker-dealer with the SEC, and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), with CRD number 46472. TKG may be involved in the public offering or private placement of securities and other instruments issued by portfolio companies and other non-controlled entities in or through which certain Funds invest, and/or may provide capital markets advisory services to portfolio companies and other controlled or non-controlled entities in or through which Funds invest, including in connection with mergers and acquisitions. In addition to Transaction Fees received by ACM, its affiliates and personnel, TKG may receive fees and other compensation, which may be payable in cash or securities, in respect of the activities described above. While such fees and other compensation are

believed by ACM to be reasonable and charged at market rates for the relevant activities, such compensation is generally determined through negotiations with related parties. No compensation received by TKG for the foregoing activities will be considered Transaction Fees for purposes of any offset of management fees contemplated by the Fund Documents or otherwise shared with the Funds. TKG does not share in any Transaction Fees earned by ACM, which are generally allocated among the Funds as discussed above. Please see Item 10 – “Other Financial Industry Activities and Affiliations” for further information regarding TKG. Please also see Item 8 below for a discussion of material conflicts of interest created by the receipt of Transaction Fees and fees for services by TKG.

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

A portion of the profits of the Funds, if any, is distributed to its General Partner as “carried interest” (the “Carried Interest”). Carried Interest is a share of the net profits realized on the disposition of investments that is paid to the Fund’s General Partner as an incentive to maximize performance of the Fund. The Carried Interest percentage is negotiated at the time the Fund is formed and shall be calculated and distributed in accordance with applicable Fund Documents. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors (including employees and other related persons of ACM) in such Funds incur lower or no Carried Interest. Certain co-investment investors are also not required to bear Carried Interest. The fact that a significant portion of ACM’s and the General Partners’ compensation is directly computed on the basis of profits generated by the sale/disposition of Fund assets may create an incentive for ACM to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such compensation. The existence of a capital commitment by the General Partner to the Fund may reduce this incentive. Additionally, the General Partner is subject to a “clawback” of Carried Interest previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to the General Partner by the Fund as Carried Interest, applied on an aggregate basis covering all transactions of the Fund.

## **Item 7      Types of Clients**

ACM provides discretionary investment management services to the Funds and certain other advisory clients (institutions and businesses). The eligibility and suitability requirements for investors in the Funds are described in the Fund Documents. The Funds generally only admit sophisticated investors that are “accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act, and “qualified purchasers” (or “knowledgeable employees”), as defined in the 1940 Act and the rules thereunder.

ACM and the applicable General Partner, on behalf of a Fund, are expected from time to time to enter into agreements (“Side Letters”) with limited partners which provide such limited partners with additional or different rights than such limited partners have pursuant to the Fund offering documents. As a result of such Side Letters, certain limited partners will receive additional rights (which may include expanded informational rights or preferential economic terms) which other limited partners will not receive. ACM and the General Partner will not be required to notify all limited partners of any such Side Letters or any of the rights or terms or provisions thereof, and will not be required to offer such additional or different rights or terms to all limited partners.

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

In general, the Funds' investment objectives are to achieve significant, long-term capital appreciation by making opportunistic investments in primarily private companies, but will make also investments in select public company transactions and securities. Specifically, the Funds seek to locate, analyze and make venture capital, growth capital or private equity investments through equity and equity-related securities. The Funds will also selectively invest in structured equity and convertible debt of public and private companies and founder shares, warrants and publicly traded securities of listed public equity vehicles. A portion of these investments may be in co-investments led by other private investment firms. These securities will be issued by U.S. and non-U.S. entities engaged across industries. ACM will generally have influence on the management, operations and strategic direction of the portfolio companies, but this is not a requirement for investment. For certain larger transactions, the Fund may seek co-investment partners. ACM's investments focus primarily on minority investments with select ability to pursue controlling investments.

ACM employs an active investment strategy to enhance the long-term value of its portfolio companies. ACM draws upon the financial expertise and professional networks of its partners and investment professionals to source, value and structure investments. In addition, ACM may utilize "operating partners" or other advisors to enhance its ability to identify, conduct diligence and execute investments, as well as create significant value post acquisition.

### **Risk Factors**

#### ***GENERAL***

An investment in a Fund involves a significant degree of risk, relating both to the types of investments contemplated by such Fund as well as to a Fund's ability to achieve its investment objectives and therefore should be undertaken only by those investors capable of evaluating the risks of a Fund and bearing the risks it represents. There can be no assurance that a Fund will meet its investment objectives or that a limited partner will receive a return of its capital. As such, a limited partner should have the ability to sustain the loss of its entire investment in a Fund.

#### ***PORTFOLIO INVESTMENT RISKS***

##### ***Unspecified Investments.***

The investments made by a Fund and each such portfolio company in which the Partnership invests will be unknown at the time of each limited partner's investment in the Fund. Limited partners will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding investments to be made by a Fund. No assurance can be given that a Fund will be successful in obtaining suitable investments or that, if investments are made, the objectives of a Fund will be achieved.

### ***Portfolio Investments in Growth Businesses.***

Each Fund intends to invest in growth companies. These companies may be characterized by short operating histories, evolving markets, intense competition and management teams that have limited experience working together. A portfolio company may need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. A Fund's returns will depend upon the applicable 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 applicable General Partner will find and invest in a sufficient number of these companies to meet investor return expectations.

### ***Portfolio Investments in Less Established Businesses.***

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

### ***Highly Competitive Market for Investment Opportunities.***

The success of a Fund as a whole depends upon the identification and availability of suitable investment opportunities that fall within a Fund's investment objectives and the ability of each General Partner and the Firm to identify, negotiate, close, manage and exit those investment opportunities. The activity of identifying, completing and realizing on attractive portfolio investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. There can be no assurance that each General Partner or the Firm will be able to locate and complete investments which enable a Fund to invest any portion of its committed capital in opportunities that satisfy a Fund's investment objectives or realize the value of these investments.

Each Fund will compete for the right to make portfolio investments with an ever-increasing number of other parties, including other consortia, companies and other private investment funds, as well as individuals, financial institutions and other institutions, some of which may have greater resources than other Funds. As a result of such competition, a Fund may have difficulty in making certain investments or, alternatively, a Fund may be required to make portfolio investments on economic terms less favorable than anticipated. If a Fund fails to make new portfolio investments or makes portfolio investments on less favorable terms, such Fund's financial condition and results of operations could be materially and adversely affected. The limited partners will be required, nonetheless, to contribute capital to pay management fees based on their respective commitments during the commitment period. The availability of investment opportunities will be subject to market conditions, the prevailing regulatory conditions or the political climate in industries and regions in which a Fund may invest and other factors outside the control of such Fund.

### ***Illiquid and Long-Term Investments.***

Although portfolio investments may generate current income, the return of capital and the realization of gains, if any, from a portfolio investment will most likely occur only upon the partial or complete disposition of such portfolio investment. While portfolio investments may be sold at any time, it is generally expected that the disposition of most of a Fund's portfolio investments will not occur for a number of years after such portfolio investments are made. It is unlikely that there will be a public market for the securities held by a Fund at the time of their acquisition, and such securities may require a substantial length of time to liquidate. A Fund generally will not be able to sell the securities it holds of any portfolio investment publicly unless its sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, a Fund may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to sell a portfolio investment at a time or price it might otherwise desire to do so.

### ***Projections.***

A Fund may rely upon projections developed by the Firm or a portfolio company concerning the portfolio company's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the Firm and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flow.

### ***Expedited Transactions.***

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

### ***Disposition of Private Investments.***

Each Fund's portfolio investments will primarily involve private securities, which are generally more difficult to sell than publicly traded securities, as there is often no liquid market. This lack of liquidity may result in selling investments at a discount. In connection with the disposition of an investment in private securities, Funds may agree to purchase price adjustments and may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund may be obligated to fund additional capital pursuant to such purchase price adjustments and also may be required to indemnify the purchasers of such investment to the extent that any such representations or disclosure documents turn out to be inaccurate, incorrect or misleading. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the

limited partners to the extent of their unfunded commitments or prior distributions made to such limited partners.

***Risks upon Disposition of Investments.***

In connection with the disposition of certain types of portfolio investments, each Fund may be required to make representations about the business and financial affairs of the applicable portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. Each Fund may also be required to indemnify the purchasers of such portfolio company or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Partners. The Fund Documents typically contain provisions to the effect that if there is any such claim in respect of a portfolio investment, it will be funded by the Fund's partners to the extent of their unpaid commitments or to the extent that they have received distributions from such Fund, subject to certain limitations.

***Regulation Impacting Investments.***

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

***Equity Securities.***

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

***Control Position.***

Each Fund may make investment opportunities that allow a Fund to either acquire control through majority ownership or exercise significant influence over the management, operation and strategic direction of portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for regulatory non-compliance, environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of a Fund to claims by such portfolio company, its security holders, its creditors and its regulators.

While each General Partner intends to manage a Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

### ***Minority and “Toehold” Investments.***

Each Fund is generally expected to make minority equity investments in portfolio companies where it may have more limited influence. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of a Fund, and a Fund may not be in a position to limit or otherwise protect the value of its portfolio investments in such portfolio companies. A Fund’s control over the investment policies of such portfolio companies may also be limited. This could result in a Fund’s portfolio investments being frozen in minority positions that incur substantial losses. Therefore, there can be no assurance that a Fund will be able to realize the value of any such investments and distribute proceeds in a timely manner. In addition, although a Fund will generally seek board representation in connection with its minority portfolio investments, there is no assurance that such representation, if sought, will be obtained.

If a Fund takes a minority position in publicly traded securities as a “toehold” investment, such publicly traded securities may fluctuate in value over the limited duration of the portfolio investment in such publicly traded securities, which could potentially reduce returns to limited partners. While each General Partner may seek to accumulate larger positions through open market purchases, registered tender offers, negotiated transactions or private placements, each General Partner may be unable to accumulate a sufficiently large position in a portfolio company to execute its strategy. In such circumstances, a Fund may dispose of its position in the portfolio company within a short time of acquiring it and there can be no assurance that the price at which a Fund can sell such securities will not have declined since the time of acquisition. Moreover, this may be exacerbated by the fact that securities of the companies that a Fund may target may be thinly traded and a Fund’s position therein, while not controlling, may nevertheless be substantial, resulting in its disposal potentially depressing the market price for such securities.

### ***Leverage.***

Certain of the portfolio investments may include portfolio companies whose capital structures have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Although each General Partner will seek to use leverage in a manner it believes is appropriate under then-circumstances, the leveraged capital structure of such portfolio companies will increase the exposure of such portfolio companies to adverse economic factors, such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio companies or their industries and may impair such portfolio companies’ ability to finance their future operations and capital needs, resulting in restrictive financial and operating covenants. Consequently, such portfolio companies’ flexibility to respond to changing business and economic conditions may be limited. If for any of these reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of a Fund’s investment in such portfolio company could be significantly reduced or even eliminated. Moreover, a Fund may invest in securities that are not protected by financial covenants or limitations on additional indebtedness.

### ***Syndications and Bridge Financings.***

A Fund may make a portfolio investment with the intent of selling, refinancing or otherwise reducing it, including through co-investment by one or more limited partners or third parties, after the closing of such portfolio investment. Any such portfolio investment may include assets that each General Partner may not have caused a Fund to acquire on a stand-alone basis (including, without limitation, because the risk/return profile or other characteristics of such assets may not be desirable or appropriate for a Fund), and each General Partner may seek to reduce a Fund's exposure to such assets through disposition, refinancing, co-investment or another transaction. In these situations, a Fund's strategy may depend, in part, upon its ability to sell, refinance or otherwise reduce its exposure to such portfolio investments after initially agreeing to consummate them. There can be no assurance in such instances that a Fund will be successful in doing so or that the terms of any such transaction will be attractive, including because there may not be sufficient interest in or for the assets, or limited partners or third parties may not accept all or a portion of the amount offered for co-investment. If a Fund is unable to complete such an anticipated transaction, its portfolio investments will be less diversified than they otherwise may have been and a Fund may have greater exposure to certain portfolio investments, regions and sectors than intended or desired, including to assets that each General Partner would not have acquired on a stand-alone basis or to a portfolio investment that exceeds the amount that is permitted to be invested in a single investment that does not involve bridge financing. In addition, to the extent that a Fund is unable to complete an anticipated transaction, it may incur broken deal and related costs associated with the pursuit of such transaction.

Generally, in the case of a Fund reducing a portfolio investment involving bridge financing (including through disposition or co-investment), such transaction will be completed at a price negotiated by each General Partner and the purchaser taking into account the then-relevant facts and circumstances, which may include a Fund's cost of such portfolio investment (and an allocable portion of costs and expenses) and other market events and forces. There can be no assurance that such transaction price will be equal to or more than a Fund's cost of such portfolio investment or that it necessarily or accurately reflects the then-market value of such portfolio investment, all costs and expenses associated therewith, or any interest or other carrying cost that would typically be associated with such transaction. In addition, a Fund may face increased risk of inability to complete the transaction under certain market conditions, including when the portfolio investment has decreased in value while held by a Fund. A Fund will be required to bear the losses of such portfolio investment if such a transaction is not consummated or if a Fund is required to sell such portion of its portfolio investment at a reduced price to reduce a Fund's exposure to such portfolio investment.

#### ***Fraud.***

Of paramount concern in purchasing securities and other assets is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of a portfolio company or other asset. The General Partner relies upon the accuracy and completeness of representations made by counterparties to the extent reasonable and appropriate, but cannot guarantee that such representations are accurate or complete.

#### ***Market Abuse.***

Any fraud, price manipulation, market abuse or improper influence in markets in which a Fund directly or indirectly invests may have a material adverse effect on a Fund. There can be no



assurance that any form of regulation or any market constraints would prevent fraud, price manipulation, market abuse or improper influence in the future. Moreover, there can be no assurance that any redress would be available to, or would be practical for, a Fund to pursue with respect to any particular fraud, price manipulation, market abuse or improper influence.

### ***Counterparty Risk.***

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

### ***Portfolio Company Management.***

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

## ***FUND RISKS***

### ***Absence of Operating History and Limited Value of Historical Performance Data.***

Each Fund is established with no operating history upon which prospective investors can evaluate the likely performance of such Fund. The prior experience of the Firm, the officers or other investment professionals of ACM cannot be construed as any indication of the future results of a Fund. While each General Partner intends to make investments that have estimated returns commensurate with the uncertainties involved, there can be no assurance that a Fund's investment objectives will be achieved. limited partners should have the ability to sustain the loss of their entire investment in a Fund. In view of the current geopolitical situation, it is possible that significant disruptions in, or historically unprecedented effects on, the financial markets and/or the businesses and projects in which a Fund invests may occur, which could diminish any relevance that ACM's historical performance data may have to the future performance of a Fund.

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

A Fund will participate in a limited number of portfolio investments and, as a consequence, the aggregate return of a Fund may be substantially adversely affected by the performance of a single portfolio investment. A Fund's portfolio investments may be concentrated in a few industries, and the returns of a Fund may be substantially impacted by adverse developments in a particular

portfolio company or industry in which a Fund has a greater concentration. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies than anticipated and thus be less diversified.

### ***Investments Longer than Term.***

A Fund may make portfolio investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date a Fund is required to be dissolved, either by expiration of a Fund's term or otherwise. Although each General Partner expects that portfolio investments will generally either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, a Fund may have to sell, distribute or otherwise dispose of portfolio investments at a disadvantageous time as a result of dissolution or retain or hold such portfolio investment during dissolution for an extended period of time (e.g., each General Partner may determine that it is in the best interest of a Fund to hold and develop a longer term exit strategy for certain portfolio investments that ultimately extends meaningfully beyond the expiration of a Fund's term and results in a materially elongated dissolution process), which will result in Carried Interest distributions being payable during such period. Further, portfolio investments distributed in-kind may be illiquid and there can be no assurance that any Partner will be able to dispose of them at the value determined in accordance with the Fund Documents. Additionally, if a limited partner elects for each General Partner to sell investments on such limited partner's behalf that would have otherwise been distributed in-kind in accordance with the Fund Documents, there is no guarantee that each General Partner will be able to sell such investments or be able to sell such investments at a price that is not significantly discounted.

### ***U.S. Dollar Denomination of Interests.***

Interests are denominated in U.S. dollars. Investors subscribing for Interests in any country in which U.S. dollars are not the local currency, including Canada, should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment in a Fund to such investor. There may be non-U.S. exchange regulations applicable to investments made in non-U.S. currencies in certain jurisdictions. The fees, costs and expenses incurred by limited partners in converting their local currency to U.S. dollars (if applicable) in order to meet drawdowns will be borne solely by such limited partner and will be in addition to the amounts required by such drawdowns (and will not be part of or otherwise reduce their commitments and/or unfunded commitments, as applicable). Each prospective investor should consult with its own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in Interests.

### ***Currency Exchange Risk.***

Capital contributions to a Fund are payable in U.S. dollars and a Fund's assets will be valued in U.S. dollars. Certain of a Fund's portfolio investments may be denominated in currencies other than the U.S. dollar, and hence the value of such portfolio investments will depend in part on the relative strength of the U.S. dollar. A Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar, as well as the transaction costs associated with converting foreign currencies into U.S. dollars. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the

level of gains and losses realized on the sale of such investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. A Fund is not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that a Fund may implement. This risk is also subject to and heightened by commodity price fluctuations.

### ***Cybersecurity Risk.***

The General Partner, the Firm, a Fund, the portfolio investments and any of their respective service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. For example, a Fund expects to provide limited partners all statements, reports, notices, updates, requests and any other communications required under the Partnership Agreement or under any Side Letter in electronic form, such as e-mail or posting on a web-based reporting site or other Internet service, in lieu of or in addition to sending such communications as hard copies via fax or mail. These systems are subject to a number of different threats or risks that could adversely affect a Fund and its investors, despite the efforts of each General Partner, the Firm, the portfolio investments and any of their respective service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, e-mail and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Fund and its investors. Cyber incidents refer to both intentional attacks and unintentional events including: processing errors, human errors, technical errors including computer glitches and system malfunctions, inadequate or failed internal or external processes, market-wide technical-related disruptions, unauthorized access to digital systems (through “hacking” or malicious software coding), computer viruses and cyber-attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality (including denial of service attacks). For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of or prevent access to these systems of each General Partner, the Firm, a Fund, the portfolio investments or any of their respective service providers, counterparties or data within those systems without the knowledge of system users. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of each General Partner’s, the Firm’s, a Fund’s, the portfolio investments’ or any of their respective service providers’ systems to disclose sensitive information in order to gain access to each General Partner’s, the Firm’s, a Fund’s or the portfolio investment’s data or that of a Fund’s investors. A successful penetration or circumvention of the security of each General Partner’s, the Firm’s, a Fund’s or the portfolio investments’ systems could result in the loss or theft of an investor’s data or funds, the inability to access electronic systems, disruption of its business, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause each General Partner, the Firm, a Fund, the portfolio investments or any of their service providers to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, liability to clients or third parties, regulatory intervention or financial loss. The General Partner, the Firm, a Fund and the portfolio investments make no assurances, representations or warranties in relation to these matters, and have not obtained representations or warranties in relation to these matters from all of their respective service providers. While a Fund’s service providers have established business continuity plans in the event

of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, a Fund cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect a Fund.

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

### ***Possible Hedging.***

The General Partner or a Fund may, but is not required to, seek to minimize the risk of a decrease in the value of one or more portfolio investments by using certain hedging strategies. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve the intended result. These hedging strategies may limit the ability of a Fund to profit from the increase in the value of a portfolio investment above a certain price. In addition, if judgments made with respect to exchange rates, interest rates, market conditions or trends are not correct, these hedging strategies could result in losses to a Fund. While such hedging transactions may reduce certain risks, such transactions themselves may entail certain other risks, including (but not limited to) counterparty credit risk and market liquidity risk. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while a Fund and the portfolio companies may benefit from the use of hedging instruments, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for a Fund and the portfolio companies than if they had not used those hedging instruments. A Fund's hedging activities will be subject to any limitation imposed by the *de minimis* exemption under CFTC Rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable to a Fund at the applicable time.

### ***Guarantees of Portfolio Companies.***

A Fund may guarantee the obligations of portfolio companies or provide letters of credit or other credit support to facilitate portfolio investments, which such letters of credit or other credit support will not have any explicit limitations, and there can be no assurance that such guarantees or letters of credit will not have adverse consequences for a Fund. As a result, if any such portfolio company defaults on its obligations, a Fund will be required to satisfy such obligation. In order to do so, a Fund may call capital, recall distributions or, while unlikely, liquidate some or all of the portfolio investments prematurely at potentially significant discounts to fair value.

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

A Fund may make investments globally. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign portfolio investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (c) the absence of uniform accounting,

auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (d) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation, (e) obtaining foreign governmental approvals and complying with foreign laws and regulations, (f) differing tax structures, (g) non-U.S. tax laws that (1) could adversely impact the cash flow and potential investment returns from such non-U.S. investments and (2) are subject to change, sometimes with retroactive effect, and (h) less developed corporate laws regarding fiduciary duties and the protection of investors. The Firm's historical returns on its U.S. portfolio investments may not be indicative of the results it may achieve on future investments located in foreign countries. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. There may be no prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a portfolio company's assets, or otherwise materially affect the value of such portfolio company without the consent of such portfolio company's shareholders. Anti-dilution protection also may be very limited. In certain of these countries, the concept of fiduciary duty on the part of the management of directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for a Fund to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

#### ***Co-Investments with Third Parties.***

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

#### ***Follow-On Investments.***

Following the initial investment in a portfolio company, a Fund may be called upon to provide additional funds to, or have the opportunity to increase its investment in, such portfolio company or to fund additional investments through such portfolio company. There is no assurance that a Fund will make follow-on investments in existing portfolio companies or that a Fund will have sufficient funds to or be permitted to make all such investments. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on the portfolio company in need of such investment, may result in missed opportunities for a Fund or may result in a dilution of portfolio investments (in the event alternative capital is used to satisfy such additional funding needs). Finally, the tax consequences to investors of a follow-on investment will

likely be determined, at least in part, by the investment structure of the investment previously made by a Fund. Such tax consequences may adversely impact investors due to changes to U.S. or non-U.S. tax laws that are made after a Fund's original investment but before a follow-on investment is made.

### ***Litigation.***

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

The outcome of any proceedings involving a Fund or the portfolio investments may materially adversely affect a Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of each General Partner's time, attention and resources, which may, at times, be disproportionate to the amounts at stake in the litigation. Under the Fund Documents, a Fund will generally be responsible for indemnifying each General Partner and related parties for costs they may incur with respect to such litigation not covered by insurance.

### ***Reliance on Key Personnel.***

The success of a Fund depends in substantial part upon the skill and expertise of key personnel, other investment professionals of the Firm and others who will be providing investment advice with respect to a Fund. There can be no assurance that these key investment professionals will continue to be associated with each General Partner or the Firm throughout the life of a Fund. The loss of key personnel could have a material adverse effect on a Fund's ability to realize its investment objectives. Furthermore, the Firm believes that its investment professionals have considerable expertise in the relevant sectors, but there is no means of predicting whether they will successfully implement a Fund's investment strategy, especially during changing economic conditions. Competition in the financial services industry for qualified investment professionals and other personnel is intense, and there is no guarantee that the talents of each General Partner's, the Firm's or a portfolio company's investment professionals could be replaced. The success of a Fund depends on the Firm's ability to identify and willingness to provide acceptable compensation arrangements to attract, retain and motivate talented investment professionals and other personnel. Such compensation arrangements may provide that an investment professional or other person may, in

certain circumstances after the individual is no longer employed or retained by each General Partner, the Firm or a portfolio company, be granted a continuing interest in respect of particular portfolio investments. Such arrangements could create additional expenses for a Fund and reduce a Fund's return. As such, they will have demands made on their time for investment, monitoring, exit strategy and the Firm.

***Passive Investment in Interests.***

The management of the affairs of a Fund will be vested exclusively in each General Partner, and each limited partner must rely upon the ability of each General Partner with respect to the selection and origination of portfolio investments which a Fund will acquire. A limited partner will not take part in the management or control of the business of a Fund and will not have an opportunity to evaluate for itself the relevant economic, financial and other information regarding the portfolio investments which a Fund will acquire or the properties which will directly or indirectly serve as collateral for such portfolio investments. No assurance can be given that each General Partner will be successful in selecting suitable portfolio investments or that the objectives of a Fund will be achieved.

***Exculpation and Indemnification.***

Certain exculpation and indemnification provisions contained in a Fund Documents may limit the rights of action otherwise available to limited partners and other parties against the indemnified parties, subject to certain limited exceptions set forth in a Fund Documents. In addition, a Fund will be obligated to indemnify such persons in respect of the operations of a Fund, subject to certain limited exceptions set forth in the Fund Documents. Certain limited partners may, for regulatory or policy reasons, not be permitted to fund indemnification obligations, or their ability to fund such obligations may be restricted. In those cases, a Fund may be required to satisfy any shortfall with respect to indemnification obligations even if such obligations are the direct result of a breach of representation, warranty or covenant by any such restricted limited partner.

***Liability for Return of Distributions.***

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

***Failure to Make Capital Contributions.***

If any limited partner fails to fund its subscription obligation or make required capital contributions when due, a Fund's ability to complete its investment strategy, satisfy credit facility borrowing covenants or obligations or otherwise continue operations may be substantially impaired. A default by one or more limited partners with substantial commitments could leave a Fund with insufficient capital to meet its funding obligations, and, as described above, would limit opportunities for

investment diversification and likely reduce returns to a Fund. Any limited partner that defaults in making a required capital contribution or other payment may be subject to certain material adverse consequences pursuant to the provisions of the Fund Documents, including forfeiture of all or a portion of its Interests. In addition, each General Partner may offer forfeited Interests to any other person.

### ***Recourse to Assets.***

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

### ***Contingency Reserves.***

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

### ***Lack of Transferability of Interests in a Fund; No Right of Withdrawal.***

The Interests have not been registered under the Securities Act of 1933, the securities laws of any state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests under the Securities Act or other securities laws will ever be effected. There is no public market for the Interests and one is not expected to develop. The Fund Documents provide that a limited partner interest is not generally transferable and voluntary withdrawal of a limited partner from a Fund is not allowed. In addition, no such sale, transfer, assignment, pledge or other disposition may take place if it would cause a Fund to be treated as a "publicly traded partnership" within the meaning of Internal Revenue Code, or result in the assets of a Fund being considered "plan assets" for purposes of ERISA. limited partners must be prepared to bear the risks of owning Interests and contributing capital for an extended period of time. Additionally, a Fund will not be registered as an investment company under the Investment Company Act. Consequently, the purchase of a direct or indirect Interest should be considered only as a long-term and illiquid investment.



### ***In Kind Distributions.***

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

### ***Dilution from Additional Closings.***

Limited partners that are admitted, or increase their commitments, at any subsequent closing of a Fund will participate in existing portfolio investments and contribute their *pro rata* share of all previously drawn commitments in respect of such portfolio investments (plus an interest equivalent thereon). Such participation by such limited partners in portfolio investments previously made by a Fund will dilute the interests of previously admitted limited partners in such portfolio investments.

### ***Required Withdrawal or Sale of Interest.***

As set forth in the Fund Documents, in certain circumstances, each General Partner may require a limited partner to withdraw or otherwise dispose of all or a portion of such limited partner's Interest in a Fund, including if such limited partner's participation would have a material adverse effect on a Fund or any of its affiliates, any portfolio investment or any prospective investment. Such required disposition may result in negative consequences, including the failure of such limited partner to recognize the full value of its investment in a Fund or receive distributions in respect of such disposition in a timely manner.

### ***Excuse and Exclusion from Investments.***

Under certain limited circumstances, a limited partner (or group of limited partners) may be excused from participating in a portfolio investment (including, without limitation, to avoid violations of law and violation of a limited partner's pre-existing written policies disclosed to and accepted by each General Partner on or before the closing at which such limited partner was admitted to a Fund) or each General Partner may exclude or limit the participation of a limited partner in a portfolio investment (including, without limitation, if a limited partner's participation is reasonably likely to have a material adverse effect on a Fund). For example, a limited partner may be prohibited under applicable law or written policies from making capital contributions in respect of certain types of portfolio investments or portfolio investments in certain geographic locations. Similarly, a limited partner may be prohibited under applicable law or written policies from making any future capital contributions to a Fund in the event that a Fund, each General Partner or the Firm breach certain representations and warranties. In addition, in the event that a limited partner is excused from participating in all proposed and future portfolio investments or excluded from a portfolio

investment, each other limited partner may be required to make an additional capital contribution to a Fund in respect of such portfolio investments, subject to such additional capital contribution not exceeding such limited partner's unfunded commitment and certain other limitations, thereby resulting in such other limited partner having increased investment exposure to such portfolio investment than such limited partner would otherwise have had but for such excuse or exclusion event.

### ***Side Letters.***

Each General Partner, on behalf of a Fund, expects, from time to time, to enter into Side Letters with one or more limited partners which have the effect of establishing rights under, or altering or supplementing the terms of, the Fund Documents. As a result of such Side Letters, certain limited partners may receive additional benefits (including expanded informational rights or preferential co-investment rights, excuse rights or economic terms) which other limited partners will not receive or have the ability to review. Although any rights or terms established in a Side Letter with a limited partner are intended to govern solely with respect to such limited partner, such rights or benefits may, by altering the terms of the Fund Documents or requiring the consent of a limited partner for certain actions, materially impact a Fund and other limited partners. Other than with respect to limited partners who successfully negotiate for "most favored nations" rights, each General Partner generally will not be required to notify any or all limited partners of any such Side Letters or any of the rights or terms or provisions thereof, and generally will not be required to offer such additional or different rights or terms to any or all limited partners.

The General Partner, on behalf of a Fund, may enter into such Side Letters or such broader agreements with any limited partner as each General Partner may determine in its sole and absolute discretion at any time. Accordingly, the other limited partners will have no recourse against a Fund or any of its respective affiliates in the event that certain limited partners receive additional or different rights or terms as a result of such Side Letters or such broader agreements. A Fund will generally bear the expenses of administering Side Letters and other limited partner-specific requests.

### ***Third-Party Advice.***

A Fund, each General Partner and the Firm may utilize the services of attorneys, accountants, custodians, fund administrators and other advisors and consultants in their operations. A Fund, each General Partner and the Firm generally rely upon such service providers for their professional judgment with respect to legal, tax, accounting, operational, regulatory and other matters. Nevertheless, there is a risk that such service providers may provide incorrect advice from time to time or may otherwise make errors when providing services. None of a Fund, each General Partner or the Firm will have any liability to limited partners for any reasonable reliance upon such advice or services. Service providers will be selected by each General Partner or the Firm on behalf of a Fund with due care and consistent with their obligations under applicable law. Notwithstanding the foregoing, a Fund may bear the risk of any errors or omissions by such service providers. Additionally, subject to certain limitations, a Fund may be required to exculpate and indemnify such service providers for any losses incurred.

### ***Electronic Disclosure.***

A Fund, each General Partner and the Firm expect to provide each limited partner: (a) statements, reports and other communications relating to a Fund; (b) annual and other updates of a Fund's consumer privacy policies and procedures; (c) notices and communications required or contemplated to be delivered to such limited partner by a Fund, each General Partner, the Firm or any of their respective affiliates; (d) notices and communications relating to each General Partner and the Firm (including certain communications required under the Advisers Act or otherwise); and (e) funding notices, distribution notices and any other requests, demands or other communications and any financial statements, reports, schedules, certificates or opinions required to be provided to such limited partner under the Fund Documents or under any Side Letter with such limited partner in electronic form, such as e-mail message or posting on ACM's web-based reporting site or other internet service, in lieu of or in addition to sending such communications as hard copies via fax or mail.

There are certain costs (*e.g.*, software, on-line time) and possible risks (*e.g.*, slow downloading time and system outages) associated with electronic delivery. Moreover, each General Partner cannot provide any assurance that these communication methods are secure and will not be responsible for any computer viruses, problems or malfunctions resulting from any computer viruses or related problems that may be associated with the use of an Internet-based system. E-mail messages may not be secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient. A Fund, each General Partner and the Firm make no assurances, representations or warranties in relation to these matters. The General Partner and the Firm reserve the right to intercept, monitor and retain e-mail messages to and from its systems as permitted by applicable law.

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

### ***Operational Risk.***

A Fund is subject to operational risk, including the possibility that errors may be made by each General Partner, a Fund's service providers (including fund administrators) or any of their respective affiliates in certain transactions, calculations or valuations on behalf of, or otherwise relating to, a Fund. limited partners may not be notified of the occurrence of an error or the resolution of any error. In certain circumstances, each General Partner, a Fund's service providers and any of their respective affiliates will not be held accountable for such errors, and a Fund may bear losses resulting from such errors.

Additionally, certain of a Fund's operations will depend on systems operated by each General Partner or the Firm, and as such will depend on access to its facilities and/or services. Although each General Partner and the Firm have attempted to develop appropriate contingency plans, there can be no assurance that such plans will be effective. For example, a natural catastrophe or terrorist incident could temporarily or permanently interfere with the availability or efficient functioning of such resources. Any defect or failure in a Fund's systems or any interruption in each General

Partner's or the Firm's access to its facilities, however brief, could have a material adverse effect on a Fund.

***Risk of Unsuccessful Exit Strategies.***

The General Partner may cause a Fund to opportunistically sell, publicly list, distribute or otherwise dispose of portfolio investments at any time. It is not possible to predict whether a particular exit strategy will be advantageous or available at the appropriate time. If a Fund fails to execute an exit strategy successfully prior to the liquidation of a Fund, a Fund may be forced to liquidate its assets on terms less favorable than anticipated and the proceeds from these portfolio investments and the remaining portfolio investments may be materially and adversely affected.

***Expense Allocations.***

Subject to the terms and conditions set forth in the Fund Documents, it is generally expected that the limited partners will collectively bear the aggregate expenses of a Fund (other than management fees), including the costs and expenses that may be attributable to (a) parallel investment vehicles, alternative investment vehicles or similar alternative structures, or other Fund entities through which a limited partner may not participate or (b) a portfolio investment in which a limited partner does not participate. As a result, a limited partner may bear a greater amount of costs and expenses than if the costs and expenses attributable to one or more Fund entities or portfolio investments, as applicable, were specially allocated to the limited partners actually participating in such Fund entities or portfolio investments, as applicable.

***Interpretation of Governing Documents.***

The governing documents of a Fund establish complex arrangements among a Fund, the limited partners, the Firm and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the governing documents may be broad, unclear, general, conflicting, ambiguous or vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While each General Partner will construe the relevant provisions in good faith and in a manner consistent with its legal obligations, the interpretations used may not always be the most favorable to a Fund or the limited partners.

***Borrowing.***

Subject to certain limitations set forth in the Fund Documents, each Fund intends, from time to time, to borrow at a Fund-level or at a subsidiary of a Fund on a secured or unsecured basis in connection with the consummation of a portfolio investment or for any other purpose related to the business and operations of a Fund. It is expected that this indebtedness, if incurred, will be secured primarily by the unpaid commitments of the Partners or a Fund's other assets. In connection therewith, each General Partner will be authorized, without any further action of the limited partners, to grant a security interest in the right to initiate capital calls and collect the unpaid commitments. In addition, the Partners may be required to confirm the terms of their commitments, provide financial information and execute other documents as may be required by debt providers to a Fund. limited partners whose unpaid commitments have been pledged may be called upon to fund their entire

unpaid commitments to repay indebtedness and the failure of other limited partners to honor their commitments may result in a limited partner's payments exceeding its *pro rata* share of the indebtedness that has been incurred by a Fund. A limited partner may also be required to fund amounts to repay subscription-based credit facility borrowings incurred in connection with a portfolio investment even if such limited partner did not participate in the relevant portfolio investment in connection with which such borrowings were incurred. In addition, the extent to which a Fund incurs borrowings may have certain consequences to the limited partners, including, but not limited to: (a) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional portfolio investments, distributions or other purposes; or (b) increased interest expense if interest rate levels were to increase.

In the event a Fund incurs indebtedness, the preferred return accruing in respect of limited partners will be less than otherwise would have been the case in the absence of such indebtedness. As a result, each General Partner may be entitled (i) to receive Carried Interest distributions earlier than it otherwise would have and (ii) in certain circumstances, to receive Carried Interest distributions in amounts greater than it otherwise would have, in each case, had a Fund not incurred such indebtedness and, instead, had required the limited partners to make additional capital contributions.

The General Partner expects to fund certain capital needs of a Fund with the proceeds of borrowings in lieu of drawing down commitments, which will result in the net internal rate of return ("IRR") of a Fund being higher than it otherwise would have been without Fund-level borrowing, particularly during the early years of a Fund's life. The General Partner (or an affiliate thereof) may be incentivized to fund the acquisition of portfolio investments and ongoing capital needs of a Fund with the use of indebtedness in lieu of drawing down unpaid commitments.

Further, an adverse economic change could result in some lenders imposing more stringent restrictions on the terms of credit or a general reduction in the amount of credit available in the markets in which a Fund will seek to invest. Any negative impact from the tightening of, or adverse changes in, the credit markets may result in: (a) an inability to finance the acquisition of investments on favorable terms, if at all; (b) increased financing costs; or (c) financing with increasingly restrictive covenants. Such changes in turn may negatively impact the performance of the portfolio investments in portfolio companies. To the extent there is a lack of readily available and reasonably priced debt financing accessible to potential purchasers at the time a Fund is ready to dispose of a portfolio investment, such circumstances could materially and negatively affect the number of potential purchasers and the prices purchasers are willing to pay a Fund.

### ***Cross-Collateralization.***

Indebtedness incurred by a Fund and any alternative investment vehicles, respectively, is expected to be structured in a way that the parallel investment vehicles composing a Fund or any alternative investment vehicles are jointly responsible on a cross-collateralized basis for the repayment of indebtedness, and the commitments of the limited partners of one of the parallel investment vehicles are pledged to secure indebtedness obtained for the benefit of the other parallel investment vehicles and alternative investment vehicles. If the indebtedness is structured in this manner, the failure of limited partners in one of the parallel investment vehicles or alternative investment vehicles to fund a capital call to repay indebtedness may result in other limited partners being required to fund more than their *pro rata* share of the indebtedness, and, in certain circumstances, a limited partner may

be called upon to fund its entire commitment to repay indebtedness. limited partners in one or more parallel investment vehicles may benefit from the incurrence of indebtedness even though their commitments may not be pledged to secure such indebtedness. In addition, certain guarantees may be cross-collateralized among parallel investment vehicles and/or alternative investment vehicles and any such guarantees would be subject to the same risks as cross-collateralized indebtedness. In certain cases, for regulatory or other reasons, each General Partner may structure indebtedness or guarantees in a manner that the Firm believes generally benefits a Fund as a whole, which may affect one or more of the parallel investment vehicles composing a Fund differently from other parallel investment vehicles.

### ***FOIA.***

To the extent that each General Partner determines in good faith that, as a result of the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a limited partner or any of its affiliates may be required to disclose information relating to a Fund, its affiliates and/or any entity in which a portfolio investment is made (other than certain fund-level, aggregate performance information), each General Partner may, to the fullest extent permitted by law, withhold all or any part of the information to be provided to such limited partner, as described in the Fund Documents. Further, disclosure of any such information by a limited partner pursuant to FOIA or any similar statute or regulation could have a material adverse effect on a Fund or one or more portfolio companies.

### ***Disclosure of Information.***

As a result of increased regulations in private funds and related industries, including with respect to the sources of funds used in investments as described in “*Prevention of Money Laundering*” below and in connection with other Fund activities, each General Partner may request additional documentation or information from a limited partner to verify, among other things, such limited partner’s and its beneficial owners’ identity and the source of funds used to purchase the Interests. The General Partner may decline to accept a subscription on the basis of the information that is provided or if this information is not provided, and may be required in certain circumstances to withhold distributions. To comply with applicable laws, rules, regulations and policies, each General Partner may request (outside of the subscription process) additional information from the limited partners at any time. Such information may be provided to governmental and regulatory agencies and financial institutions with which a Fund does business without notification to the limited partners. The General Partner may also, from time to time, be obligated to file reports with various jurisdictions with regard to, among other things, the identity of a Fund’s limited partners and suspicious activities involving the Interests. The failure of a limited partner to comply with such request for information may result in adverse consequences applying to such limited partner pursuant to the Fund Documents, including its required disposition of its Interest. Further, each General Partner will take such steps as it determines in its discretion are necessary or appropriate to comply with applicable law, regulations, orders, directives or special measures.

In addition, a Fund, each General Partner, the Firm or their respective affiliates, service providers or agents may from time to time be required to or may, in their discretion, determine that it is advisable to disclose certain information about a Fund and its limited partners, including, but not

limited to, portfolio investments held by a Fund and the names and percentage interest of beneficial ownership thereof (and the underlying beneficial owners of such beneficial owners), to third parties, including local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, each General Partner, the Firm or a Fund. The General Partner and the Firm generally expect to comply with requests to disclose such information as they may determine, including through electronic delivery platforms; however, each General Partner or the Firm may determine not to make a portfolio investment or to cause the sale of certain assets for a Fund rather than make certain disclosures, including as a result of limitations contained in the Side Letters, and such sale may be at a time that is inopportune from a pricing or other standpoint. In certain circumstances, a Fund, each General Partner, the Firm or any of their respective affiliates, service providers or agents, may be prohibited from disclosing, or may determine not to disclose, that the request has been made.

### ***Adverse Publicity.***

Each of a Fund, each General Partner and ACM face the risk of negative publicity, including in matters such as labor disputes, and adverse environmental attention, as well as arising out of municipal and federal government scrutiny both in the United States and globally. Additionally, portfolio company and the Firm employees could pursue claims against ACM, a Fund or each General Partner which may draw negative publicity, as well as negative news media attention. Such adverse publicity may have a material effect on each General Partner's ability to source investments or otherwise meet a Fund's investment objectives. Moreover, recently, the private equity industry has been subject to negative publicity and negative commentary globally, including from both the media and politicians. While it is yet to be seen whether such adverse publicity and commentary will adversely impact the private equity industry, there is a risk that during a Fund's term such negative publicity may lead to increased regulation or scrutiny of the industry or otherwise have an adverse effect on a Fund's ability to meet its investment objectives.

## ***GENERAL MARKET RISKS***

### ***General Economic Conditions.***

Changes in general global, regional and U.S. economic and geopolitical conditions may affect a Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of portfolio investments made by a Fund or considered for prospective investment. Additionally, during and following, the U.S. presidential elections in 2016 and 2020, there have been significant changes and potentially significant changes to U.S. trade policies, legislation, treaties and tariffs,. Tariffs and other trade restrictions imposed by the Trump Administration triggered some, and further similar changes in U.S. trade policy could trigger additional, retaliatory actions by affected countries, possibly resulting in "trade wars." At this time, it is unknown whether and to what extent new legislation will be passed into law, pending or new regulatory proposals will be adopted, international trade agreements will be negotiated, or the effect that any such action would have, either positively or negatively, on a Fund or its portfolio investments. portfolio investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, natural disaster, armed conflict, threats of terrorism, terrorist attacks and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative

impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on the performance of portfolio investments, a Fund's returns and a Fund's ability to make and/or dispose of portfolio investments. No assurance can be given as to the effect of these events on the portfolio investments or a Fund's investment objectives.

### ***Financial Market Fluctuations.***

Material changes and fluctuations in the economic environment of the type experienced in the years following 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, and the market changes that have resulted and may continue to result from the COVID-19 (as defined below) pandemic (see also "*Public Health Risk*" below) may affect a Fund's ability to make investments and the value of portfolio investments held by a Fund. Any resulting economic downturn resulting from any such marketplace events and/or volatility in the financial markets could adversely affect the financial resources of portfolio companies and/or result in the inability of such portfolio companies to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund may suffer a partial or total loss of capital investment in such portfolio companies, which would, in turn, have an adverse effect on a Fund's returns. Such marketplace events also may restrict the ability of a Fund to make new investments, or sell or liquidate portfolio investments at favorable times or for favorable prices.

Furthermore, the public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by, among other reasons, the tightening of the credit markets, and further financial turmoil and uncertainty. The repercussions of any market turmoil are unclear. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds looked to the public securities markets as a potential exit strategy, and there can be no assurance that a Fund will be able to exit from a portfolio investment by listing its shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell such securities when each General Partner believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have a material adverse effect on the ability of a Fund to buy, sell and partially dispose of its portfolio companies. A Fund may be adversely affected to the extent that it seeks to dispose of any of its portfolio investments in an illiquid or volatile market and a Fund may find itself unable to dispose of investments at prices that each General Partner believes reflect the fair value of such investments. Future market conditions cannot be predicted.

### ***Public Health Risk.***

A Fund may be adversely affected by the effects of widespread outbreak of contagious diseases, such as the 2020 outbreak of a novel coronavirus ("COVID-19"). Public health crises can develop rapidly and unpredictably, which may prevent governments, asset managers, companies or others (including each General Partner, the Firm, a Fund and portfolio companies) from taking timely or effective steps to mitigate or reduce any adverse impacts to a Fund and/or its investments. The extent and duration of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information which may emerge



concerning variants and the severity of COVID-19, the effectiveness of vaccination efforts and containment efforts.

Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel, social distancing policies and/or quarantines imposed or recommended by the governments of the jurisdictions where each General Partner, the Firm, a Fund and/or its portfolio investments are based (together, the “Isolation Measures”), could have a material and adverse effect on a Fund and its portfolio investments, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of each General Partner, the Firm, a Fund, portfolio companies or a Fund administrator or other service providers to a Fund (which could, in turn, adversely impact the ability of such service providers to fully support the administration and operations of a Fund).

In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed (including the Isolation Measures), may result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets and cause an economic downturn that could adversely affect the performance of a Fund and its investments. For example, the risks associated with the spread of COVID-19 led to significant uncertainty and extreme volatility in the financial markets, including those leading to the automatic suspension of trading on U.S. stock exchanges. Disrupted global, national and/or regional economies and financial markets may also result in increased competition to acquire perceived “safe haven” assets (e.g., assets with government supported revenues). Increased competition may inflate the acquisition cost of such assets and/or lead to increased competition for such assets, which may result in the delay or inability of a Fund to deploy capital in a timely manner. In addition, the COVID-19 pandemic has resulted, and similar events in the future could result, in a greater number of people facing economic uncertainty through job losses. More widely, a widespread health crisis may result in a reduction for the demand of various goods and services, may result in closures of business in a variety of sectors and may lead to governments being required to take unprecedented steps to ensure public health and/or economic stability which may make it more likely that there could be government regulation and/or intervention.

The extent of any impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information which may emerge concerning variants and the severity of COVID-19 and containment efforts by the U.S. or other governments. The performance of a Fund may also be affected by particular issues affecting companies, regions or sectors and sub-sectors of its investments and while the impact of this on the proposed investment strategy for a Fund is uncertain it will continue to be monitored by each General Partner.

In addition, the risks associated with a widespread outbreak of a contagious disease, such as COVID-19, may make it more likely that an investor fails to fund its subscription obligation or make required capital contributions or other payments when due, in which case, a Fund’s ability to complete its investment strategy, satisfy credit facility borrowing covenants or obligations (if any) or otherwise continue operations may be impaired. A default by a limited partner could leave a Fund with insufficient capital to meet its funding obligations, and would limit opportunities for investment diversification and likely reduce returns to a Fund. See also “*Failure to Make Capital Contributions*” above.

Given the significant levels of uncertainty and the economic and financial market disruptions and volatility continuing to occur in connection with an outbreak, it is expected that valuations of potential investments, especially distressed assets or assets impacted by dislocation, could be materially adversely impacted and meaningfully uncertain (at least in the short term). See the risks associated with valuations described elsewhere in this Form ADV, including “*Valuation*” below, which highlights the risks associated with valuations, which risks are magnified during any period of uncertainty, disruption and volatility.

### ***Governmental Intervention.***

Significant disruptions in the global financial markets at times have led to certain governmental intervention. Such intervention, in certain cases, was implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions were typically unclear in scope and application, resulting in confusion and uncertainty which in itself can be materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. If governmental intervention programs are unwound, there could likewise be uncertainty and adverse effects on the markets. In the case of any future market disruptions, it is impossible to predict what interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on a Fund’s strategies.

### ***Climate Change.***

Ongoing changes to the climatic conditions in which a Fund and its portfolio investments operate and invest may have an adverse impact on a Fund and its portfolio investments. While the precise future effects of climate change are unknown, it is possible that changes in weather patterns or extreme weather (such as floods, hurricanes and other storms) could, among other adverse impacts, damage a Fund’s portfolio investments. Significant increases in precipitation levels or wind could cause damage to a Fund’s investments and create periods in which a Fund’s portfolio investments are inoperable. Climate change may also give rise to changes in regulations and consumer sentiment that could have a negative impact on the operations of a Fund its portfolio investments by increasing their operating costs or restricting or decreasing demand for their activities, among other effects. The adverse effects of climate change and related regulation at state, federal and international levels could have a material adverse effect on the business, financial position, results of operations or cash flows of a Fund and its portfolio investments. Any of the foregoing could adversely affect the value of a Fund’s portfolio investments and the performance of a Fund.

### ***Potential Implications of Brexit.***

On January 31, 2020, the United Kingdom (“UK”) formally left the European Union (“EU”). Following its withdrawal from the EU, the UK entered into a transition period, during which EU law continued to apply in the UK while the UK government and the EU negotiated the terms of their future relationship. The transition period expired on December 31, 2020, and EU law no longer applies in the UK.

The UK and the EU have agreed to a trade and cooperation agreement pursuant to which there will be no tariffs or quotas on goods traded between the UK or the EU. However, services are not

comprehensively covered in the agreement and negotiations are ongoing in relation to provision of financial services in particular.

Political and economic uncertainty and periods of exacerbated volatility in both the UK and in wider European markets may continue for some time. It also remains possible that the UK's withdrawal from the EU may lead to a call for similar referendums in other European jurisdictions, which may cause increased economic volatility in the European and global markets.

It is difficult to predict what the future economic, tax, fiscal, legal, regulatory and other implications will be for the asset management industry, the broader UK, European and global financial markets generally and for private funds such as a Fund's investments. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU, including companies or assets held or considered for prospective investment by a Fund.

Future application of EU-based legislation to the private fund industry in the UK and the EU will ultimately depend on the outcome of the ongoing negotiations. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, and increased legal, regulatory or compliance burden for the investors, each General Partner and /or a Fund, each of which may have a negative impact on the operations, financial condition, returns or prospects of a Fund.

This mid- to long-term uncertainty may have an adverse effect on the economy generally and on the ability of a Fund and its investee companies to execute their respective strategies and to receive attractive returns. In particular, currency volatility may mean that the returns of a Fund and its investee companies are adversely affected by market movements and may make it more difficult, or more expensive, for a Fund to execute prudent currency hedging policies. Potential decline in the value of Sterling against other currencies, along with the potential downgrading of the UK's sovereign credit rating, may also have an impact on the performance of a Fund's investee companies located in the UK or Europe.

### ***Geopolitical Risks.***

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

Geopolitical tensions, such as Russia's recent incursion into Ukraine, could lead to disruption, instability and volatility in global markets and industries that could negatively impact a Fund and/or its portfolio companies. The United States and other governments have imposed meaningful sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. A Fund's portfolio companies will be required to comply with such measures and the full impact of such measures, as well as potential responses to them by Russia, is currently unknown and may become significant.

### ***Inflation.***

A number of market commentators have raised concerns about the recent increase, and the possibility of future increases, in the rate of inflation. Inflation and rapid fluctuations in inflation rates have in the past had, and may in the future have, negative effects on economies and financial markets. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. If inflation were to rise at rates higher than those anticipated in underwriting portfolio investments, the effective rate of return on such portfolio investments may be reduced. As a result, an unexpected rise in the rate of inflation could have a material and adverse impact on a Fund and its portfolio investments.

### ***Lack of Registration Under the Commodity Exchange Act.***

Each General Partner may claim an exemption from registration with the National Futures Association ("NFA") as a commodity pool operator with respect to a Fund pursuant to Commodity Futures Trading Commission ("CFTC") Rule 4.13(a)(3) under the Commodity Exchange Act. Accordingly, such General Partner will not be subject to certain regulatory requirements with respect to a Fund (which are intended to provide certain regulatory safeguards to investors) that would otherwise be applicable absent such an exemption. The the Firm has claimed an exemption from registration with the NFA as a commodity trading advisor under CFTC Rule 4.14(a)(8). If any future regulatory change causes the Firm or a General Partner to lose either exemption, there could be a material adverse effect on a Fund.

### ***U.S. Regulation of the Private Equity Industry.***

On July 21, 2010, former President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). This comprehensive reform of the United States' financial regulatory system, among other things, imposed new reporting and recordkeeping obligations on investment advisers with respect to the private investment funds they advise. Included in the Dodd-Frank Act is (i) Section 619 (the "Volcker Rule"), which is codified in Section 13 of the Bank Holding Company Act of 1956 (as amended from time to time, or any successor statute thereto), and (ii) new Section 27B of the Securities Act, both of which among other matters, impose a number of restrictions and prohibitions on the relationship and activities of banking entities with respect to private investment funds and other provisions that will affect the private investment industry, either directly or indirectly. For example, the Volcker Rule prohibits any U.S. bank (and any affiliate thereof) and, in certain instances, any non-U.S. bank (and any affiliate thereof) from investing in any of a Fund's Interests because of a Fund's status as a "covered fund" under the Volcker Rule. While many of the Dodd-Frank Act reforms have already been

implemented, there is uncertainty as to whether and how such legislation and reforms will be applied in the future. If the restrictions under the Dodd-Frank Act are curtailed or repealed, banks may be subject to fewer restrictions on their investment activities, which may allow them to compete more actively with a Fund for investment opportunities and to sponsor investment funds that compete with a Fund for investment opportunities. Depending on the nature of any changes to the Dodd-Frank Act, such changes may prove detrimental to a Fund. In addition, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. Increased focus and scrutiny of globally operating organizations such as ACM may adversely affect a Fund and its investment activities. Finally, the recent election of Joseph Biden as U.S. President may lead to increased regulation of the private equity industry and other legislative and executive actions that may adversely affect a Fund and its investment activities.

### ***Investor Legal, Regulatory and Policy Compliance.***

Many limited partners, including U.S. states, their subdivisions and associated pension plans, have adopted stringent investment policies or are required to comply with local laws and regulations, including so-called “pay-to-play” laws, rules, regulations or policies (which, for example, restrict or require disclosure of payments to, and/or certain contacts with, certain politicians or officials associated with public entities). Such limited partners may also negotiate for Side Letter provisions that may be more expansive in their requirements than such laws, rules, regulations or policies. In certain cases, violations of these laws, rules, regulations, policies or Side Letter provisions, whether as a result of the conduct of each General Partner or a portfolio investment or an action by such limited partner, could have an adverse effect on a Fund by, for example, providing the basis for the ability of such limited partner to cease funding its obligations to a Fund or to withdraw from a Fund.

### ***Prevention of Money Laundering.***

As part of each General Partner’s responsibility for the prevention of money laundering under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “PATRIOT Act”) and other similar laws, rules, regulations and orders in effect in the U.S. and non-U.S. countries, a Fund may require representations with respect to, and in certain circumstances verification documents of a prospective limited partner’s and its beneficial owners’ identity and the source of such prospective limited partner’s capital contributions. In the event of delay or failure by a prospective limited partner to provide such representations or to produce any such information required for verification purposes, a Fund may refuse to accept the subscription and any monies relating thereto. In addition, each prospective limited partner will be required to represent and warrant to a Fund, among other things, that (a) the proposed investment by such prospective limited partner will not directly or indirectly contravene U.S. federal, state, international or other laws or regulations, including the PATRIOT Act and applicable anti-money laundering laws or regulations, (b) no capital contribution to a Fund by such prospective limited partner will be derived, directly or indirectly, from any illegal or illegitimate activities, (c) such prospective limited partner is not a country, territory, person or entity named on a list promulgated by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) regulations prohibiting, among other things, the engagement in transactions with, and the provision of services to, certain non-U.S. countries, territories, entities and individuals, nor is such prospective limited partner or any of its affiliates a natural person or entity with whom dealings are prohibited

under any OFAC regulations, (d) such prospective limited partner is not owned, directly or indirectly, by any person or entity named on such an OFAC list or otherwise subject to such prohibition under OFAC regulations and (e) such prospective limited partner is not otherwise prohibited from investing in a Fund pursuant to other applicable U.S. anti-money laundering, anti-terrorist and non-U.S. asset control laws, regulations, rules or orders and similar rules in other jurisdictions. Each limited partner will be required to promptly notify each General Partner if any of the foregoing will cease to be true with respect to such limited partner.

As a result of the above-described anti-money laundering regulations, or as a result of changes in law each General Partner may from time to time request (outside of the subscription process), and the limited partners will be obligated to provide to each General Partner upon such request, additional information as from time to time may be required for each General Partner and a Fund to satisfy their respective obligations under these and other laws and regulations that may be adopted in the future. Such information may be provided to governmental and regulatory agencies and financial institutions with which a Fund does business without notification to the limited partners. Also, each General Partner may from time to time be required to file reports with various jurisdictions with regard to, among other things, the identity of a Fund's limited partners and suspicious activities involving the Interests.

In the event it is determined, or each General Partner believes, that any limited partner, or any direct or indirect owner of any limited partner, is a person identified in any of these laws and regulations as a prohibited person, or is otherwise engaged in activities of the type prohibited under these laws and regulations, or the investment by the limited partner is or has become a prohibited investment, each General Partner may be obligated, among other actions to be taken, to "freeze the account" of such limited partner and withhold distributions of any funds otherwise owing to such limited partner or to cause such limited partner's Interests to be cancelled or otherwise redeemed (without the payment of any consideration in respect of those Interests).

### ***Regulatory Risks.***

Regulatory changes could occur during the term of a Fund that may adversely affect a Fund. For example, the industries targeted for investments by a Fund may be, in certain instances, highly regulated, both by domestic and foreign governmental agencies. Any such regulations may impact a Fund's ability to make an acquisition or disposition of a portfolio investment and how such portfolio investment is operated.

### **Conflicts of Interest**

#### ***Generally.***

There will be occasions when a General Partner and/or the Firm may encounter potential conflicts of interest in connection with the structure and operation of a Fund's business. If any matter arises that a General Partner or the Firm determines in its good faith judgment constitutes an actual conflict of interest, such General Partner or the Firm, as applicable, will take such actions as it determines in good faith may be, or which pursuant to the Fund Documents are, necessary or appropriate to ameliorate the conflict, including by way of example and without limitation, consulting with a limited partner advisory committee regarding the conflict of interest and either obtaining a waiver

from such limited partner advisory committee of such conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by such limited partner advisory committee with respect to such conflict of interest (and upon taking such actions such General Partner will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied its fiduciary duties related thereto to the fullest extent permitted by law). There can be no assurance that a General Partner or the Firm, as applicable, will resolve all conflicts of interest in a manner that is favorable to the Fund. In addition, investors of a Fund should note that the Fund Documents typically contain provisions that, subject to applicable law, (a) reduce or eliminate the duties, including fiduciary and other duties, to the Fund and the limited partners of such Fund to which its General Partner would otherwise be subject, (b) waive duties or consent to the conduct of its General Partner that might not otherwise be permitted pursuant to such duties and (c) limit the remedies such limited partners with respect to breaches of such duties.

### ***Carried Interest of the General Partners.***

The existence of a General Partner receiving carried interest in the circumstances described in such Fund's Fund Documents may create an incentive for such General Partner to make more speculative portfolio investments on behalf of such Fund than it would otherwise make in the absence of such performance-based arrangement, although such General Partner's commitment to such Fund and such General Partner's clawback, as described in such Fund Documents, should tend to reduce this incentive.

A General Partner could be incentivized to continue to hold portfolio investments that have poor prospects for improvement in order for such General Partner to receive a more likely or larger carried interest distribution if such investment's value appreciates in the future.

### ***Management Fee.***

As a result of the typical management fee structure whereby there is fixed "commitment period" and the fact that the management fee is thereafter based upon commitments funded in respect of portfolio investments that have not been the subject of a disposition or completely written off, there may be an incentive to deploy capital when the Firm may not otherwise have so advised the Fund in the absence of such fee structure, although the General Partner's commitment to the Fund described under the applicable Fund Documents should tend to reduce this incentive.

### ***Valuation.***

The fair value of portfolio investments or of property received in exchange for any portfolio investments will be calculated by a Fund's General Partner in good faith in accordance with guidelines consistent with U.S. generally accepted accounting principles and reviewed by the Fund's independent accountants. There generally will be no established market for these assets. As a result, valuations of such assets are subject to determinations, judgments, projections and opinions and other third parties or investors may disagree with such valuations. Accordingly, the carrying value of a portfolio investment may not reflect the price at which such portfolio investment could be sold in the market, and the difference between the carrying value and the ultimate sales price could be material. Additionally, under certain limited circumstances set forth in the applicable Fund

Documents, distributions in kind of portfolio investments for which market quotations are not readily available may be made. The valuation of such portfolio investments will be determined by such General Partner in accordance with the Fund Documents.

The valuation of portfolio investments may affect a General Partner's entitlement to carried interest distributions and/or the ability of the Firm to raise a successor fund or other vehicles or accounts. As a result, although such valuations will be determined in accordance with the Firm's valuation policies (and the valuation methodology described in the applicable Fund Documents), there may be circumstances where such General Partner is incentivized to determine valuations that may be higher than the actual fair value of the Fund's portfolio investments.

Moreover, in connection with any distribution in kind of securities permitted under the applicable Fund Documents, such General Partner's entitlement to carried interest distributions generally will be determined based upon the market prices of such securities. As such, such General Partner may be incentivized to effect any such distribution in kind on one of more dates where it believes such market prices are at a high and such Fund's limited partners may not be able to ultimately dispose of such securities at the prices upon which such General Partner's entitlement to carried interest distributions was determined.

#### ***Allocation of Time.***

The Firm will devote such time to the relevant Funds as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Firm personnel have roles with and responsibilities to the Firm and its affiliates (including, without limitation, TKG and Archimedes/Churchill) separate and apart from the investment activities of the Funds. As such, Firm personnel will work on other projects, serve on other committees (including boards of directors) and source potential investments for and otherwise assist the investment programs of the Firm, its affiliates and their respective clients (including, without limitation, one or more SPACs sponsored by Archimedes/Churchill) and their portfolio entities, including other investment programs to be developed in the future. Time spent on these other initiatives diverts attention from the activities of the Funds, which could negatively impact the Funds and their investors. Furthermore, the Firm and Firm personnel derive financial benefit from these other activities, including fees and performance-based compensation. These and other factors create conflicts of interest in the allocation of time by Firm personnel. A General Partner's determination of the amount of time necessary to conduct a Fund's activities will generally be conclusive, and a Fund's investors rely on such General Partner's judgment in this regard.

#### ***Allocation of Investment Opportunities***

The Firm and its affiliates provide, and will in the future provide investment advice and perform related services for the Funds and other clients and investment vehicles managed by the Firm and such affiliates (including one or more SPACs sponsored by Archimedes/Churchill). In addition, the Firm carries on investment activities for its own account. As such, certain conflicts could arise in the allocation of investment opportunities and in connection with the acquisition and/or disposition of investments by a Fund. The Firm generally expects that it will have a duty to offer applicable



investment opportunities to each Fund subject to the exceptions set forth in the Fund Documents for such Fund.

### ***Allocation of Expenses.***

A General Partner may have a conflict of interest in allocating certain costs and expenses. For the avoidance of doubt, in the event that certain investors participate in a potential or existing portfolio investment through an alternative investment vehicle, all expenses incurred in connection therewith will generally be borne by all Fund limited partners.

More generally, the allocation of expenses will inherently require judgment and there can be no assurance that a Fund will not bear a disproportionate share of expenses. Certain third-party costs may be incurred for the benefit of a Fund, its portfolio companies, predecessor funds, an additional Fund and their respective portfolio companies, its General Partner, the Firm, any of their affiliates or any other investment vehicles managed by the Firm. Determining the parties' allocable share of such costs, or otherwise allocating such costs and expenses, requires the judgment of such General Partner and the Firm and there can be no assurance that the Fund or its portfolio companies will not bear a disproportionate share of such costs. Such General Partner and the Firm shall seek to treat all parties fairly in allocating costs and expenses based on the particular facts and circumstances, but shall have sole discretion in making such allocation decisions.

### ***Co-Investment with Third Parties.***

On an investment-by-investment basis, a General Partner or the Firm may permit certain persons, including certain Fund limited partners and other third parties ("Co-Investors"), to participate in specific investments of such Fund. In connection with such investments, such General Partner or the Firm may determine to form one or more co-investment entities and offer participation in such co-investment entities to Co-Investors or may permit Co-Investors to participate directly in an investment. In determining to offer any co-investment opportunity in a specific investment, such General Partner or the Firm will generally determine if the amount of an investment opportunity exceeds the amount such General Partner or the Firm determines would be appropriate for such Fund, taking account of relevant circumstances (including, without limitation, the size of the investment opportunity, the Fund's available commitments, the probability of follow-on investments related to such investment and the construction of such Fund's portfolio investments) before allocating any portion of such investment to one or more Co-Investors, unless it determines a particular Co-Investor may potentially add strategic value with respect to such investment or that offering such co-investment opportunity is otherwise in the best interest of such Fund.

Subject to the terms of the Fund Documents and any Side Letter with a Fund limited partner, in general: (a) no limited partner has a right to participate in any co-investment opportunity; (b) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Firm or other participants in the applicable transactions, such as co-sponsors; (c) co-investment opportunities may be offered to some and not other limited partners, in the sole discretion of the Firm; (d) certain persons other than limited partners (e.g., third parties) may be offered co-investment opportunities, in the sole discretion of the Firm; and (e) Co-Investors may purchase their interests in a portfolio company at the same time as such Fund or may purchase their

interests from such Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell down or transfer).

With respect to consummated transactions, Co-Investors will typically bear their *pro rata* share of fees, costs and expenses related to the acquisition, holding and disposition of their co-investments. In certain circumstances, Co-Investors will also be required to pay their *pro rata* share of fees, costs and expenses related to potential investments that are not consummated, such as break-up fees or broken deal expenses. While the General Partner will endeavor to allocate such fees, costs and expenses on a fair and equitable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. In addition, if Co-Investors have not been identified as of the time such potential investment ceases to be pursued, or if Co-Investors did not agree to pay such fees, costs and expenses as a condition to participating in the co-investment opportunity, such fees, costs and expenses will be considered operating expenses of, and will be borne by, such Fund.

#### ***Facilitation of Co-Investments.***

A Fund may typically provide interim debt or equity financing for the purpose of bridging a potential co-investment (but only to the extent that such Fund would have been permitted to make such investment). In order to potentially make available or otherwise facilitate such co-investment, such Fund may use its credit facility to consummate, guarantee or issue letters of credit to support the portion of the investment made (or to be made) by co-investors. In such circumstances, such co-investors would be expected to enter into an agreement to bear their *pro rata* share of fees, costs and expenses associated therewith and repay any amounts that come due and payable under such credit facility, guarantee or letter of credit issued for their benefit. However, there can be no assurance that any such co-investor will enter into such an agreement or not default on its obligations to repay such amounts, in which case, such amounts may be borne disproportionately by such Fund.

#### ***Allocation to Co-Investment Vehicles.***

To the extent that any co-investment vehicle is offered an opportunity to invest in a portfolio company, because a General Partner is not necessarily required to offset fees for such co-investments, it may incentivize a Fund to allocate a greater portion of the investment to the co-investment vehicle than it would otherwise make in the absence of such an arrangement.

#### ***Other Strategies.***

In recent years, Archimedes/Churchill, an affiliate of the Firm, has sponsored a number of SPACs and may, in the future, sponsor additional SPACs or similar or successor vehicles. Moreover, in the future, the Firm and its affiliates may pursue investment strategies that they believe are complementary to the businesses of the Firm and such affiliates. Although such investment strategies may be ancillary or accretive to, or otherwise supplement, a Fund's investment objectives, the investment strategies and other activities of these future investment vehicles and businesses sponsored or managed by the Firm or its affiliates and their respective portfolio investments will overlap with, and at times conflict with, the investment strategies and other activities of the Funds and their portfolio investments. As such, certain conflicts may arise as between the Funds and in

respect of the existing business of sponsoring SPACs as well as any future strategy that may be pursued. For example, there may be a conflict of interest in the allocation of investment opportunities or otherwise among a Fund and such other platforms. In such event, the Firm and its affiliates will evaluate for such Fund and such other platforms a variety of factors which may be relevant in determining whether a particular investment opportunity is appropriate and feasible for such Fund or such platforms, including the nature of the investment opportunity taken in the context of market conditions at the time. In addition, it is possible that a Fund, on the one hand, and a SPAC-related entity or other Fund, investment vehicle or account, on the other, may have conflicting interests in relation to a particular investment or transaction. This could arise because, for example, the Fund owns an interest in a particular company that becomes a targeted investment of a SPAC or another investment platform. Alternatively, a Fund and another Fund, investment vehicle or account could own different securities or interests in the same issuer or acquire interests in the same issuer at different times or on different terms. As manager to both such Fund and the other vehicles or accounts, the Firm would owe a fiduciary duty to the other vehicles or accounts as well as to such Fund and as such, in certain instances, such Firm may face conflicts of interest in respect of certain decisions made with regard to the other vehicles or accounts and such Fund.

The Firm and its affiliates have multiple business lines, and as a result thereof is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. These types of restrictions may negatively impact the ability of the Funds to implement their investment programs. Additionally, Firm personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other Firm businesses or for other reasons, including other business activities, in which case the Funds will not benefit from their experience. The Fund investors will not receive a benefit from any fees earned by the Firm, its affiliates or its personnel from these other businesses.

Where potential or actual conflicts of interest arise between a Fund, on one hand, and another Fund, investment vehicle or account, on the other, in addition to any approvals, disclosures or similar procedures required by the Fund Documents, the Firm seeks to avoid or mitigate such conflicts taking into account the nature, facts and circumstances of the applicable conflict. For example, the Firm may adopt certain policies or procedures relating to its management of an investment such as abstaining from voting, or exercising a vote in the same manner as a majority of unaffiliated third parties holding the same interests, on matters put to the relevant security-holders of the portfolio investment. In many cases, the nature of a potential conflict of interest will evolve over time. As a result, the approach the Firm takes to mitigating a conflict of interest may correspondingly evolve and any policies or procedures that are implemented may be implemented either at the time a potential conflict of interest is identified and/or at such later time as an actual conflict of interest becomes apparent. In any event, such measures may not succeed in mitigating the relevant conflicts they were designed to address.

#### ***Access to Insider Information.***

As a result of the business activities of the Firm, TKG and/or Archimedes/Churchill, including the provision of advisory services to companies, participation by representatives of the Firm or its affiliates on boards of certain companies (including, in the case of Archimedes/Churchill, one of

more SPACs), and/or as a result of confidentiality agreements or non-disclosure agreements entered into by a Fund, the Firm or its affiliates, the Firm or its affiliates may acquire confidential or material, non-public information. In general, and in the absence of any permanent information barrier (which does not currently exist), the Firm generally imputes non-public information received to all personnel of the Firm and its affiliates. Accordingly, if a Fund, the Firm, TKG, Archimedes/Churchill or any of their respective personnel receives non-public information with respect to a company, each of the Funds would be expected to face certain restrictions on their investment activities relating to that company and such Fund will not be free to act upon any such information and such information may serve to restrict such Fund in its investment activities. Due to these restrictions, such Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold. Such possession of material, non-public information may create a conflict of interest between the applicable Fund's ability to effect purchases and sales of the securities of such companies and the Firm's and its affiliates' duties to their other respective clients. Inadvertent trading on material non-public information could have adverse effects on the Firm's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact the Firm's ability to perform its investment management services on behalf of such Fund; provided that the foregoing is mitigated by the fact that the Firm will maintain a Code of Ethics that will limit its employees' ability to engage in personal trading and allow the Firm to monitor such activity.

#### ***Cross Trades and Principal Trades.***

When permitted by applicable law and subject to and in accordance with the terms of the Fund Documents, a General Partner may (but is under no obligation to) cause a Fund or affiliates of the Firm to acquire or dispose of portfolio investments in cross trades between the Fund and other investment vehicles managed by the Firm or its affiliates, or effect principal transactions where such General Partner causes such Fund to purchase portfolio investments from or sell portfolio investments to such General Partner and its affiliates; provided, that, any such transaction be approved to the extent required by the Fund Documents and applicable law. Under the Fund Documents, certain of such transactions will generally require the approval of such Fund's advisory committee or a majority in interest of the Fund's limited partners (subject to certain exceptions), which approval will generally be deemed to constitute the approval of, and be binding upon, such Fund and all its limited partners. There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit such General Partner's decision to engage in these transactions for such Fund. In connection with a cross trade or a principal transaction, such General Partner and its affiliates may have a potentially conflicting division of loyalties and responsibilities regarding such Fund and the other parties. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, such Fund may not receive the best price otherwise possible, or the Firm might have an incentive to improve the performance of one fund by selling underperforming assets to such Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Firm and/or its personnel may (a) have significant investments, or intentions to invest, in the investment vehicle that is selling and/or purchasing such an investment or (b) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). There can be no assurance that such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to such Fund as a party to any such transaction. By virtue of entering into such Fund's

subscription agreement, a limited partner generally consents to such Fund entering into cross trades and, subject to such Fund's advisory committee consent or consent of a majority in interest of the Fund's limited partners (subject to certain exceptions), principal transactions to the fullest extent permitted under applicable law.

### ***Confidentiality Constraints.***

In the course of its investment process, a General Partner may enter into confidentiality agreements with current or potential portfolio companies that would prohibit a Fund and/or its limited partners from publicly disclosing sensitive information relating to such portfolio companies. These arrangements could result in liabilities for such Fund, in particular if a limited partner that is required or compelled to publicly release information regarding its investments, such as pursuant to FOIA or other similar state or local disclosure laws or regulations applicable to such limited partner, publicly discloses this information in response to an information request or otherwise. Such Fund may choose, but is not required, to decline these investment opportunities in order to avoid the risk of exposing such Fund to such liability. As a result, such Fund's investment flexibility may be constrained by these concerns, which may affect such General Partner's ability to broaden such Fund's investment portfolio which in turn may adversely impact the aggregate returns realized by the Fund's partners as a result of the unfavorable performance of a small number of portfolio investments.

### ***Conflicts with Portfolio Companies.***

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

### ***Other Investments.***

Generally, during the term of a Fund, neither its General Partner nor any of its affiliates may acquire, invest in or hold securities of any existing or prospective portfolio company without the consent of such Fund's advisory committee; provided, however, that the foregoing restriction will generally not apply to (a) securities held by such General Partner and its affiliates through such General Partner (in respect of such General Partner's interest), any parallel investment vehicle, any alternative investment vehicle, any additional fund or such Fund in accordance with the applicable Fund Documents or (b) securities of a portfolio company that were granted or paid to such General Partner or any of its affiliates in such person's capacity as member of the board of directors (or equivalent governing body) of such portfolio company or an affiliate thereof.

### ***Portfolio Company and Other Fees.***

The Firm may receive Transaction Fees and may receive reimbursements from portfolio companies, including in connection with unconsummated transactions. The Firm's ability to receive Transaction Fees (and related expense reimbursements) from portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such portfolio companies represents a conflict of interest to the extent that a Fund has or will have control or significant influence over such portfolio companies. However, this potential conflict of interest is mitigated by the fact that the amounts of such fees are typically negotiated with the applicable portfolio company's management team and/or any roll-over equity holders, as well as the fact that all or a portions of each Fund limited partner's *pro rata* share of any such fees (net of unreimbursed expenses and excluding any expense reimbursements) will typically be credited against future management fees, but not below zero.

### ***Operating Partners and Operating Advisors.***

As part of its strategy, the Firm has entered and will enter into certain strategic relationships with operating partners, operating advisors and similar persons to provide certain services in connection with sourcing investments, due diligence and/or providing operating management to portfolio companies. In connection with such services, these persons may be entitled to (a) receive cash and/or non-cash (*e.g.*, equity) consideration for their services from the applicable portfolio companies, (b) invest directly in one or more portfolio companies and (c) participate in a portion of the carried interest received by a General Partner. Any such cash or non-cash consideration received by an operating partner, operating advisors or similar person from a portfolio company will generally not be considered directors', break-up, transaction, consulting, advisory or other similar fees (and will therefore not offset management fees in accordance with "*Other Fees*" above).

### ***Service Providers and Suppliers.***

The General Partners and the Firm may from time to time engage, or cause the portfolio companies to engage, service providers in connection with the operations of a Fund or one of its portfolio companies. Such Fund's service providers (including, without limitation, deal generators, introducers, lenders, brokers, attorneys, accountants, investment bankers and outside directors) may be service providers to an additional Fund and/or the Firm or an affiliate thereof. In addition, one or more of such Fund's service providers may be investors in such Fund, a predecessor Fund or an additional Fund and/or sources of investment opportunities for such Fund. There also may be instances where portfolio companies provide services to one another. These factors may influence such General Partner in deciding whether or not to select any particular service provider for such Fund or any portfolio company. There also may be instances where portfolio companies of such Fund or other investment vehicles managed by the Firm provide services to one another or the Firm. Notwithstanding the foregoing, such General Partner will generally only select a service provider to the extent such General Partner determines that doing so is in the best interest of such Fund given all surrounding facts and circumstances and is consistent with such General Partner's responsibilities under applicable law; provided, that, the Firm may not necessarily seek out the lowest-cost option when engaging such service providers as other factors or considerations may prevail over cost.

In addition, the Firm and the portfolio companies will engage common service providers. In such circumstances, there may be a conflict of interest between the Firm on the one hand, and such Fund and the portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Firm may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by such Fund and/or the portfolio companies. The Firm may from time to time receive a discount on services provided to it by such a common service provider even though such Fund and/or the portfolio companies may receive a lesser, or no, discount. In addition, different portfolio companies may receive different levels of discounts.

### ***Participation of TKG in Fund Transactions***

As described in response to Item 10, ACM is affiliated with TKG, which is registered as a broker-dealer with the SEC and is a member of FINRA. As further noted, TKG may be involved in the public or private placement of securities issued by portfolio companies and other non-controlled entities in or through which certain Funds invest, and/or may provide capital markets advisory services to portfolio companies and other non-controlled entities in or through which Funds invest, including in connection with mergers and acquisitions. Subject to applicable law, TKG may receive fees and other compensation, which may be payable in cash or securities, in respect of the activities described above. TKG may, as a consequence of such activities hold positions in instruments and securities issued by a Fund's portfolio companies (or controlled or non-controlled entities through which they invest) and may engage in transactions that may also be appropriate investments for a Fund.

ACM has a conflicts of interest policy and procedures in place where transactions involving a Fund and TKG are appropriately reviewed. In addition, ACM reviews such transactions to ensure that the requirements of Section 206(3) of the Advisers Act and Rule 206(3)-2 under the Advisers Act, as applicable, in respect of principal transactions between a Fund and ACM or its affiliates (including TKG) or agency-cross transactions are complied with in the context of such transactions. TKG may have access to confidential and/or material non-public information regarding the Funds or their portfolio companies and, subject to applicable law, may use such information in connection with services provided by TKG.

TKG may provide investment banking, advisory and other services to affiliated or unaffiliated corporations, financial sponsors, management or other persons. Such services may relate to transactions that could give rise to investment opportunities that are suitable for the Funds. In such case, TKG's particular client would typically require TKG to act exclusively on its behalf, thereby precluding the Funds from participating in such investment opportunities. TKG will not be obligated to decline any such engagements in order to make an investment opportunity available to the Funds. In addition, TKG may come into the possession of information through its business that limits a Fund's ability to engage in potential transactions.

### ***Limited Partner Advisory Committee.***

In accordance with the Fund Documents, the General Partner may in certain situations choose to seek the approval of the members of the Fund's limited partner advisory committee with respect to certain potential conflict of interest situations and the Fund's limited partner advisory committee approval may be required to resolve certain conflicts and other matters. Any such approval by such limited partner advisory committee will generally be binding upon such Fund and all its limited partners. Although such limited partner advisory committee is intended to act as the representative of such Fund's limited partners, such limited partner advisory committee may not have the same interests as all investors. Furthermore, such limited partner advisory committee cannot be expected to be an expert in private equity investing, and certain of its determinations may, in fact, adversely affect the performance of such Fund.

### ***Fund Expenses.***

Certain expenses of a Fund, its General Partner or the Firm incurred in connection with the structuring, negotiating, making, monitoring, sale, proposed sale or other disposition of portfolio investments may be borne by one or more portfolio companies and, as such, will generally not be paid by such General Partner or the Firm or paid or reimbursed by such Fund.

### ***Travel Expenses.***

A Fund will generally reimburse the Firm, the General Partners and its affiliates for out-of-pocket travel expenses, including, without limitation, air travel (which may be first or business class or charter), car services, meals and hotels (which may include luxury class accommodations), incurred in holding, developing, identifying, evaluating, negotiating, making, structuring, acquiring, monitoring, selling and otherwise disposing of portfolio investments (including fees for attendance of industry conferences, the primary purpose of which is sourcing investments) and otherwise in connection with the business of such Fund.

Moreover, the Firm, a General Partner and their affiliates can be expected to receive certain intangible or other benefits arising or resulting from their activities on behalf of such Fund, which will not be shared with such Fund and/or its limited partners. For example, airline travel or hotel stays incurred as Fund expenses typically result in "miles" or "points" or credit in loyalty/status programs, and such benefits or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to the Firm, such General Partner or such affiliates (and not such Fund and/or its limited partners) even though the cost of the underlying service is borne by such Fund.

### ***Marketing of Interests.***

A Fund may enter into one or more placement agent agreements in connection with an offering of interests. Under any such placement agent agreement, typically such Fund will, to the fullest extent permitted by law, indemnify such placement agent and its affiliates and their respective directors, officers, members, employees, agents or controlling persons against, hold them harmless from, and pay, any and all damages arising out of the services provided by such placement agent under any such agreement, subject to certain limitations contained therein.

### ***Possible Future Activities.***



The Firm may expand the range of services that they provide over time. Except as provided in the Fund Documents, the Firm will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. The Firm has, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with companies who may hold or may have held investments similar to those intended to be made by a Fund. These companies may themselves represent appropriate investment opportunities for such Fund or may compete with such Fund for investment opportunities.

### ***Shared Resources.***

In certain circumstances, to create efficiencies and optimize performance, one or more portfolio investments or portfolio companies of a Fund may determine to share the operational, legal, financial, back-office or other resources of another portfolio investment or portfolio company of such Fund or an investment, portfolio company or property of the Firm or another vehicle or account managed by the Firm. In connection therewith, the costs and expenses related to such services will be allocated among the relevant entities on a basis that the Firm determines in good faith is fair and equitable (but which will be inherently subjective). In addition, it is possible that a portfolio company may be in the business of providing services that are, or could be, utilized by another portfolio investment or portfolio company. In this situation, the Firm may determine that one or more portfolio investments or portfolio companies use the other portfolio company's services, even where these services were previously provided to a portfolio company from a third party. These types of arrangements will not require the consent of limited partners or such Fund's advisory committee. Determining an allocable share of costs inherently requires the judgment of the Firm and there can be no assurance that such Fund will not bear a disproportionate amount of any costs.

### ***Portfolio Company Relationships.***

Certain portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other vehicles or accounts that, although the Firm determines to be consistent with the requirements of such vehicles' or accounts' governing agreements, may not have otherwise been entered into but for the affiliation with the Firm, and which may involve fees and/or servicing payments to entities that are not subject to the management fee offset provisions described herein. For example, the Firm may, like other private equity firms, in the future cause portfolio companies to enter into agreements regarding group procurement, benefits management, and other similar operational initiatives that may result in commissions or similar payments related to a portion of the savings achieved by the portfolio companies.

Moreover, there may be conflicts between a portfolio company and a portfolio company of another vehicle or account. For example, a portfolio company of another vehicle or account may be a competitor, customer, service provider or supplier of one or more of the portfolio companies. In such circumstances, such other vehicle or account or a portfolio company thereof may take actions that have adverse consequences for a Fund or one of its portfolio companies, such as seeking to increase its market share at such portfolio company's detriment, withdrawing business from such

portfolio company in favor of a competitor that offers the same product or service at a more competitive price, increasing prices of its products in its capacity as a supplier of such portfolio company or commencing litigation against such portfolio company. In addition, in such circumstances, the General Partner may not pursue certain actions on behalf of such Fund, which could result in a benefit to such other vehicle or account, or vice versa. Prospective investors should not assume that a company related to or otherwise affiliated with the Firm or its affiliates will only take actions that are beneficial to or not opposed to the interests of such Fund and its portfolio companies.

### ***Line of Credit Utilization.***

Use of leverage arrangements may provide a General Partner with an incentive to fund portfolio investments or otherwise utilize borrowings in lieu of capital contributions. For example, calculations of net IRRs in respect of performance data with respect to a Fund, as reported to such Fund's limited partners from time to time, are based on the timing of payments of capital contributions by, and distributions to, such limited partners. In instances where a Fund utilizes borrowings under a Fund's subscription-based credit facility or asset-backed facility (or other facility), use of such facility may result in a higher reported net IRR than if the facility had not been utilized because such borrowings were used in lieu of capital contributions or in advance of related capital contributions that would only be made at a later date. Such General Partner may make distributions prior to the repayment of outstanding borrowings. In addition, in the event such Fund incurs such indebtedness, the preferred return accruing in respect of such limited partners will be less than otherwise would have been the case in the absence of such indebtedness. Further, it is expected that interest will accrue on any such outstanding borrowings at a lower rate than any IRR, which will begin accruing when capital contributions to fund such investments, or capital contributions to repay borrowings used to fund such investments, are actually made to such Fund. As a result, such General Partner may be entitled (a) to receive carried interest distributions earlier than it otherwise would have and (b) in certain circumstances, to receive more carried interest distributions than it otherwise would have, in each case had such Fund not incurred such indebtedness and, instead, had required the such limited partners to make additional capital contributions. Certain limited partners may benefit from borrowing by such Fund even though such limited partners are not providing the same level of credit support for such borrowing as other limited partners. This may occur, for instance, where a limited partner is prohibited from pledging its commitments to support a credit facility or where regulatory or tax considerations prohibit such a pledge or make it undesirable. In addition, lenders typically apply different "advance rates" to the commitments of different types of limited partners, with the result that the commitments of certain limited partners are more useful to such Fund as collateral for such Fund's subscription-based credit facility than the commitments of other limited partners.

### ***Transactions with Potential and Actual Limited Partners.***

Prospective investors should note that a General Partner and the Firm may from time to time engage in transactions with prospective and actual limited partners of a Fund and prospective and actual limited partners of other vehicles or accounts that entail business benefits to such investors. Such transactions may be entered into prior to or coincident with an investor's admission to such Fund or during the term of their investment. The nature of such transactions can be diverse and may

include benefits relating to such Fund, other vehicles or accounts and their respective issuers or portfolio companies. For example, limited partners of a Fund may be CEOs or other officers, directors, principals or shareholders of past, current or future portfolio companies or service providers. Please also see “*Service Providers and Suppliers*” above.

### ***Insurance.***

A General Partner may cause a Fund to purchase and/or bear premiums, fees, costs and expenses (including the expenses or fees of affiliated and non-affiliated insurance brokers) with respect to insurance for the benefit of such Fund, such General Partner and any Indemnified Party with respect to Fund-related matters. The Firm, other vehicles or accounts affiliated with the Firm and their respective portfolio companies and other investments may utilize an affiliated insurance broker or insurance provider in connection with all or part of their insurance coverage and such Fund may leverage the scale of the Firm by participating in shared, or umbrella, insurance policies as part of a broader group of entities affiliated with the Firm. Any insurance policy purchased by or on behalf of such Fund (including policies covering such Fund, such General Partner, the Firm and other funds and accounts) may provide coverage for situations where such Fund would not provide indemnification, including situations involving culpable conduct by such General Partner or the Firm. Nonetheless, such Fund’s share of the fees and expenses in respect of insurance coverage will not be reduced to account for these types of situations.

To the extent an insurance policy provides coverage with respect to Fund-related or investment-related matters, all or a portion of the fees and expenses (including premiums) of such insurance policy may be allocated to such Fund. The amount of any such insurance-related fees and expenses allocated to such Fund will be determined by the Firm in its reasonable discretion taking into consideration certain facts and circumstances, including the capital commitments or invested capital of each covered Fund’s and account’s covered investments. While the Firm expects to consider certain objective criteria when determining how to allocate the cost of insurance coverage that applies to multiple funds and accounts, because of the uncertainty of whether claims will arise in the future and the timing and the amount that may be involved in any such claim, the determination of how to allocate such fees and expenses also requires the Firm to take into consideration other facts and circumstances that are more subjective in nature. In addition, because the Firm may bear a portion of such fees and expenses and has differing investment interests in the Funds and accounts it manages, conflicts may arise in the determination of the proper allocation of such fees and expenses among the Firm and such funds and accounts. It is unlikely that the Firm will be able to accurately allocate the fees and expenses of any such insurance based on the actual claims of a particular fund or account, including such Fund.

While shared insurance policies may be cost effective, claims made by any entities affiliated with the Firm may result in increased costs to a Fund and such policies may have an overall cap on coverage. To the extent an insurable event results in claims in excess of such cap, such Fund may not receive as much in insurance proceeds as it would have received if separate insurance policies had been purchased for each party and the Firm may face a conflict in interest in properly allocating insurance proceeds across all claimants, which could result in such Fund receiving less in insurance proceeds than if separate insurance policies had been purchased for each insured party individually. Similarly, insurable events may occur sequentially in time while subject to a single overall cap. To

the extent insurance proceeds for one such event are applied towards a cap and such Fund experiences an insurable loss after such event, such Fund's receipts from such insurance policy may be diminished or such Fund may not receive any insurance proceeds. A shared insurance policy may also make it less likely that the Firm will make a claim against such policy on behalf of such Fund.

In addition, a Fund may need to determine whether or not to initiate litigation to collect from an insurance provider, which may be lengthy and expensive and which ultimately may not result in a financial award. The potential for the Firm to be a counterparty in any litigation or other proceedings regarding insurance claims creates a further potential conflict of interest. The Firm will seek to allocate the costs of such insurance and proceeds from claims in respect of such insurance policies and resolve any conflicts of interest, as applicable, in a manner it determines to be fair. In that regard, the Firm may, if it determines it to be necessary, consult with one or more third parties in allocating such costs and proceeds and resolving such conflicts.

***Limited Access to Information.***

A Fund's limited partners' rights to information regarding such Fund will be specified in the Fund Documents. However, certain limited partners may receive additional information that is not made available to all limited partners generally. For example, it is expected that limited partners who designate representatives to participate on a Fund's advisory committee may, by virtue of such participation, have more information about such Fund and investments in certain circumstances than other limited partners generally, or certain information may be disseminated to them in advance of communication to other limited partners. Similarly, certain limited partners may also be investors in other vehicles or accounts, or engage in transactions with the Firm or another vehicle or account, and may receive additional information through such arrangements. Certain limited partners may periodically request, or have side letters providing for periodic disclosures of, or receive as a result of certain regulatory requirements, information regarding such Fund and its portfolio investments that is not otherwise set forth in (or has yet to be set forth in) the reporting and other information delivered to all limited partners. Such General Partner will have no duty to ensure all limited partners seek, obtain or process the same information regarding the Firm, such Fund and its portfolio investments and/or portfolio companies.

Certain information that is provided to one limited partner and not to another limited partner (or prospective investor) may provide the recipient with greater insight into such Fund's activities, thereby enhancing such recipient's ability to make investment decisions with respect to such Fund (including a prospective investor's decision to invest in such Fund) and/or take action or make other decisions pursuant to the Fund Documents. This may adversely affect limited partners that do not receive such information. In addition, a limited partner that seeks to transfer its interests in such Fund, or a potential acquirer of such interests, may have difficulty in determining an appropriate price for such interests because it does not have information that it would consider material or which has been provided to its prospective counterparty.

### ***Resolution of Conflicts***

In the event that any matter arises that a General Partner determines in its good faith judgment to constitute an actual conflict of interest between a Fund, on the one hand, and the Firm or any existing or future vehicle or account or clients, on the other hand, such General Partner may, subject to internal policies and the Fund Documents, take such actions as it deems necessary or appropriate, including such actions as described elsewhere herein, taking into consideration the interests of the relevant parties, the circumstances giving rise to the conflict and applicable law. The Firm's internal policies and protocols may be amended from time to time by the Firm in its discretion without notice to or the consent of any Fund's limited partners or any other person. Any such resolutions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict.

## **Item 9      Disciplinary Information**

ACM and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

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

### ***Affiliated Broker-Dealer***

ACM is an affiliate of TKG, which is registered as a broker-dealer with the SEC and is a member of FINRA. Additionally, employees and management persons of ACM are registered representatives of TKG. TKG may be involved in the public or private placement of securities and other instruments issued by portfolio companies and other non-controlled entities in or through which certain Funds invest, and/or may provide capital markets advisory services to portfolio companies and other non-controlled entities in or through which Funds invest, including in connection with mergers and acquisitions. TKG may receive fees and other compensation, which may be payable in cash or securities, in respect of the activities described above. As such, as a consequence of such activities, TKG may from time to time hold positions in instruments or securities issued by portfolio companies.

TKG does not otherwise execute transactions on behalf of the Funds. While such fees and other compensation are believed by ACM to be reasonable and charged at market rates for the relevant activities, such compensation is generally determined through negotiations with related parties. The Funds generally do not have the right to share in the compensation received by TKG for its role in any transaction. No compensation received by TKG for the foregoing activities is offset against management fees or otherwise shared with the Funds. TKG does not share in any Transaction Fees earned by ACM, which are generally allocated among the Funds as discussed in Item 5.

The relationship ACM has with TKG may give rise to a potential conflict of interest between ACM and Funds that have an interest in any portfolio companies or investment vehicles with respect to which TKG provides services (please see Item 8 above for further information as to how such conflicts are addressed). In particular, ACM may be seen as incentivized to seek to influence the decision by a portfolio company's management to retain TKG, or to otherwise transact with TKG,

instead of other unaffiliated broker-dealers or other service providers or counterparties that may be more appropriate or offer better terms. ACM could also be seen as incentivized to structure portfolio company transactions so that they require the use of a broker-dealer (and consequently provide an opportunity for TKG to be retained by a portfolio company or acquisition company established for the relevant transaction and generate fees or other compensation for TKG).

TKG also provides capital markets and advisory services to third parties that are not portfolio companies including third parties that may be competitors of portfolio companies of the Funds, or that are service providers, suppliers, customers, or other counterparties with respect to such companies (“competitor companies”). In providing such services to, or with respect to, such competitor companies, TKG will not take into consideration the interests of the relevant portfolio companies or the Funds. In addition, TKG may also be engaged to provide capital markets or advisory services to third parties in connection with transactions that may also be appropriate for a Fund. In some cases, these services offered to third parties in connection with a transaction may be provided concurrently with services being provided in a similar manner to a Fund even if the Fund has a competing interest with the third party. In providing services to third parties, including to competitor companies, TKG may come into possession of information that it is prohibited from disclosing or acting on (including on behalf of a Fund) as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interests of a Fund.

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

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

ACM has adopted a written Code of Ethics (“Code”) which is included as a part of its Compliance Manual, and which is provided to each supervised person. The Code requires all supervised persons to (i) act with competence, dignity, integrity and in an ethical manner, (ii) use reasonable care and exercise independent professional judgment in the execution of their duties, and (iii) avoid actions or relationships that might conflict, or appear to conflict, with job responsibilities or the interests of ACM and its clients. The Code also contains policies and procedures that ensure that all personal securities trading by supervised persons are conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. ACM prohibits personal trading on certain securities or instruments; require pre-clearance before purchasing an IPO or limited offering (i.e., private placement); and require periodic reporting of supervised person’s personal securities transactions and all holdings.

Supervised persons are required to certify to their compliance with the Code on an annual basis. Supervised persons of ACM who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of which they become aware.

ACM will provide a copy of the Code to any investor or prospective investor upon request.

### ***Participation or Interest in Client Transactions***

ACM, and an affiliated entity, serve as the investment adviser and General Partner, respectively, to the Funds. Each General Partner will have an investment in the applicable Fund. In addition, as described above, ACM, its affiliates and personnel may receive Transaction Fees associated with investments or proposed investments or commitments made by the Funds. Therefore, ACM may be considered to participate indirectly in transactions effected for the Funds. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the Fund Documents.

Please also see Item 8 above for a discussion of material conflicts of interest.

## **Item 12 Brokerage Practices**

ACM does not make regular use of brokers for the purposes of purchasing or selling securities on behalf of a Fund because the securities that are typically purchased and sold on behalf of a Fund are acquired and/or disposed of in privately negotiated purchase and sale transactions.

From time to time, ACM may use a broker to effect transactions in public securities resulting from, or in connection with portfolio investments. In those instances, ACM has full discretionary authority with respect to the selection of, and the commissions paid to, brokers. If ACM determines to engage a broker, ACM will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility, responsiveness, and the value of research provided, if any.

ACM does not currently have any soft dollar arrangements or investor referrals from broker-dealers in connection with Fund transactions.

## **Item 13 Review of Accounts**

The investment portfolio of a Fund is generally private, illiquid and long-term in nature and accordingly ACM's review is not directed toward a short-term decision to dispose of securities. ACM closely monitors the portfolio companies of a Fund and maintains an ongoing oversight position of the portfolio companies. A team of investment professionals reviews a Fund's portfolio on an on-going basis. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management. The team generally includes <partners/principals> and other investment professionals of ACM.

A fund administrator will prepare the quarterly NAV based on the valuations provided by ACM investment professionals. The financial statements (including partner allocations) will be prepared by an accountant at the fund administrator, then reviewed by a manager and senior manager prior to sending to ACM for review and approval. Once the ACM CFO approves the package, the fund administrator will prepare the partner capital statements. Those will then be sent to the ACM CFO for review and approval. The quarterly financial statements, portfolio review and capital statements are disseminated by the fund administrator approximately 60 days following quarter end (other than Q4, which is typically later due to the audit).

ACM also has contact with investors (personal visits, telephone, email) throughout the year as needed.

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

From time to time, ACM may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in a Fund. Any fees payable to third-party placement agents will be borne by ACM indirectly through an offset against the management fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by a Fund.

## **Item 15 Custody**

ACM has access to Fund accounts since an affiliate serves as a General Partner of the Funds. Each Fund is subject to an annual audit by a PCAOB-registered and inspected independent public accountant. Limited partners of the Funds are provided with annual audited financial statements, prepared in accordance with U.S. GAAP and U.S. GAAS, within 120 days of the Fund's fiscal year end.

## **Item 16 Investment Discretion**

As discussed above, ACM provides discretionary investment advice to the Fund(s) and certain other advisory clients pursuant to an investment management agreement. The investment management agreement, together with the management authority granted to the General Partner of the Fund pursuant to the Fund Documents, provides ACM with full discretion to determine investments to be purchased and sold on behalf of the Fund and the terms of the related transactions. Limitations on investment discretion are set forth in the investment management agreement and Fund Documents.

## **Item 17 Voting Client Securities**

ACM has the authority to vote client proxy statements on behalf of each Fund. The majority of "proxies" received by ACM will be written shareholder consents or similar instruments for private companies owned by the Fund. ACM has adopted proxy voting policies and procedures pursuant to SEC Rule 206(4)-6. ACM's proxy policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. ACM generally believes its interests are aligned with those of the Funds' investors through the General Partner's beneficial ownership interests in the Funds. In the event that there is or may be a conflict of interest in voting proxies, ACM's proxy policy provides that the Firm may address the conflict using several alternatives, including by seeking the approval of the limited partner advisory committee on the proposed proxy vote. Investors in the Funds cannot direct how ACM votes proxies nor is ACM required to seek investor approval or direction when voting proxies.

A copy of the proxy voting policies and procedures will be provided to investors upon request.



## **Item 18     Financial Information**

ACM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.