

## Item 1. Cover Page

# Trilantic Capital Management L.P. Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Trilantic Capital Management L.P. (“TCM” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 212-607-8450. 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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. Additional information about TCM is also available on the U.S. Securities and Exchange Commission’s (“SEC”) website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Material Changes**

This public filing of Form ADV Part 2A (the “Brochure”) for TCM amends and restates in its entirety any prior public filings of the Brochure. Material changes made to the prior Brochure (updated March 2022) include: (i) updating TCM’s regulatory assets under management and capital commitments under management (see Item 4); (ii) certain updates and additions to risk factors (see Item 8); and (iii) an updated Statement of Assets, Liabilities and Partners’ Capital with respect to TCM (see Item 18).

## Item 3. Table of Contents

Item 2. Material Changes .....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business .....	3
Item 5. Fees and Compensation .....	6
Item 6. Performance Based Fees and Side-by-Side Management .....	12
Item 7. Types of Clients.....	12
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	13
Item 9. Disciplinary Information .....	34
Item 10. Other Financial Industry Activities and Affiliations .....	34
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	42
Item 12. Brokerage Practices .....	47
Item 13. Review of Accounts.....	48
Item 14. Client Referrals and Other Compensation.....	49
Item 15. Custody .....	50
Item 16. Investment Discretion.....	50
Item 17. Voting Client Securities.....	50
Item 18. Financial Information .....	52
Item 19. Requirements for State-Registered Advisers.....	53

## Item 4. Advisory Business

TCM is an independent private equity firm with a principal place of business in New York City, New York (opened in April 2009), with additional office space in Austin, Texas. TCM’s advisory business is conducted through TCM’s New York City and Austin offices. TCM’s strategy is to make control or significant minority equity and equity-oriented investments primarily in middle-market companies with the objective of achieving appropriate risk-adjusted returns. TCM seeks to partner with management teams, entrepreneurs, and/or family owned businesses. TCM focuses primarily on investing in companies in target industry sectors in which TCM’s investment team has significant resources and expertise, within the buyout/growth capital private equity asset class.

TCM manages its Clients on a discretionary basis. As of the date of this filing, TCM manages \$7.3 billion of regulatory assets under management across six middle-market private equity fund families, representing \$7.45 billion of aggregate capital commitments of Clients.<sup>1</sup> Historically, TCM has managed seven middle-market private equity fund families with overall aggregate capital commitments of \$9.7 billion.

TCM was formed under the laws of the State of Delaware on April 3, 2009, as a limited liability company, and converted to a Delaware limited partnership on January 1, 2014. In April 2009, TCM, together with Trilantic Capital Partners L.P. Inc., a Guernsey limited partnership (“Trilantic Europe”) and certain affiliates of each of them (collectively, “Trilantic”) completed the acquisition of Lehman Brothers Merchant Banking (“LBMB”) from the estate of Lehman Brothers Holdings Inc. (“Lehman Brothers”). The acquisition was executed in partnership with Reinet Investments S.C.A. (“Reinet”), an investment vehicle listed on the Luxembourg Stock Exchange, with Reinet

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<sup>1</sup> As of December 31, 2022.

Fund S.C.A. F.I.S (a wholly-owned subsidiary of Reinet) and certain of its affiliates acquiring a minority non-operating economic interest in TCM and certain of its affiliates, and certain affiliates of Trilantic Europe in connection with the transaction (see Item 10 for additional detail). TCM has been registered with the SEC as an investment adviser since January 2010 and its principal owners are Charles Ayres (Managing Partner, Chairman of TCM and Chairman of the Executive Committee), E. Daniel James (Managing Partner and President of TCM) and Reinet. Please refer to Item 10 “*Other Financial Industry Activities and Affiliations*” for additional information about Reinet’s interest in TCM. In addition to Charles Ayres and E. Daniel James, the other investment partners and senior advisors of TCM provide advice and guidance on the various industry sectors in which TCM Clients invest. These Partners and Senior Advisors include: Charles Fleischmann, Glenn Jacobson, Jeremy Lynch, Jamie Manges, Christopher R. Manning, Dan Siegman, Ted Rosenwasser and Li Zhang.

In Q1 2022, Christopher R. Manning, Chairman of Trilantic Energy Partners, stepped down as Managing Partner of the Firm, but continues to be a Senior Advisor, shared employee and associated person of the Firm. Mr. Manning and other members of TCM that focus on investments in the energy sector (including Glenn Jacobson) have launched a new advisory firm, Greenbelt Capital Management L.P. (“Greenbelt”), which will rely on certain aspects of TCM’s “backoffice” and “middleoffice” infrastructure, and which is separately registered as an investment advisor with the SEC. Mr. Manning and his team continue to oversee all existing energy-sector investments of the Firm’s current Clients (as defined below); however, as successor funds will not invest in upstream energy investments, Mr. Manning’s change in role is not expected to affect, or be relevant to, the operations of successor funds. Like Mr. Manning, the rest of the energy team continue to be advisors and associated persons of the Firm.

TCM serves as an investment manager to Trilantic Capital Partners IV L.P. (together with certain related parallel investment vehicles and alternative vehicles, “Fund IV Global”), Trilantic Capital Partners V (North America) L.P. (together with certain related parallel investment vehicles and alternative vehicles, “Fund V North America”), Trilantic Energy Partners (North America) L.P. (together with its alternative vehicles, “TEP I North America”), Trilantic Capital Partners VI (North America) L.P. (together with certain related parallel investment vehicles and alternatives vehicles, “Fund VI North America”), Trilantic Energy Partners II (North America) L.P. (together with certain related parallel investment vehicles and its alternative vehicles, “TEP II North America”) and Trilantic Capital Partners VII (North America) L.P. (together with certain related parallel and feeder investment vehicles, “Fund VII North America”). Fund IV Global was organized to make private equity investments primarily in North America and Europe; Fund V North America and Fund VI North America were organized to make control or significant minority private equity investments in North America primarily in the business services, consumer and energy sectors. Fund VII North America was organized to make control or significant minority private equity investments in North America, primarily in the business services and consumer sectors, although investments may be made in other sectors or subsectors as well. TEP I North America and TEP II North America were organized to make control and significant minority private equity investments in energy related companies in North America. Further, TCM provides limited investment advice to certain co-investment vehicles of its Clients (as defined below), including to (i) a co-investment vehicle of Fund IV Global formed for an affiliate of Reinet, which invests in and disposes of investments on a parallel basis with certain investments of Fund IV Global; and (ii) certain special purpose vehicles of Fund IV Global and Fund V North America, as well as co-investment vehicles to Fund V North America, TEP I North America, Fund VI North America and/or TEP II North America (such co investment vehicles in subclauses (i) and (ii), together with Fund IV Global, Fund V North America, TEP I North America, Fund VI North America, TEP II North America and Fund VII North America, the “Clients”). Certain of the aforementioned co-investment vehicles are

managed on a fee-free, carried interest-free basis, or are managed with reduced management fees and/or carried interest.

TCM formulates the investment objective for each Client, directs and manages the investment and reinvestment of each Client's assets, and provides periodic reports to investors in each Client, in accordance with each Client's governing documents. Investment advice is provided directly to each Client, and not individually to the investors of the Clients. TCM manages the assets of each Client in accordance with the terms of the governing documents applicable to each Client. Investors in Clients (generally referred to herein as "investors" or "limited partners") participate in the overall investment program for the applicable Client, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the governing documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between TCM and any investor.

TCM originates and recommends investment opportunities for Clients, identifies sources of capital for prospective and existing portfolio investments, structures, monitors and evaluates portfolio investments, recommends the manner and timing of dispositions of portfolio investments and provides certain other services (including certain administrative services necessary for the operation of Clients) related thereto.

Specifically, TCM generally renders the following services in connection with the Clients' investment programs:

- analysis and investigation of potential portfolio companies, including their business, operations, management, financial condition, competitive position and prospects for future performance;
- analysis and investigation of potential dispositions of portfolio investments, including identification of potential acquirers and evaluation of offers made by such potential acquirers;
- structuring of acquisitions and dispositions of portfolio investments;
- identification and arranging of sources of capital and other financing for portfolio investments and portfolio companies;
- supervision of the preparation and review of all documents required in connection with the acquisition, disposition or financing of each portfolio investment; and
- monitoring of the performance of portfolio companies and, where appropriate, providing advice to the management of the portfolio companies during the life of a portfolio investment.

Services to other Clients can vary, and have varied, from the services noted above based on the investment objectives of such Client. For example, a Client may be (and certain Clients have been and will be) formed for a specific portfolio investment, in which case, TCM does not provide additional investment opportunities to such Client, but will provide other services noted above in connection with the portfolio company held by such Client.

In addition to the services of its own staff and advisors, TCM arranges for and coordinates the services of other professionals and consultants. TCM can engage, and has engaged, one or more sub-advisors (including any affiliate) to perform investment advisory and investment management services to Clients. TCM currently engages Trilantic Europe as a sub-advisor in respect of a remaining Europe-based investment of Fund IV Global. All sub-advisory fees are borne by TCM at no additional cost to Clients. Additionally, TCM could be engaged to perform similar sub-

advisory services and is currently engaged as a sub-advisor to an employee securities company (“ESC”) related to Fund IV Global, which is a client of and advised by Lehman Brothers Private Equity Advisers L.L.C., and which previously held interests in certain portfolio companies of Fund IV Global. In addition, as noted above, TCM provides certain “backoffice” and “middleoffice” services to Greenbelt, although it does not provide investment advisory services to Greenbelt.

*This brochure does not constitute an offer to sell or solicitation of an offer to buy any securities.*

## **Item 5. Fees and Compensation**

Specific management fee terms differ among the Clients, and any descriptions included herein are intended as a general summary that is subject to the governing documents applicable for each Client.

As of the date hereof, TCM generally earns management fees for its advisory services to the Clients as follows:

- Management fees are paid semi-annually in advance (per the dates set forth in the governing documents applicable to the respective Client).
- A Client’s management fees will be calculated and charged on a basis that generally is not tied to such Client’s then-current net asset value. During the investment period of a Client, the management fees are generally an annual fee equal to a percentage of the aggregate amount of such Client’s investors’ capital commitments as of the first day of the period in respect of which the management fees are then being paid, unless otherwise reduced under the terms of the respective Client’s applicable governing documents (including via side letters). Certain Clients have and may in the future have a different calculation for management fees during the investment period. As of the date of this brochure, the maximum capital commitment-based fee is based on a rate of 2.00% per year.
- After the expiration of the investment period of a Client, the management fees are an annual fee generally equal to a percentage of Capital Under Management, as defined in each respective Client’s governing documents (including via side letters), which is generally calculated based on capital invested in unrealized portfolio investments on the date such management fee period begins, subject to certain adjustments specific to each Client’s investment advisory agreement. As of the date of this brochure, the maximum Capital Under Management based fee is based on a rate of 1.75% per year.
- As a result, the amount of management fees generally will not correspond with fluctuations in a Client’s net asset value, including following the investment period, and will not be reduced in connection with any write downs, except in the case of investments disposed of or completely written off for U.S. federal income tax purposes. Except where the governing documents expressly provide to the contrary, management fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments.
- The management fees generally commence accruing as of the relevant Client’s initial closing date (or a later date at the discretion of TCM) and terminate at the termination and dissolution of the Client (unless terminated earlier in accordance with each entity’s operative document, or at the sole discretion of TCM). Generally, and unless explicitly stated otherwise in the operative documents of a Client, management fees are calculated at the beginning of such six-month period, without adjustment for any activity occurring during such six-month period. Management fees are paid by the applicable Client to TCM.
- The management fee is prorated for the number of days elapsed in each six-month payment period, and in the case of the last management fee period of a Client (the period commencing on the day after the last full six-month management fee period, through and

including the date such Client is terminated and dissolved), if such fee period is not a full six months, TCM shall refund to each limited partner the amount of the management fee paid by such limited partner allocable to that portion of such period which is subsequent to the dissolution and termination of the Client.

- During the fundraise period of a Client, if an additional limited partner is admitted to the Client or an existing limited partner increases its capital commitment at a subsequent closing of such Client, such limited partner is obligated to pay to the Client or TCM, as the case may be, on the date of such subsequent closing (or such later date as determined by the general partner of such Client), a retroactive management fee. The retroactive management fee is calculated from the date management fees were first charged to such Fund through the subsequent closing payment date applicable to such subsequent closing limited partner, plus an interest payment determined by TCM or the Client's general partner in accordance with the terms of the governing documents of the Client.
- Gross management fees may be, and generally have been, subject to offsets of certain fees (generally, monitoring fees, directors' fees, set-up or origination fees and commitment fees from current portfolio companies of Clients and topping or break-up fees with respect to unconsummated portfolio investments) ("Available Fees"), as well as offsets for placement fees and excess organizational expenses, in each case, as described in each Client's respective governing documents. Available Fees that offset management fees are more specifically defined in each Client's governing documents. In addition, generally, with respect to a portfolio company or prospective portfolio company, Available Fees will be allocated to a Client only to the extent of such Client's relative ownership or anticipated ownership of such portfolio company or prospective portfolio company on a fully-diluted basis, or in such other manner as the general partner of such Client determines to be appropriate under the circumstances, and only such Client's allocable portion of such fees shall offset such Client's management fees. To the extent any Available Fees are non-cash fees, TCM has discretion to determine to implement the management fee offset at such time as such fees are monetized.
- The governing documents of each Client set forth the full list of terms under which management fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified management fee rate in the governing documents until they are reduced in the circumstances and on the date(s) specified therein.

TCM has waived, reduced or calculated differently, and could, from time to time, waive, reduce or calculate differently, management fees or carried interest for Clients and investors in Clients, such as current, past and prospective employees, operating partners, senior advisors (including Founders Council members), agents, consultants, strategic co-investors (and their current, past and prospective partners, members, shareholders, employees, agents or consultants or their respective affiliates), individuals providing material business assistance to TCM or its affiliates, portfolio company board members, management or employees or other third parties. For example, Reinet and its affiliates, and members of the Trilantic Advisory Boards, including the Founders Council, do not pay management fees or carried interest to TCM or its affiliates or pay reduced management fees or carried interest. In addition, generally, management fee rates for any specific investor within a Client deviate from the maximum rates noted above based on the size of aggregate commitments such investor, together with such investor's affiliates, invests within a specific Client (a "size-based reduction"), or could vary (and has varied) based on when such investor invested in a Client (e.g., a "first-close reduction"). Thresholds for any management fee reductions are specific to each Client and could vary (and has in the past varied). Certain other Clients, such as certain co-investment vehicles, also do not pay management fees or carried interest or pay reduced management fees or carried interest. In addition, members of the Trilantic Advisory Boards, including the Founders Council, among others, have had, and could in the future have, the contractual right to co-invest in

portfolio companies of the Clients and would not pay management fees or carried interest on these investments.

*Other Fees.* In addition to management fees, TCM, its affiliates or employees could also receive (and have in the past also received) the following types of fees: (i) cash and non-cash board of directors or monitoring fees from current portfolio companies; (ii) topping or break-up fees in connection with proposed but unconsummated portfolio investments; (iii) set-up or other origination fees in connection with the origination of any portfolio investment or commitment fees in connection with a Client or multiple Clients' commitment to make an investment; (iv) disposition advisory fees, exit fees or other similar fees; (v) stock options or other compensation granted or paid by portfolio companies to persons who serve in a bona fide, non-director management capacity at any such portfolio company, (vi) stock options or other compensation granted or paid by portfolio companies that a Client has disposed of and (vii) certain other fees including, without limitation: transaction fees relating to portfolio companies' potential acquisitions, divestitures, financings or refinancings (equity or debt), mergers, tender offers, exchange offers, spin-off or split-off transactions, dividends, recapitalizations, restructurings or other similar transactions (however structured), diligence fees and rental income. As noted above, certain fees collected by TCM, the general partners or managing members of Clients or certain of their affiliates and employees, which meet the applicable definition of "Available Fees" in Client documents, net of out-of-pocket expenses, are offset against future gross management fees. Available Fees are allocated among Clients typically based on capital invested or capital committed to the portfolio investment to which such Available Fees relate, and could be on a fully diluted equity ownership percentage of such portfolio investment or based on ownership among Clients, and then allocated among investors in such Client, generally based on such investor's percentage interest in such portfolio investment. To the extent any Available Fees are non-cash fees, TCM has discretion to determine to implement the management fee offset at such time as such fees are monetized. To the extent any Available Fees are allocated to a Client or investor that does not pay management fees or Clients that pay reduced management fees, such allocated portion of the Available Fees are usually not offset against management fees and are retained by TCM. In addition, certain fees such as disposition advisory fees, restructuring fees, financing fees, diligence fees, director's fees from companies that are not portfolio investments of a Client, fees received by Advisory Board members (including Founders Council members) or senior advisors, and any other fees that are not expressly specified as Available Fees in a Client's operating documents do not offset management fees.

*Organizational Expenses.* Each Client will typically pay or otherwise bear all fees, costs, expenses, and other liabilities incurred in connection with the formation and organization of, or sale of interests in and capital raising of, such Client, including in certain circumstances, formation of its general partner or similar person, and further including commissions, costs, and all out-of-pocket legal, accounting, filing, printing, electronic database, travel (which can include expenses for the use of private aircraft, first class or business class travel), accommodation, meal and event or other entertainment expenses relating to any of the foregoing activities, incurred by, or benefitting TCM professionals and third parties (including, but not limited to, actual and potential investors, investment committee members, portfolio company management, advisors, consultants, agents and/or vendors) and other similar fees, costs and expenses. Not all Clients will have the same fees, costs and expenses, however, most Clients will typically receive a reduction in future gross management fees in respect of placement agent fees (on a dollar-for-dollar basis, but not below zero) and a portion of such organizational expenses (in excess of specific amounts as provided for in their governing documents).

*Partnership Expenses.* In addition, each Client, subject to its governing documents, will typically pay or otherwise bear all fees, costs, expenses and other liabilities arising in connection with its



operations (collectively, the “Partnership Expenses”), other than certain expenses specified as “General Partner Expenses” in such Client’s governing documents. Generally, General Partner Expenses include: (a) salary, wages, guaranteed payments, payroll taxes, bonuses, employee benefits and other compensation of the investment personnel and other employees of a Client’s general partner (if any) and TCM involved in the business and affairs of any Client; and (b) any costs and expenses of such investment personnel and their related overhead necessary for Clients’ operations, such as rent, utilities, property insurance, furnishings, office supplies and equipment and other similar expenses, in each case, except with respect to any specified expenses that constitute “Partnership Expenses” under such Clients’ operating documents. The Partnership Expenses of a particular Client are set forth in its constituent documents and could vary from Client to Client, but will generally include, without limitation, the following:

- (i) all fees, costs, expenses and other liabilities or obligations resulting from or arising in connection with:
  - (a) developing, negotiating, and structuring consummated and unconsummated investments; and
  - (b) making, holding and disposing of actual portfolio investments; which include, without limitation, any financing (including commitment fees or interests or penalties on any borrowings), legal, investment banking, accounting, due diligence, advisory, placement fees and expenses, consulting fees and expenses, brokerage commissions and custodial expenses, and other similar fees, costs and expenses in connection therewith (including any broken deal expenses relating to unconsummated investments), as well as the costs and expenses of industry-specific business conferences, intelligence, market data, information service providers, relevant news or third-party research services and related terminals for the delivery of such services;
- (ii) all fees, costs and expenses of tax advisors, legal counsel (including, in certain circumstances, in-house legal counsel relating to portfolio company matters), accountants, auditors, consultants, third party administrators and other advisors and professionals, including fees, costs and expenses of members of the Trilantic Advisory Boards, including the Founders Council, senior advisors or Operating Executives and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to such Client or TCM affiliates;
- (iii) all fees, costs and expenses of holding meetings of a Client and a Client’s LP Advisory Committee, if any (including speaker fees and gifts available to meeting attendees, as well as certain fees, costs and expenses of a Client’s investors or LP Advisory Committee);
- (iv) all fees, costs and expenses of any non-TCM employee on the Investment Committees of any Clients (including members appointed by Reinet);
- (v) all fees, costs and expenses incurred in connection with communications with Client investors (including fees, costs and expenses of maintaining any web-based investor platform), reporting to Client investors, responding to investor inquiries, investor-specific reporting requests or due diligence requests or questionnaires, or compliance with side letter provisions and any “most favored nations” provision election process;

- (vi) all fees, costs and expenses incurred in connection with meetings with Client investors or actual or potential portfolio company management;
- (vii) all costs, fees and expenses of any litigation, directors and officers liability or other insurance and any indemnification (including any indemnification granted to any third-party) or extraordinary expense or liability relating to the affairs of a Client;
- (viii) any taxes, fees or other governmental charges (including interest and penalties) levied against a Client, any tax audit, investigation, settlement or review of a Client or any of its tax returns and Schedules K-1 (and similar schedules), including expenses incurred in connection with providing investors on-line or electronic access to information and reporting relating to a Client (including any upgrades and customizations related thereto);
- (ix) certain fees, costs and expenses (including legal fees, costs and expenses) incurred to comply with any applicable law, rule or regulation or directive relating to the activities of a Client, including regulatory expenses of TCM or any general partner of a Client (but excluding any expenses related to the preparation and filing of Form ADV and related U.S. regulatory filings), expenses related to the preparation of Form PF and similar U.S. and non-U.S. regulatory filings; expenses relating to compliance with any anti-money laundering or similar KYC requirements, expenses advisable or required to be incurred in order to comply with the term of the Alternative Investment Fund Manager Directive (“AIFMD”), any Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act dated June 23, 2006 (as amended) and/or the Financial Services Act 2018, including any law, rule or regulation related to the implementation thereof in any jurisdiction) or law, rules or regulations implemented or promulgated in any applicable jurisdiction in relation thereto (including the fees, costs or expenses of any depositary required in connection therewith) or any other regulatory requirement (including regulatory filings, “blue sky” filings and related out-of-pocket or other expenses of such Client, its general partner or similar person and/or investment advisor) and expenses related to or in connection with any litigation or governmental inquiry, investigation or proceeding involving such Client (including the amount of any judgments, settlements or fines paid in connection therewith);
- (x) any expenses related to the making of temporary investments or hedging transactions;
- (xi) all fees, costs or expenses incurred in connection with any restructuring or amendments to the constituent documents of a Client and related entities;
- (xii) all expenses relating to transfers of or defaults by investors; and
- (xiii) all expenses of dissolving, liquidating, winding-up and terminating a Client and related entities.

In addition, Partnership Expenses borne by Clients typically include costs and expenses of travel (which can include, and have included, expenses for the use of private aircraft, first or business class travel), accommodation, personal and business meals and event or other entertainment expenses relating to any of the foregoing activities, incurred by, or benefitting TCM professionals and third parties (including, but not limited to, actual and potential investors, investment committee members, portfolio company management, advisors, consultants, agents and/or vendors).

Additional allowable expenses or carve outs to the expenses listed above are included under the terms of a Client's governing documents. TCM has discretion to initially pay (and has in the past paid) any fees and expenses to be borne by Clients and is then subsequently reimbursed by Clients. TCM can also determine to bear all or any portion of expenses that would otherwise be considered Partnership Expenses, in its sole discretion (and has in the past borne a portion of such expenses). This list is not intended to be exhaustive; in addition to fees and expenses described herein, investors should review all fees charged by TCM, its affiliates, and others described in the confidential offering memorandum and governing documents of each applicable Client to fully understand the total amount of fees to be paid by each Client and, indirectly, such Client's investors. The fees and expenses borne by a Client are negotiated with investors during such Client's fundraising period.

TCM has adopted certain processes and procedures intended to allocate expenses in the manner prescribed by the governing documents of its Clients and its internal policies, including procedures to identify and correct misallocations due to error or revised allocation methodologies. Expenses paid by Clients are generally allocated among Clients that shared in the activities generating such expenses in a manner that TCM believes to be equitable, including, but not limited to, allocating expenses based on relative capital commitments, available capital, capital under management, or by entity headcount. Under certain circumstances, fees, costs and expenses will be specially allocated to a single Client or a subset of Clients and not all Clients, or to a single investor or subset of investors within a Client and not all investors. There is, however, no guaranty that such processes and procedures will identify any or all misallocations. To the extent misallocations are identified and one or more Clients have already paid such expenses, any reimbursements of incorrectly applied expenses will necessarily be applied at a later date and therefore Clients could bear (and have borne) incorrect allocations for an unspecified period of time. Reimbursement to a Client of any misallocated expenses will generally not include any interest on the principal amount of any misallocations. Although attempts will be made to allocate expenses on an equitable basis, such allocations will be determined by a Client's general partner and/or TCM. In some instances, such determinations will be subjective and reasonable minds could disagree.

Fees, costs and expenses relating to "broken deals" are generally only allocated to Clients that have commitments available to participate in such investment. Because certain co-investment and special purpose vehicles are formed generally for a specific transaction, investors of such co-investment vehicles do not commit to invest in such vehicles unless there is a level of certainty that such transaction will not be a "broken deal." Therefore, such vehicles generally do not participate in broken deal expenses, and such expenses are instead borne by the Clients with available commitments for such investments.

TCM's employees and certain of its affiliates and/or strategic partners, including supervised persons of TCM and/or portfolio companies of Clients, can choose to participate as purchasers of certain products and services at TCM's negotiated rate, on the same terms and conditions as TCM and/or Clients and thus are beneficiaries of such arrangement(s) to the extent utilized and accordingly could pay (and have paid) a rate for such products and services that are below market value. Each person or entity that purchases products and services at the negotiated rate either contracts directly with the provider of those products and services and is billed separately for the products and services it purchases, or reimburses TCM for their share of actual costs, and is liable for the costs of those products and services. This practice could present a conflict of interest as it could provide TCM's supervised persons an incentive to recommend certain products and services based on benefits received. TCM has a Code of Ethics, among other compliance policies, in place to address such potential conflicts of interest.

From time to time, TCM's employees, affiliates and/or strategic partners could receive (and have received) promotional items, discounts and/or other benefits from Client portfolio companies on terms not commercially available to all customers. In addition, TCM employees could benefit (and have benefited) from events or entertainment of prospective and current investors or portfolio company management personnel. TCM has a gifts and entertainment policy, among other compliance policies, in place to address potential conflicts of interest that may arise from receipt of such gifts or benefits.

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

The Clients are generally subject to a carried interest of up to 20% of profits on distributions derived from the disposition of investments. Such carried interest is generally distributed by the Clients to the general partners of the Clients, which are related persons of TCM. The foregoing performance-based carried interests are generally subject to the achievement of an annual rate of return on certain amounts of unreturned capital contributions of investors (subject to certain adjustments, in accordance with each Client's governing documents). TCM and its related persons, in their sole discretion, are permitted to waive, reduce or calculate differently (and have waived, reduced and/or calculated differently), the carried interest for certain Clients or certain investors of a Client.

Although carried interest may align the interests of TCM's key investment professionals with those of the Clients, carried interest may also create an incentive for TCM to recommend, and the general partner or managing member of each respective Client to make, more speculative investments and/or different decisions regarding the timing and manner of the realization of such investments than would be made if such carried interest were not allocated to the general partner. TCM seeks to address these conflicts through (i) careful review of investment opportunities by a screening committee and an investment committee, (ii) disclosure of investments to limited partners by way of written notices and quarterly reports, and (iii) equity investments by a number of TCM's investment professionals directly, or indirectly (through the general partners or parallel partnerships) in Clients. In addition, the governing documents of the Clients and general partners that provide performance-based carried interest have "clawback" and vesting provisions.

Certain Clients, by their terms, invest together and are subject to TCM's internal investment allocation guidelines. In addition, certain Clients that are co-investment entities, invest alongside other Clients and are subject to TCM's internal co-investment guidelines. Please see Item 11 for certain conflicts of interests that could arise from management of co-investment entities.

## **Item 7. Types of Clients**

TCM provides investment advisory and investment management services to the Clients, which includes private pooled investment vehicles; certain co-investment vehicles that are not pooled investment vehicles ("funds of one") are generally considered separately managed accounts for purposes of Form ADV. The Clients that are not "funds of one" (which could and have been considered separately managed accounts) are operated such that they qualify as "private equity funds" for purposes of Form PF. Investors in the Clients could include a variety of institutional and high net worth investors, but investment in Clients is limited to investors that meet certain financial sophistication requirements. The minimum capital commitment for an investor in a Client is outlined in each respective Client's governing documents or are determined on a case-by-case basis. Generally, the minimum commitment for third party investors in Clients has been set at \$5,000,000 or \$10,000,000 (or \$1,000,000 for certain parallel vehicles of the Clients); however,

TCM has the authority to deviate (and has deviated in the past) from these minimum commitments.

In addition, Clients, TCM or Client general partners or managing members have entered into separate agreements, commonly referred to as “side letters”, with certain investors, to waive or supplement certain terms, or allow such investors to invest on different terms than those specifically described in the offering documents. Side letters are confidential and not shared with all investors.

Investors are required to make certain representations when investing in a Client, including but not limited to representing that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deemed relevant to evaluate the merits and risks of the prospective investment, and (iii) they have the ability to bear the economic risk of an investment in the applicable Client.

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

TCM’s Clients primarily invest in privately held domestic and foreign entities in industry sectors including but not limited to business services, consumer and energy. As noted in Item 4 above, TEP I North America and TEP II North America are limited to the energy sector and Fund VII North America invests primarily in the business services and consumer sectors, although investments may be made in other sectors as well. In addition, Fund IV Global has also invested in the following industries: financial services, healthcare, industrial and media. TCM seeks to maximize the Clients’ returns through investments in middle market companies. Investments of Fund V North America, Fund VI North America, Fund VII North America, TEP I North America and TEP II North America are limited to companies in North America; investments of Fund IV Global are primarily in companies in North America, with a minority of investments in companies in Europe. The investment strategy includes partnering with founder, family and entrepreneur-owned businesses, providing flexible capital in control or significant minority investments, portfolio diversification (other than for Clients formed for a single portfolio investment), creating value through active post-acquisition involvement, as well as prudent use of leverage. TCM targets companies with enterprise values typically ranging from \$100 million to \$1 billion and seeks to recommend to Clients equity investments in these companies generally ranging from \$50 million to \$200 million per investment; however, TCM has the authority to deviate (and has deviated in the past) from these targets.

TCM’s Clients make investments via equity and equity-oriented securities, including common stock, preferred stock, debt securities purchased in connection with equity and equity-oriented investments (or which have equity-like returns), bridge financings, and temporary investments in mezzanine securities. TCM seeks to partner with management teams with a compelling vision and business strategy, a well-developed framework for execution, extensive industry and operating experience and an established performance record. TCM’s investment team has a long history of backing management teams it believes to be exceptional to acquire or form new businesses in attractive or dislocated industries. TCM seeks to recommend investments to its Clients in businesses with strong market positions, unique franchises, secure and growing market niches or distinctive products and services. TCM believes the historical performance and prospects of a business should support a reasonable valuation that permits the achievement of target return objectives. TCM places emphasis on business fundamentals and opportunities for growth rather than what it believes may appear to be bargains or undervalued assets. TCM aims to use debt financing prudently with the objective of allowing a portfolio company the flexibility to adapt to unforeseen economic conditions and to execute its business plan. TCM looks to provide an

appropriate capital structure tailored to a portfolio company and the industry in which it operates. TCM's Clients may make and have made majority or control investments and significant minority investments. Through board representation and shareholder rights, TCM requires its Clients to obtain control or significant influence over decisions that TCM believes could affect the value of an investment. In addition, TCM recognizes that environmental, social and governance ("ESG") issues can have a substantial impact on an investment's ability to generate or maintain economic value, as well as environmental and social value for itself, its Clients and Client investors, and therefore TCM considers ESG analysis an important component of its investment approach. TCM therefore considers material ESG issues in the course of its due diligence and in the monitoring of its investments to the extent reasonably practical under the circumstances. Finally, TCM believes an analysis of exit alternatives is integral to the evaluation of an investment and seeks to position its Clients' portfolio companies for sale via the public or private markets within a three to five-year time frame, but could, and has in the past, varied from this timeframe on a case-by-case basis.

All investments involve a high degree of risk and the investment strategy offered by TCM could lose money over short or even long periods of time. An investment in any Client should only be considered by prospective investors who can afford a loss of their entire investment. The description contained below is a brief overview of several risks related to TCM's investment strategy – additional and more specific risks are generally included in the private placement memoranda of Clients.

**General Market, Business and Management Risk.** Investments in portfolio companies subject Clients to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the portfolio company level, interest rate and currency fluctuations, equity price and/or commodity price fluctuations, general economic downturns, domestic and foreign political situations and other factors, which may or may not be known at the time of investment. Clients have incurred and may continue to incur expenses in currencies other than the U.S. Dollar and as such are exposed to currency risk if the foreign exchange rates move significantly from the date of the expense to the date of the settlement. Clients' investments are indirectly exposed to market price risk arising from uncertainties about future values of the investments held by these entities or their subsidiaries.

In addition, a Client's strategy in some portfolio investments could be based, in part, on the premise that appropriate businesses and assets will be available for purchase by the Client at favorable prices. Further, TCM's strategy relies, in part, on the existence of market conditions conducive to generating favorable prices during the term of a Client. No assurance can be given, however, that appropriate businesses and assets can be acquired at favorable prices as this will depend, in part, on events and factors outside the control of TCM.

With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases TCM monitors portfolio company management, management of each portfolio company has day-to-day responsibility of such portfolio company.

Clients' cash is subject to credit risk of the institution where the cash is held. Clients are also subject to the credit risk of individuals or entities which have significant obligations to Clients, including obligations of Clients to other Clients, such as situations where Clients invest side-by-side in portfolio companies.

**Financial Services Industry Uncertainty.** The U.S. financial services industry has recently entered into a new period of uncertainty following a number of regional bank closures and receiverships. The actual and potential consequences of these closures and receiverships include limited liquidity, defaults, non-performance and other adverse developments amongst these financial institutions, giving rise to similar liquidity constraints and adverse developments among their transactional counterparties and customers. Concerns generally about these institutions, counterparties and customers – actual or perceived – have lead and may continue in the future to lead to market-wide liquidity problems.

Specifically, on March 8, 2023, Silvergate Capital Corporation announced its intent to wind down the operations of and voluntarily liquidate Silvergate Bank. On March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the U.S. Federal Deposit Insurance Corporation (“FDIC”) as receiver. On March 12, 2023, Signature Bank was also put into receivership. On March 16, 2023, a syndicate of 11 of the largest U.S. banks deposited approximately \$30 billion into First Republic Bank, which had also been experiencing liquidity constraints, due in part to a significant outflow of deposits. Although all depositors of SVB regained access to their deposits after only one business day of closure and depositors of Signature Bank generally maintained access to their deposits, including in each case funds held in uninsured deposit accounts, depositors of another financial institution that is placed into receivership may experience longer delays in accessing their funds and may suffer losses with respect to uninsured deposits. In addition, borrowers under credit agreements, letters of credit and certain other financial instruments, a financial institution that is placed into receivership by the FDIC may be unable to or may be delayed in accessing undrawn amounts thereunder.

Accordingly, an investment into any Client is subject to the risk that one or more banks, investment banks, brokers, hedging counterparties, lenders or other custodians of cash and other assets with whom such Client (or one or more of its portfolio companies) does business (each, a “Financial Institution”) fail to perform their obligations or experience closure, receivership, bankruptcy or any other form of financial distress or difficulty, including insolvency (each, a “Distress Event”). Distress Events can be caused by a variety of factors, including eroding market sentiment, significant deposit withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Clients and/or their portfolio companies may not be able to access deposits, draw upon borrowing facilities or have access to other services for an extended period of time or ever. For example, if any of a Client’s lenders were to be placed into receivership or bankruptcy, such Client could be unable to access existing committed credit lines. In addition, if any of a Client’s investors or other parties with whom a Client conducts business are unable to access funds or credit lines with a Financial Institution, such parties’ ability to meet their obligations to such Client or to enter into new arrangements requiring additional capital or payments to such Client could be adversely affected. In this regard, counterparties to SVB credit agreements and arrangements, and third parties such as beneficiaries of letters of credit (among others), could experience direct impacts from the closure of SVB. Therefore, uncertainty remains over liquidity concerns in the broader financial services industry. Similar impacts have occurred in the past, such as during the 2008-2010 financial crisis.

Although deposits with an FDIC-insured bank are insured to applicable limits, which are generally \$250,000 per depositor and per ownership category, and securities and cash held by certain broker-dealers are insured by Securities Investor Protection Corporation (“SIPC”), amounts in excess of the relevant insurance limit are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that

governmental intervention will be attempted, and if it is, there can be no assurance that it will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets. It is also possible that there will be further involvement of governmental and other regulatory authorities in financial markets in the United States and/or around the world. The economic circumstances described above could continue or worsen in the future, and changes in general economic conditions are likely to affect Client activities, as well as those of portfolio companies. For example, a Distress Event could have a potentially adverse effect on the ability of TCM to manage Clients and their investments, and on the ability of TCM, Clients and/or their portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include Clients bearing additional fees and expenses in the event Clients are not able to close a transaction (whether due to the inability to draw capital on a subscription facility provided by a Financial Institution experiencing a Distress Event, the inability or unwillingness of investors to make capital contributions or otherwise), as well the inability of Clients to acquire or dispose of investments at prices that the applicable general partner believes reflect the fair value of such investments and/or the inability of portfolio companies to fund working capital needs (e.g., payroll), fulfill obligations or maintain operations.

TCM expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, however, there can be no assurance that such remedies will be successful, permitted under applicable law or avoid losses or delays. In addition, many Financial Institutions require, as a condition to using their services or otherwise, that its customers maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although TCM seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to Clients and their portfolio companies, TCM is under no obligation to use a minimum number of Financial Institutions with respect to Clients (and/or their portfolio companies), or to maintain account balances at or below the relevant insured amounts.

**Enhanced Scrutiny and Regulations of the Private Funds and Financial Services Industries; Proposed SEC Private Funds Regulation.** The growth of the private funds industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, has prompted governmental and public attention to the private funds industry and its practices over the past decade. In particular, on July 21, 2010, 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, requires registration with the SEC of advisers to private funds whose assets under management exceed \$150 million (with certain limited exceptions) and imposes reporting and record-keeping obligations with respect to the private funds they advise. The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity and hedge funds and other provisions that affect the private funds industry, either directly or indirectly. The Dodd-Frank Act, as well as other legislation, including AIFMD, could have an adverse effect on the private funds industry generally and/or on Clients, their general partners, TCM or one or more of their respective affiliates (including the senior investment professionals), and there can be no assurance that any such effect will not be adverse or otherwise impede a Clients activities.

In addition, as alternative asset managers have become more influential participants in the U.S. and global financial markets and economy generally, the private funds industry has been subject to criticism by some politicians, regulators and market commentators. In Germany, for example, U.S. and U.K. private equity firms are perceived by some as having been responsible for certain high



profile bankruptcies as well as high levels of domestic unemployment. There have been similar concerns expressed in other European countries. Various federal, state and local agencies have examined the role of placement agents, finders and other similar private funds service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions have targeted private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on Clients, their general partners, TCM, or any of their respective affiliates or otherwise impede a Client's activities.

This increased political and regulatory scrutiny of the private funds industry was particularly acute during the global financial crisis. For example, in addition to the U.S. and European legislation described above, other jurisdictions have proposed modernizing financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. There is a risk, therefore, that regulatory agencies in the United States, Europe or elsewhere could continue to adopt burdensome laws (including tax laws) or regulations, or could implement changes in law or regulation, or could pursue interpretation or the enforcement thereof, which are specifically targeted at the private funds industry.

The SEC has recently proposed a number of new rules and amendments to existing rules under the Advisers Act (the "Proposed Private Funds Rules") including new requirements related to quarterly statements, financial statement audits, prohibited activities and the preferential treatment of certain investors. The Proposed Private Funds Rules include a requirement for detailed quarterly disclosure to investors of private fund performance, fees and expenses (including disclosure of the compensation paid to the investment adviser and its affiliates) and additional portfolio investment-level disclosure. Advisers would also be prohibited from charging certain types of fees and expenses to private funds or their portfolio companies, seeking reimbursement, indemnification, exculpation, or limitation of liability related to certain actions of the adviser and allocating fees or expenses related to a portfolio investment on a non-pro rata basis among multiple private funds invested in the same portfolio investment. The Proposed Private Funds Rules would also prohibit granting certain types of preferential terms regarding redemption or information about portfolio holdings or exposures entirely (e.g., through side letters) and prohibit granting other preferential terms unless disclosed in writing to current and prospective investors. The SEC has also proposed changes to Form PF (the "Proposed Form PF Amendments") which would require advisers to private equity funds to gather and report more information regarding fund strategies, use of leverage, fund investments in different levels of a single portfolio company's capital structure, and portfolio company restructurings or recapitalizations. The Form PF Amendments would also require that advisers report certain events to the SEC within one business day of their occurrence. A separate cybersecurity rule proposal (the "Proposed Cybersecurity Rules") would require advisers to adopt and implement formal cybersecurity policies, report significant cybersecurity incidents to the SEC, and provide enhanced disclosure of cybersecurity risks and incidents to investors.

The SEC has also proposed amendments to rules and disclosure forms (the "Proposed ESG Rules and Forms") to increase disclosure obligations regarding certain funds' and advisers' incorporation of environmental, social and governance factors in their investment process and new oversight rule and rule amendments under the Advisers Act (the "Proposed Outsourcing Rules") that would prohibit registered investment advisers from outsourcing certain services and functions without conducting due diligence and monitoring of the service providers. Finally, the SEC has also

proposed new rules and amendments to Rule 206(4)-2 under the Advisers Act (the “Proposed Custody Rule Changes” and, together with the Proposed Private Funds Rules, the Proposed Form PF Amendments, the Proposed ESG Rules and Forms and the Proposed Outsourcing Rules, the “Proposed Rules”), which would expand the current custody rule to cover a broader array of client assets and advisory activities and impose new custodial protections on client assets held under the Advisers Act.

The respective final rules adopted by the SEC could (but are not expected to) differ significantly from the Proposed Rules. In any event, there can be no guarantee as to the content of the final versions of the Proposed Rules. If adopted as proposed, the Proposed Rules are expected to increase the cost of operating Clients and the time and resources that their general partners and TCM will be required to devote to reporting and compliance matters. In addition, if adopted as proposed and without the benefit of any “grandfathering” with respect to fund arrangements in place prior to the date of such adoption, the Proposed Rules could require amendments to such fund arrangements, which could be costly. It is also possible that the SEC or one or more other legislative bodies or regulatory agencies proposes to impose other legislative or regulatory changes, or adopts new laws or regulations, that impact the U.S. private funds industry. The effect of the Proposed Rules, and any other future change in law or regulation that impact the U.S. private funds industry, on Clients, their general partners, TCM or any of their respective affiliates could be substantial and potentially adverse.

In summary, regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, whether in the United States or abroad, could increase the cost of acquiring, holding or divesting Client’s investments in any portfolio companies, the profitability of such enterprises and the cost of operating Clients. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of the Clients exposes the Clients, their general partners, TCM and each of their respective affiliates (including the senior investment professionals) generally to the risks of third-party litigation.

**Political Uncertainty and Rise of Populist Political Parties.** The rise of populist political parties and economic nationalism has led to increasing political uncertainty and unpredictability throughout the world. Among the attendant risks are greater regulatory uncertainty, for example, regarding the posture of governments with respect to taxation, international trade and law enforcement. Negative regulatory developments could have a material adverse effect on TCM, Clients or their investments.

**Geopolitical Risk.** The ongoing military conflict between Russia and Ukraine (the “Russia-Ukraine Conflict”) has caused, and is currently expected to continue to cause, significant disruptions to the global financial system, international trade, and the energy and transportation sectors, among others. In addition, the Russia-Ukraine Conflict has displaced millions of people, causing an acute refugee crisis in Europe, and has increased the threat of nuclear accidents or attacks, cyberattacks and further regional or global conflicts (including a potential expansion of the Russia-Ukraine Conflict to other countries as well as other unrelated potential conflicts), among other potentially dire consequences. In response to Russia’s actions, multiple countries and governing bodies, including the United States and the EU, have put in place global sanctions and other severe restrictions or prohibitions on the activities of certain individuals and businesses connected to Russia and/or Belarus. Private companies have also implemented restrictions that severely limit, and in some cases, reverse or cancel, business transactions in or involving certain individuals and/or businesses connected to or associated with Russia and/or Belarus. Further, some private companies have moved to divest of Russia-based subsidiaries and assets. In addition, the impacts of the Russia-Ukraine Conflict on the supply chain and commodity prices are expected to

be profound and may exacerbate inflation in one or more countries (or globally). While such effects may temporarily result in higher energy prices in the short term, if the Russia-Ukraine Conflict continues, the combination of a slowdown of economic growth, rising inflation and continuing geopolitical turmoil is expected to negatively impact energy demand in various regions. However, the ultimate impact of the Russia-Ukraine Conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of a Client or any particular industry, business, currency or country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine Conflict may have a significant adverse impact on, and result in significant losses to, a Client and its portfolio companies. In particular, the portfolio companies of a Client may suffer significant increases in operating costs (including, among other reasons, as a result of the substantial increase in energy prices), reductions in demand, losses from cyberattacks, significant reductions in revenue and growth, increased foreign exchange risk, commodity risk and/or unexpected operational losses and liabilities. It may also limit the ability of a Client to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy that a Client intends to pursue, all of which could adversely affect a Client's ability to fulfil its investment objectives.

**Uncertain Economic, Social and Political Environment.** Consumer, corporate and financial confidence could be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence could lead to or extend a localized or global economic downturn. A climate of uncertainty could reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn could have an adverse effect on the economy generally and on the ability of the Client and the Portfolio Company to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This could slow the rate of future investments by currently investing Clients and result in longer holding periods for its investments. Furthermore, such uncertainty or general economic downturn could have an adverse effect upon the TCM, Clients or their investments.

**Outbreaks of Infectious or Contagious Diseases.** Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could result in significant losses to the Clients.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses, as well as in the credit and capital markets. Restrictive measures,

whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Clients. The extent of the impact on the Clients' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact could include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors could limit the ability of TCM to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions could constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Clients intend to pursue, all of which could adversely affect the Clients' ability to fulfill their investment objectives. They could also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Clients, their portfolio companies, the general partners and TCM could be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

**Lack of Diversification.** Clients formed for a specific portfolio investment typically have no diversification of investments. TCM expects that other Clients will have a portfolio that has targeted, but not absolute, diversification. A Client's portfolio investments could include a small number of large positions. While this portfolio concentration may enhance total returns to investors of such Fund, if any large position has a material loss, then returns to the investors may be lower than if they had invested in a more diversified portfolio. In addition, the Clients have targeted geographic and business sectors. Fund IV Global has made a substantial majority of their investments in North America and Europe; while Fund V North America, Fund VI North America, Fund VII North America, TEP I North America, TEP II North America and their respective successors have made and will make investments in North America only. Fund IV Global has generally targeted investments in the following industry sectors, although investments have been made in other sectors as well: consumer, energy, industrials, TMT, healthcare, business services and financial services. Fund V North America and Fund VI North America generally target investments in the following industry sectors, although investments have been and may be made in other sectors or subsectors as well: business services, consumer and energy. Fund VII North America generally targets investments in the business services and consumer sectors, although investments may be made in other sectors or subsectors as well. TEP I North America and TEP II North America target investments in the energy sector. Any Fund's investments concentrated within a particular industry or related group of industries (e.g., the energy sector), could be (and

have been) subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of industries.

**Compliance Failures.** TCM and its related persons are regulated entities, and any compliance failures or other inappropriate behavior by them may have a material adverse effect on a Client. The provision of investment management services is regulated in most relevant jurisdictions, and TCM must maintain their regulatory authorizations to continue to be involved both in the management of a Client's investments and to continue TCM's businesses generally. TCM's ability to execute investment transactions for a Client, and investor sentiment with respect to a Client, may be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior by any TCM related person or TCM investment professionals.

**Liquidity Issues.** Clients' portfolio investments primarily include illiquid, non-publicly traded securities. Since these investments are illiquid, the investments can be subject to a variety of restrictions on resale and there can be no assurance that Clients will be able to realize the stated value of such investments in a timely manner or at all. Risks affecting these portfolio companies include, but are not limited to, increasing competition, rapid changes in technology, changes in economic conditions and macroeconomic factors in the portfolio companies' countries of operations, as well as political risk. Certain investments could have foreign currency risk to the extent they conduct business transactions in currencies other than their functional currency. These factors could have a negative effect on the ultimate realizable value of Clients' investments and the timing of exit.

**Highly Competitive Market for Investment Opportunities and Realizations.** The activity of identifying, completing and realizing on attractive private equity investments is highly competitive and involves a high degree of uncertainty. The Clients face competition from numerous competitors in all fields of activity. None of Fund IV Global, Fund V North America nor TEP I North America expect to make additional new investments; however, certain Funds can make certain follow-on investments relating to existing portfolio companies. Fund VI North America's investment period commenced in March 2018 and TEP II North America's investment period commenced in January 2018. Fund VII North America's investment period has not yet commenced as of the date of this filing. The investing Funds are and expect to continue to be competing for investments with a variety of other investment vehicles, as well as individuals, financial institutions and other institutional investors. Additional funds with similar investment objectives may be formed in the future by other parties. There can be no assurance any Fund will be able to identify or consummate investments that satisfy such Fund's investment criteria, that such Fund will be able to invest fully its available capital or successfully realize on its investments.

**Valuation of Assets.** Most of the securities owned by Clients will have no, or a limited, liquid market, and the fair value of such investments may not be readily determinable. When estimating fair value, TCM will consider various methodologies based on its best judgment that is appropriate in light of the nature, facts and circumstance of each portfolio investment. Valuations are subject to multiple levels of review for approval (including approval by the applicable Client's valuation committee and certain limited review by third party valuation firms). While ensuring that portfolio investments are fairly valued is an important focus of TCM, there is no assurance that the value assigned to an investment at a certain time will accurately reflect the value that will be realized by a Client upon the eventual disposition of the investment and the performance of a Client could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the investment.

Specifically, for purposes of financial reporting that is compliant with U.S. generally accepted accounting principles (“GAAP”), TCM is required to follow the requirements for valuation set forth in Accounting Standards Codification 820 (“ASC 820”), “Fair Value Measurements and Disclosures” (formerly, Financial Accounting Standards No. 157, “Fair Value Measurements”), which defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Additional Financial Accounting Standards Board (“FASB”) Statements and guidance and additional provisions of GAAP that may be adopted in the future may also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting. Except as described below, TCM and its affiliates will apply ASC 820 and other relevant FASB statements and guidance to the valuation of a Client’s assets and liabilities.

Notwithstanding the foregoing, TCM or its affiliates could determine in certain instances to assign to a particular asset or liability a different value under the terms of the operative agreement of a specific Client than the value assigned to such asset or liability for financial reporting purposes (in particular, the value assigned to such asset or liability as required by GAAP). In particular, TCM or its affiliates, as applicable, has discretion on whether to apply GAAP when determining whether an asset has been disposed of (e.g., whether it has declined in value for the purposes of determining distributions (including, without limitation, distributions of carried interest, if any) and management fees payable, if any, by a Client). Accordingly, investors in a Client should only expect such assets or liabilities to be valued in accordance with GAAP for purposes of preparing a Client’s GAAP-compliant audited financial statements. Otherwise, except as expressly required by the terms of a Client’s operative agreements, TCM or its applicable affiliated Client general partner could assign (and have assigned) such assets or liabilities a different value for all other purposes, without regard to any GAAP requirements relating to the determination of fair value. In addition, a Client may not use GAAP when determining certain tax positions.

TCM has established and maintains a Valuation Policy that is available upon request to Client investors.

**U.S. Taxation of Carried Interest.** U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Clients as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Client (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership’s income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Client, its general partner, or TCM who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Client. This creates potential incentives for TCM to cause a Client to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

**Reliance on TCM and Key Personnel.** Decisions made with respect to the management of Clients will be made by TCM and general partners or managing members of Clients (“TCM Affiliates”). The TCM Affiliates will have exclusive responsibility for Client activities and, other than as set forth in each Client’s governing document, investors will not be able to make investment or other decisions with respect to the management of Clients. The success of TCM Affiliates will depend on the ability of the TCM Affiliates, their key personnel (“Key Persons”) and other investment

professionals to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of the investments of Clients at a profit. The loss of the services of one or more of the Key Persons or such other persons could have an adverse impact on a Client's ability to realize its investment objectives. There can be no assurance that each of the Key Persons and other investment professionals will continue to be associated with TCM throughout a Client's anticipated term.

**Possibility of Misconduct of Employees and Service Providers.** Misconduct by employees of the Client's general partner, TCM, service providers to a Client and/or their respective affiliates could cause significant losses to a Client. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by a Client, the improper use or disclosure of confidential, personal or material non-public information, which could result in litigation or serious financial harm, including limiting a Client's business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to a Client. Trilantic North America has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that the Client's general partner or TCM will be able to identify or prevent such misconduct.

**Middle Market Companies.** A significant component of the Clients' investment objectives is to invest in middle market companies. A Client's focus on "middle market companies" will generally include companies for which enterprise values range from \$100 million to \$1 billion. Although investments in middle market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in larger companies. Middle market companies may have relatively limited product lines, markets, and financial and other resources. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of securities in smaller, private companies, which may make realizations of investments in such companies more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle market companies, could make it difficult for a Client to react quickly to negative economic or political developments.

**Investments in Growth-Equity Companies.** Clients' strategy includes targeting growth-equity investments (other than for certain single-investment Clients). While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

**Investments in Less Established Companies.** A Client could invest (and certain Clients have invested) a portion of its assets (or, with respect to Clients formed for a single portfolio company, all of its assets) in the securities of less established companies, or early stage companies.

Investments in such early stage companies may involve greater risks than those generally associated with investments in more established companies. For instance, less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by a Client, securities of less established companies may be subject to more abrupt and erratic market price movements than those of larger, more established companies.

Some of the portfolio investments made or expected to be made by a Client should be considered highly speculative and may result in (and has in the past resulted in) the loss of a Client's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Client's other investments, if any, and in certain Clients, such losses have not been offset by gains.

**Investments in Restructurings or Underperforming Companies.** A Client could make (and certain Clients have made) investments in companies that are experiencing or are expected to experience financial difficulties, which such companies may never overcome. Such investments could, in certain circumstances, subject a Client to additional potential liabilities, which may exceed the value of a Client's original investment therein. Such investments of a Client could also be subject to U.S. federal bankruptcy law and U.S. state fraudulent transfer laws, which may vary from state to state, if the securities relating to such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of the securities was a fraudulent transfer or conveyance, the court could void the payment obligations under the securities, further subordinate the securities to other existing and future indebtedness of the issuer or require a Client to repay any amounts received by it with respect to the securities. In the event of a finding that a fraudulent transfer or conveyance occurred, a Client may not receive any repayment on the securities.

Under Section 363 of Title 11 of the United States Code, as amended (the "Bankruptcy Code"), a lender that has inappropriately exercised control of the management and policies of a company may have its claims against the company subordinated or disallowed, or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Client and distributions by a Client to such Client's investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Such debt may also be disallowed or subordinated to the claims of other creditors if a Client is found to have engaged in other inequitable conduct resulting in harm to other parties. A Client's investment may be treated as equity if it is deemed to be a contribution to capital, or if a Client attempts to control the outcome of the business affairs of a company prior to its filing under the Bankruptcy Code. While a Client will attempt to avoid taking the types of action that would lead to such liability, there can be no assurance that such claims will not be asserted or that a Client will be able successfully to defend against them.

**Nature of Investments in the Energy Sector.** Investments in the energy sector could be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks could include but are not limited to: (i) the risk that the technology employed in an energy project will not be effective



or efficient; (ii) uncertainty about the availability or efficacy of energy sales agreements or fuel supply agreements that may be entered into in connection with a project; (iii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry or to a particular project; (iv) environmental liability risks related to energy properties and projects; (v) risks of equipment failures, fuel interruptions, loss of sale, and supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, acts of God and other catastrophes; (vi) uncertainty about the extent, quality, and availability of oil and gas reserves; (vii) the risk that interest rates may increase, making it difficult or impossible to obtain project financing or impairing the cash flow of leveraged projects; and (viii) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels. The occurrence of events related to the foregoing may have a material adverse effect on a Client and its investments.

In addition to the foregoing, certain of the companies in which a Client invests could be subject to the risks inherent in acquiring or developing recoverable oil and natural gas reserves, including capital expenditures for the identification and acquisitions of projects, the drilling and completion of wells, and the conduct of development and production operations. There is no way to predict in advance of drilling and testing whether any particular location will yield oil, natural gas or natural gas liquids in sufficient quantities to recover land acquisition, drilling or completion costs or to be economically viable. To the extent a Client invests in or receives royalty interests, such Client will generally receive revenues from those royalty interests only upon sales of oil, gas and other hydrocarbon production or upon sale of the royalty interests themselves. There can be no assurance that reserves sufficient to provide the expected royalty income will be discovered or produced. Even if sufficient amounts of oil, natural gas or natural gas liquids exist, initial production rates may not be indicative of future or long-term production rates, and the presence of unanticipated pressures or irregularities in formations, miscalculations, or accidents may cause recovery activities to be unsuccessful, which may result in losses. Moreover, oil and gas investments may have significant shortfalls in projected cash flow if oil and gas prices decline from levels projected at the time the investment is made. Various factors beyond the control of a Client's general partner, TCM and the Clients will affect prices of oil, natural gas and natural gas liquids.

**Nature of Investments in the Business Services and Consumer Sector.** Investments in the business services and consumer sectors may be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks could include but are not limited to: (i) low barriers to entry; (ii) a disproportionate reliance on discretionary consumer spending; (iii) reliance on marketing and branding; (iv) reliance on search engine optimization and social networking; (v) enhanced risks relating to the ability to safeguard sensitive customer information; (vi) fluctuation in commodity prices and supply chain costs; and (vii) significant reliance on third party vendors.

**Cybersecurity.** Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of the internet and telecommunications technologies to conduct financial transactions; the dependence of the portfolio companies on internet-connected technologies that are susceptible to disruption from cybersecurity threats; the degree to which investment managers collect and maintain proprietary data, nonpublic data, and data compilations; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state actors. Accordingly, TCM, Clients, portfolio companies and their respective affiliates will face cybersecurity threats to gain unauthorized access to sensitive information and systems, including, without limitation, information regarding the investors' and Clients' investment activities, or to render data or systems unusable, which could result in significant losses. If such events materialize, they could lead to

losses of sensitive information or capabilities essential to the operations of TCM, Clients, portfolio companies or their respective affiliates, and could have a material adverse effect on their reputations, financial positions, results of operations or cash flows, and could lead to financial losses from remedial actions, loss of business, potential liability, or the disclosure of investor personal information. Similarly, the public perception that TCM, a Client or a portfolio company have been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat.

Cybersecurity attacks are evolving and include, but are not limited to, computer viruses, malicious or destructive code, phishing attacks, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or vendors or other electronic security breaches that could lead to: disruptions in network access or business operations; unauthorized collection, monitoring, use or release of confidential or otherwise protected information; or loss, destruction or corruption of data. TCM's or portfolio companies' controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in both TCM or a portfolio company's internally developed systems and the systems of third-party service providers, upon which TCM or a portfolio company rely. Given the variety and potential severity of cybersecurity threats, TCM, portfolio companies and the third-party service providers upon which they rely might not have adequate insurance coverage to compensate against all losses.

**Data Privacy and Cybersecurity Laws.** The Client, the general partners of the Client, TCM and the Client's portfolio companies' collection, storage, maintenance and other processing of personal information, and reliance on technology, including third-party processors and cloud-based services to, among other things, collect, store, maintain and otherwise process personal information, imposes legal and regulatory risks. Legal requirements relating to the collection, storage, usage, handling, transfer and other processing of personal information continue to evolve and may impose costly compliance burdens on the Client, the general partners of the Client, TCM and/or the Client's portfolio companies. The Client, the general partners of the Client, TCM and/or the Client's portfolio companies are and may become subject to existing and new federal, state and international legislation or regulation concerning the information and data they may store or maintain. For example, the European Union General Data Protection Regulation ("GDPR"), effective May 2018, created a range of new compliance obligations regarding the processing of personal data, and significantly increased financial penalties for non-compliance. In addition, following Brexit, the U.K. General Data Protection Regulation, i.e., a version of the GDPR as implemented into U.K. law, went into effect. The California Consumer Privacy Act ("CCPA"), effective January 1, 2020, imposes similar obligations on regulated entities. Additionally, California voters approved a new privacy law, the California Privacy Rights Act ("CPRA") as a ballot initiative in the November 2020 election. Effective in most material respects starting on January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency which will be vested with authority to implement and enforce the CCPA and the CPRA. As of January 2023, a number of states (including Indiana, Iowa, Kentucky, Massachusetts, Mississippi, New York, Oklahoma, Oregon, and Tennessee) were considering proposals for comprehensive data privacy laws. At the federal level, the United States Congress is also considering various proposals for data privacy and cybersecurity legislation. The Client, the general partners of the Client, TCM and/or the Client's portfolio companies are also subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to data privacy and cybersecurity. Additionally, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, processing, storage, use and

disclosure of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. The Client, the general partners of the Client, TCM and/or the Client's portfolio companies are also subject to data privacy and cybersecurity laws passed by many states and by certain countries outside the U.S. that require enhanced levels of cybersecurity and notification to users and/or regulators when there is a security breach of personal information, including the New York SHIELD Act, which took effect in part on October 23, 2019 and in other parts on March 21, 2020.

The cumulative effects of the GDPR, the CCPA, the CPRA, and other recently adopted data privacy and cybersecurity laws include an increased ability of individuals, relative to companies, to control the use of their personal information; increased obligations of companies to maintain the privacy and security of data and information; and increased exposure to fines, damages or reputational harm for companies that do not afford individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity practices at certain required levels. The Client, the general partners of the Client and TCM intend to comply with all applicable legal and regulatory obligations, but may not be able to accurately anticipate the way in which regulators and courts will apply or interpret these laws and regulations, including their applicability to the Client, the general partners of the Client, TCM and the Client's portfolio companies. If laws or regulations are implemented, interpreted or applied in a manner inconsistent with the Client's, the general partners of the Client, TCM's and the Client's portfolio companies' policies and practices that are designed to ensure any required compliance with applicable laws and regulations, they may be subject to regulatory action or litigation, fined or ordered to change their business practices in a manner that adversely impacts their operating results. Compliance with these laws and regulations, including the obligation to timely notify stakeholders in the event of a cybersecurity incident, may divert TCM's time and effort and entail substantial expense. Any failure or perceived failure by the Client, the general partners of the Client, TCM and/or the Client's portfolio companies to comply with these laws and regulations could result in negative publicity and reputational harm and may subject the Client, the general partners of the Client, TCM and/or the Client's portfolio companies to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities and other penalties, for which the Client, the general partners of the Client, TCM and/or the Client's portfolio companies may not have insurance coverage.

**Environmental, Social and Governance Matters.** TCM maintains an ESG policy (the "ESG Policy") that it adopted in 2021, and which applies to portfolio investments beginning with Fund VI North America. TCM will endeavor to apply its ESG policy across a Client's investment activities where the portfolio company has operational control and where commercially practicable, consistent with its ESG policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements as well as the applicability of such ESG factors to a particular investment or a Client's investment strategy. Depending on the investment, certain ESG factors, such as greenhouse gas ("GHG") emissions, energy management, human rights violations, community impacts, workforce health and safety, environmental compliance, bribery and corruption, and business ethics and transparency, could have a material effect on the return and risk profile of the investment. Certain aspects of the evaluation of material ESG factors are subjective by nature, and there is no guarantee that the ESG evaluation criteria utilized or judgment exercised by TCM, a Client's general partner or a third-party ESG specialist working on behalf of TCM will reflect the beliefs, values or preferred practices of any particular limited partner or align with the beliefs, values or preferred practices of other asset managers or with market trends. Considering ESG factors when evaluating an investment may cause a Client not to make an investment that it

would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such consideration. Additionally, ESG factors are only some of the many factors that TCM or Client's general partner may consider in making an investment, and there is no guarantee consideration of ESG factors will enhance short, medium or long-term limited partner value and financial returns or mitigate risks or liabilities. Although TCM consider application of TCM's ESG Policy, which depends in part on qualitative judgments, to be an opportunity to enhance the performance of the portfolio companies in which a Client invests over the long-term, there is no guarantee that TCM's ESG Policy will positively impact the financial or ESG performance of any individual portfolio company or a Client as a whole. Similarly, to the extent TCM or a Client's general partner or a third-party ESG specialist working on behalf of TCM engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG-related performance of the portfolio companies. Successful engagement efforts on the part of TCM, a Client's general partner or a third-party ESG specialist will depend on such party's skills in properly identifying, prioritizing, assessing and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful.

The materiality of ESG risks on an individual portfolio company and on a portfolio as a whole depends on many factors, including but not limited to, the relevant industry, country, asset class and investment style. ESG factors, issues and considerations do not apply in every instance or with respect to each investment held, or proposed to be made, by a Client, and will vary greatly based on numerous criteria, including, but not limited to, country, industry, investment strategy and investment-specific characteristics. In addition, in evaluating a prospective portfolio company or the ESG performance of a portfolio company, TCM, a Client's general partner and third-party ESG specialists often depend upon information and data provided by the company or obtained via third-party reporting or advisors, which may be incomplete, inaccurate or unavailable and could cause TCM, Client's general partner or third-party ESG specialists to incorrectly identify, prioritize, assess or analyze or omit to examine in detail the company's ESG practices, progress and/or related risks and opportunities. TCM, Client's general partner and third-party ESG specialists do not intend to independently verify all ESG information reported by portfolio companies or third parties, and may decide in their discretion not to utilize certain information provided by such investments. To the extent TCM or a Client's general partner provides reports to investors on ESG matters, such reports will be based on TCM's, such general partner's, a third-party ESG consultant's or applicable portfolio company management team's, sole and subjective determination and assessment of material ESG matters in respect of an investment. Further, neither TCM nor a Client's general partner is obligated to produce such reports, except as otherwise specified in a Client's governing documents or as agreed with certain limited partners.

In addition, TCM's ESG Policy and associated procedures and practices may change over time. TCM may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for TCM or Client's general partner to adhere to all elements of a Client's investment strategy, including with respect to ESG risk and opportunity management, whether with respect to one or more individual investments of a Client or to a Client's portfolio generally.

Further, ESG integration and frameworks and responsible investing practices as a whole are evolving rapidly and there are different principles, frameworks, tracking tools and methodologies being implemented by other asset managers. For example, TCM's ESG Policy does not represent a universally recognized standard for assessing ESG considerations. While TCM is a signatory to the United Nations' Principles for Responsible Investment (the "UN PRI"), this framework may

not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. There is no guarantee that TCM will remain a signatory to the UN PRI or align or comply with any ESG, responsible investing or other industry frameworks.

Finally, there is also growing regulatory interest across jurisdictions, particularly in the U.S., UK, and EU (which may be looked to as models in growth markets), in improving transparency around how asset managers identify, manage and disclosure sustainability risks or ESG-related risks, or how they define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. TCM's ESG Policy and Clients could become subject to additional regulation in the future. There may also be an increase in related enforcement actions through efforts such as those of the SEC's Climate and ESG Enforcement Task Force, established in March 2021. The European Securities and Markets Authority also published its Sustainable Finance Roadmap for 2022 to 2024 in February 2022 which sets the priority areas for enforcement and specifies that tackling greenwashing and promoting transparency together constitute one of ESMA's three priorities for its sustainable finance work over that period. Neither TCM nor a Client's general partner can guarantee that their current approach will meet future regulatory requirements, reporting frameworks or best practices.

**Weather and Climate Risk.** Certain portfolio companies in which a Client invests may face risks from the physical impacts of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the Paris Agreement and other initiatives by international, federal, state, and local policymakers and regulatory authorities as well as private actors seeking to reduce or mitigate the effects of GHG emissions may expose certain assets to so-called "transition risks" in addition to physical risks, such as: (i) regulatory and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to GHG emissions, that could result in increased permit and compliance costs, changes in business operations or the discontinuance of certain operations); (ii) litigation risks (e.g., changing legal requirements that could result in litigation seeking monetary or injunctive relief related to climate impacts); (iii) technology and market risks (e.g., declining market for products and services seen as GHG intensive or less effective than alternatives in reducing GHG emissions or the emergence of new technologies that take into account new or expanded ESG or climate factors); and (iv) reputational risks (e.g., risks tied to changing customer or community perceptions of an asset's relative contribution to GHG emissions). TCM cannot rule out the possibility that climate risks, including changes in weather and climate patterns, could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken or the operation of assets connected to investments, any of which could have a material adverse effect on an investment or a Client.

**Control Position Risk.** Although non-control investments may also be made, Clients have made and certain Clients intend to make, certain investments that allow a Client to acquire control or exercise influence over management and the strategic direction of a portfolio investment. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over a portfolio investment could expose the assets of a Client to claims by the portfolio companies underlying such investments, its security holders and its creditors. While TCM intends to manage a Client to minimize exposure to these risks and takes the position that no Client is engaged in a trade or business, the possibility of successful claims cannot be precluded.

**Non-Control Investments and/or Investments with Third Parties in Joint Ventures and Other Entities.** Clients hold, and certain Clients may in the future hold, non-controlling interests in

certain portfolio companies and, although a Client may have or will seek to negotiate negative covenants and other contractual restrictions for each such portfolio company, it will primarily be the responsibility of management teams and boards of directors of such companies, which may include representation by other investors whose interests may conflict with the interests of a Client, to operate the portfolio companies on a day-to-day basis. Accordingly, a Client will have a limited ability to protect its portfolio investments in such portfolio companies. Further, a Client may have no right to appoint a director and a limited ability to protect its interests in such companies and to influence such companies' management. Similarly, a Client may co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. In such cases, a Client will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom a Client is not affiliated and whose interests may conflict with the interests of a Client. Moreover, in the case where a Client may co-invest, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of a Client, or may be in a position to take (or block) action contrary to a Client's interests or goals. In addition, a Client may in certain circumstances be liable for the actions of its third-party partners or co-venturers. Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third-party partners or co-venturers. Although a Client may not have control over these investments and, therefore, may have a limited ability to protect its position therein, TCM generally expects that appropriate minority investor rights will be obtained to protect the interests of such Client to the extent possible. There can be no assurance that such minority investor rights will be available, however, or that such rights will provide sufficient protection of a Client's interests.

**Secondaries and other GP-Led Transactions.** Over the life of a Client, the general partner of such Client could seek to sponsor a transaction in which limited partners are provided the opportunity to sell all or a portion of their interests in the Client and/or their indirect interests in one or more assets of the Client (the "Transaction Assets") to one or more secondary buyers (any such transaction, a "GP-Led Secondary Transaction").

A GP-Led Secondary Transaction could be structured in a variety of different ways. One such structure is the sale of the Transaction Assets to a so-called "continuation vehicle" in which the Transaction Assets are sold to a newly formed entity (a "Continuation Vehicle") capitalized by one or more secondary buyers, controlled by the general partner of a Client (or an affiliate) and for which TCM (or an affiliate) serves as investment manager. Another structure is a limited partner tender offer (an "LP Tender Offer") in which the Client's general partner presents all or certain of the limited partners of the Client with an offer from one or more secondary buyers to purchase all or a portion of each such limited partner's interests in such Client (which purchase could be structured through a special-purpose vehicle controlled by the Client's general partner (or one of its affiliates) and capitalized by secondary buyers). The structures of GP-Led Secondary Transactions are continuously evolving, and a Client's general partner could seek to sponsor a GP-Led Secondary Transaction with features similar to, or different from, those described above. GP-Led Secondary Transactions also give rise to various conflicts of interest, some of which are described further (although the following discussion does not purport to enumerate all potential or actual conflicts of interests that arise in connection with GP-Led Secondary Transactions).

A Client's general partner, TCM and one or more of their respective affiliates sponsoring any such GP-Led Secondary Transaction (collectively, the "Trilantic North America Transaction Parties") will have interests that differ from, or that conflict directly or indirectly with the interests of, one

or more (or all) of the limited partners of such Client, and such interests are likely to give rise to incentives for the Trilantic North America Transaction Parties to recommend the applicable GP-Led Secondary Transaction, in addition to other conflicts of interest for the Trilantic North America Transaction Parties. By way of example only, consummation of a GP-Led Secondary Transaction will impact the management fees and carried interest received by Trilantic North America Transaction Parties, typically resulting in the Trilantic North America Transaction Parties receiving additional management fees and carried interest related to the Transaction Assets. If an LP Tender Offer is structured as a “stapled transaction” that requires secondary buyers to make contemporaneous capital commitments to another Client, the price offered to the Limited Partners could be adversely affected. In the context of a Continuation Vehicle transaction, a Client’s general partner will be incentivized to seek the highest selling price for the Transaction Assets to de-risk and receive carried interest in respect of the Transaction Assets being sold to the Continuation Vehicle. However, this incentive will conflict with the Continuation Vehicle’s general partner’s desire to seek a lower price for the benefit of the Continuation Vehicle to increase the potential for more carried interest out of the Continuation Vehicle in the future (an incentive that itself will be exacerbated if the carried interest rate negotiated with the secondary buyers is higher than the carried interest rate of the Client selling the Transaction Assets). Such conflicts could be mitigated or exacerbated by the fact that the sale of the Transaction Assets will generally result in the current or future management fees chargeable by a Client to decrease as a result of the disposition of the Transaction Assets to the Continuation Vehicle – a conflict further complicated by the fact that the Continuation Vehicle is likely to result in additional management fees for TCM or one of its affiliates. In addition, in a Continuation Vehicle structure, the Trilantic North America Transaction Parties could receive transaction fees upon sale of the Transaction Assets and during the life of the Continuation Vehicle which could incentivize them to act in favor of the Continuation Vehicle.

There can be no assurance that all Clients within the same “fund family” (i.e., “parallel Clients”) or limited partners of all Clients will be offered the opportunity to participate in a GP-Led Secondary Transaction or that all parallel Clients or limited partners of a Client would receive (or have access to) the same amount of information about the GP-Led Secondary Transaction as other parallel Clients or limited partners of a Client, or as the secondary buyers. Furthermore, if a GP-Led Secondary Transaction is not consummated for any reason, unless otherwise agreed to with the secondary buyers, the Client proposing to sell the Transaction Assets will bear 100% of the out-of-pocket broken deal expenses incurred by such Client’s general partner or its affiliates in connection with the GP-Led Secondary Transaction (which expenses are expected to be substantial).

It is expected that the general partner of a Client would seek to mitigate any conflicts through one or more of the following (or other actions appropriate based on the facts and circumstances): (i) retaining an independent advisor to identify potential new institutional investors that have experience in investing in such transactions and would be arms’ length buyers of the interests the Client holds in the Transaction Assets; (ii) engaging such independent advisor to conduct an extensive price discovery process designed to maximize the purchase price received directly or indirectly by the selling limited partners of the Client; (iii) structuring the GP-Led Secondary Transaction in a manner such that those limited partners of such Client interested in achieving liquidity for their investment in the Client could receive cash and those limited partners interested in continuing their participation in the Transaction Assets could remain invested in the Transaction Assets; (iv) keeping the LP Advisory Committees of any involved Clients apprised of the progress of the sale process managed by the independent advisor and/or consulting with or seeking the approval of such LP Advisory Committee(s) with respect to the conflicts of interest associated with the GP-Led Secondary Transaction; (v) making available to limited partners of the Client(s) seeking to sell the Transaction Assets substantially the same information made available to secondary

buyers interested in participating in the bidding process for the GP-Led Secondary Transaction (although the amount of time to be afforded to such limited partners is expected to significantly less than those afforded to secondary buyers); and/or (vi) obtaining a fairness opinion indicating that the consideration being paid in the GP-Led Secondary Transaction is fair from a financial point of view to the involved Client(s) or limited partners of such Client(s), as applicable. Notwithstanding the foregoing, there is no guarantee a Client's general partner will undertake any of the foregoing actions in connection with a GP-Led Secondary Transaction (or, even if taken, that such actions sufficiently mitigate the applicable conflicts of interest).

**Use of Subscription Credit Facilities.** Clients could borrow (and certain Clients have borrowed) money, obtain financings, or guarantee or make loans or other extensions of credit to support an obligation made (or otherwise make loans or other extensions) to any current or prospective portfolio company or such portfolio company's affiliate or any vehicle formed to effect the acquisition thereof; and could borrow money from any person (including, TCM, subject to restrictions set forth in each Client's operating documents) to provide financing to a Client for a variety of purposes set forth in each Client's operating documents. If a Client borrows money or obtains financings, it is possible that a Client's interim capital needs would be satisfied through such borrowings or financings, and drawdowns of capital contributions by a Client, including those used to pay interest on borrowings or financings, could be "batched" together into larger, less frequent capital calls (although actual timing and amounts can vary). The interest expense and other fees, costs and expenses of or related to any such borrowings will be partnership expenses that could be borne by a Client and, accordingly, would decrease net returns of such Client. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the 8% preferred return (with the preferred return beginning to accrue when capital contributions to repay borrowings are actually due to be made to the Client). In light of the foregoing, a Client's general partner could have an incentive to fund the acquisition of investments and the ongoing capital needs of the Client with the proceeds of borrowings or other financings in lieu of drawing down from investors of a Client. Furthermore, to the extent a Client uses such borrowings or financings to fund portfolio investments or expenses or fees in advance of calling capital from investors within Clients (i) net investor rate of returns ("IRR's") would differ from what it would have been had such borrowings or financings not been used and (ii) since net IRR is calculated based on the actual dates of capital contributions from, and distributions to, the investors of Clients, the use of borrowing and financings in lieu of calling capital would cause the date of contribution to be later in time resulting in a higher net IRR. Moreover, it is possible that a counterparty, lender or other unaffiliated participant in credit facilities (or otherwise in connection with portfolio investments) requires or desires facing only one fund entity or group of entities, which could result in (i) any one of the Clients and/or a portfolio company being solely liable with respect to its own, and such third party being solely liable with respect to its own, share of the applicable obligation, or (ii) any of Clients and/or such portfolio company being jointly and severally liable for the full amount of such applicable obligation. In addition, although a Client's general partner will, in good faith, allocate the related repayment obligations and other related liabilities arising out of such credit facilities among the foregoing (to the extent applicable), a Client participating in such borrowing will, in such circumstance, be subject to each other Client's or portfolio company's credit risk. In such situations it is not expected that any of the Clients and/or such portfolio companies would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty.

Investors should review the governing documents of a Client (including a Client's Private Placement Memorandum ("PPM"), if available) to understand the risks and potential conflicts of interest of a Client. Neither the risks described herein nor the risks and potential conflicts of interests in any respective Client's PPM are intended to serve as an exhaustive list or a



comprehensive description of all risks and conflicts that may arise in connection with the management and operation of any of the Clients.

**Standard of Care; Indemnification.** A Client's governing documents could (and some do) contain provisions that, subject to applicable law, reduce, modify and/or eliminate duties that a TCM Affiliate would otherwise owe to a Client and its investors. In addition, a Client's governing documents could require such Client to indemnify certain persons who serve at the request of a Client's general partner on behalf of a Client, including TCM Affiliates, for liabilities incurred in connection with the affairs of a Client. Such liabilities may be material and have an adverse effect on the returns of investors. For example, in their capacity as directors of portfolio companies, the partners, managers, or affiliates of a Client's general partner may be subject to derivative or other similar claims brought by security holders of such entities. The indemnification obligation of a Client would be payable from the assets of a Client, including the unpaid commitments of investors. If the assets of a Client are insufficient, a Client's general partner may generally recall distributions (including distributions received in connection with any withdrawal, if applicable) previously made to the investors, subject to certain limitations set forth in each Client's governing documents. Furthermore, as a result of the provisions contained in a Client's governing documents, investors may have a more limited right of action in certain cases than they would in the absence of such limitations. In addition, a Client's governing documents generally permit a Client's general partner to cause a Client to advance the costs and expenses of an indemnitee pending the outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), and therefore there may be periods in which a Client advances expenses to an individual or entity not aligned with or adverse to a Client. Moreover, in its capacity as general partner of a Client, a Client's general partner will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision by it to provide indemnification (including advancement of expenses). This may be the case even with respect to settlement of claims arising out of alleged conduct that would disqualify any such person from indemnification and exculpation if a Client's general partner (and/or its legal counsel) determined that such disqualifying conduct occurred.

With respect to indemnification and exculpation, prospective investors should carefully review a Client's governing documents, as such documents may and generally would contain provisions that modify and replace the duties, to the extent not prohibited under applicable law, including fiduciary and other duties, to a Client and investors to which a Client's general partner may otherwise be subject, authorize and permit conduct on the part of a Client's general partner that might not otherwise be permitted pursuant to such duties, to the extent not prohibited under applicable law, and limit the remedies of investors with respect to breaches of such duties, though no such provision will waive any non-waivable rights under the Advisers Act. For example, whereas ordinarily a general partner of a limited partnership would owe a duty of care equivalent to a "negligence" standard, generally Client governing documents provide that a Client's general partner and other indemnitees will not be liable unless it acts with "gross negligence." Similarly, whereas a general partner of a limited partnership owes a general duty of loyalty to the limited partnership and its limited partners, generally Client governing documents provide that a Client's general partner is permitted (and shall be deemed to have fulfilled all duties) to take certain actions, even where it is "interested," in any manner. In that regard, to the extent not prohibited by applicable law, a Client's general partner will be required to comply with such Client's governing documents and will not be subject to any different standards imposed under any applicable law, rule or regulation or in equity, regardless of a Client's general partner's own financial interest in the outcome. The effect of these and related provisions is that in so long as a Client's general partner has acted in accordance with such Client's governing documents (without regard to any reference to "fiduciary duty" therein), the action will, even if a Client's general partner would otherwise be conflicted because of an

interest in the matter, be conclusively deemed to be fair and reasonable and not a breach by a Client's general partner of any duties it may owe, to the extent not prohibited by applicable law. This is different from a situation with a general partner of a limited partnership operating under common law or default rules, where, for example, involvement of independent parties may, in certain circumstances, merely shift the burden of demonstrating unfairness to a limited partner plaintiff. It should be noted that a Client's general partner may cause a Client to purchase insurance to cover indemnified parties. Indemnification obligations (which could result in an obligation of the limited partners to return prior distributions) will survive the dissolution of a Client. There is no guarantee that any insurance carried by a Client's general partner or a Client will be available to satisfy losses for which a Client may be required to provide indemnification and potential insurance claims will generally not delay the availability of the advances provided to indemnified persons under a Client's governing documents.

Investors should review the governing documents of any Client in which they are invested or in which they propose to invest (including such Client's Private Placement Memorandum ("PPM"), if available) to understand the risks and potential conflicts of interest of such Client. Generally, such governing documents will contain additional and potentially more specific risks relating to the specific strategy and targeted investments of such Client. Neither the risks described herein nor the risks and potential conflicts of interests in any respective Client's PPM are intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of any of a Clients.

## **Item 9. Disciplinary Information**

None of TCM or any of its management persons has been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of TCM's advisory business or integrity of TCM's management.

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

As described in Item 4 above, related persons of TCM serve as a general partner on behalf of the Clients and receive carried interest. In addition, Reinet indirectly owns a 49% non-operating interest in TCM (a "sales percentage") in connection with TCM and the general partners of the Clients and their related investment vehicles, which entitles Reinet to proceeds upon certain capital transactions (*i.e.*, sale or public listing) involving TCM and/or the general partners, but not entitling Reinet to current or operating income of TCM. Reinet has a carried interest on the realization of the portfolio investments of the Clients and has designated two representatives to the investment committees of the Clients. Affiliates of Reinet are also limited partners in the Clients, and do not pay management fees or carried interest with respect to such investments.

Trilantic Europe is a Europe-based private equity firm, which is the investment subadvisor of Fund IV Global (with respect to its European investments), and the advisor of certain other private funds, including a side-by-side private fund to Fund IV Global, Trilantic Capital Partners IV (Europe) L.P. (together with its related entities, "Fund IV Europe"). Trilantic Europe operates independently of TCM; however, in addition to the subadvisory arrangement noted in the preceding sentence, TCM and Trilantic Europe have certain shared governance with respect to certain Clients and Fund IV Europe. With respect to the shared governance: (i) the three founding partners of Trilantic Europe, two Managing Partners of TCM and two designees of Reinet were members of the investment committee that made investment decisions on behalf of Fund IV Europe; (ii) two of the founding partners of Trilantic Europe, three Managing Partners of TCM and two Reinet designees were members of the investment committee that made investment decisions on behalf of Fund IV

Global; and (iii) the Chairman of Trilantic Europe, three Managing Partners of TCM and two Reinet designees were members of the investment committee that made investment decisions on behalf of Fund V North America. The investment period of Fund IV Global has expired and this Client is no longer making any new investments; however, prior to such expiration, the Europe-based investments of Fund IV Global were co-invested with Fund IV Europe based on a pre-determined percentage set forth in the Fund IV Global governing documents. In addition, the investment periods of Fund V North America and TEP I North America have expired; however, such Clients could continue to make follow-on investments in existing portfolio companies or their affiliates, in accordance with each Fund's operative documents.

As a result of the arrangement between TCM and Greenbelt described in Item 4, TCM will cause certain of its "back office" and "middle office" personnel to provide Greenbelt with everyday support ("Shared Personnel"). The provision of such services will reduce the time and attention that certain personnel would otherwise be able to devote to the investments and operations of TCM. Although such time and attention should not be materially different than the time and attention that would be necessary to devote if the activities of the Greenbelt team remained with TCM, the fact that TCM and Greenbelt operate in actuality and practically as two distinct businesses with separate operations is expected to involve an additional layer of time and attention for at least certain TCM personnel that would otherwise not be the case.

Shared Personnel and one or more of their respective affiliates could have conflicts of interest in allocating their time and services among Clients. For example, certain Shared Personnel will spend a significant amount of their business time on Greenbelt existing and future Clients, or portfolio companies of existing and future Greenbelt clients, and TCM's other potential business activities, if any. It is possible that the investments held by one Client may be in competition with or otherwise conflict with those of another Client. In addition, certain Clients co-invest alongside Greenbelt Clients in the same portfolio company, and while TCM and Greenbelt on a go-forward basis will generally not invest in the same industry sectors, there is the possibility that a Client could co-invest alongside a current Greenbelt client or that a potential investment could otherwise be suitable for both Clients and Greenbelt clients. With respect to Shared Personnel, such employees have no obligation or duty to refer investment opportunities to TCM, and in fact, have an obligation to refer potential investment opportunities to Greenbelt. The possibility exists that the companies with which one or more of TCM's personnel is involved could engage in transactions that would be suitable for a Client, but in which a Client might be unable to invest. In addition, TCM's personnel are generally allowed to invest in public and private securities, subject to certain pre-clearance requirements. Although personnel are not allowed to trade in securities in which a Client holds an existing interest, this trading policy could and has resulted in situations where an employee could have interests in a company prior to a Client's investment in such company, or prior to the commencement of such company's business dealings with a Client's portfolio company. Conflicts are expected to arise as a result of such activities and in the allocation of management resources.

TCM personnel currently serve, and intend, from time to time, to serve as, directors, or serve as observers, or acquire observer rights, with respect to portfolio companies of Clients, the securities or other financial instruments of which are purchased on behalf of one or more Clients. In the event that TCM (i) obtains material non-public information with respect to the issuer of any such securities or other financial instruments as a result of any of the foregoing activities, or (ii) is subject to trading restrictions pursuant to the internal policies of such issuer, the Clients may be prohibited from engaging in transactions with respect to the securities or other financial instruments of such issuer. Such a prohibition may have an adverse effect on the Clients.

Conflicts of interest could also arise where TCM personnel serve as directors of, or in similar governance roles for, Clients' portfolio companies. In those instances where a Client is not the sole shareholder of the applicable portfolio company, in addition to any duties such person may owe to the Client, as directors of or in similar governance roles for portfolio companies, such persons may owe duties to the other shareholders of such portfolio companies, including fiduciary duties, which in many cases may be other Clients, and to persons other than Clients. In general, such positions are often important to a Client's investment strategy and may have the effect of enhancing the ability of TCM to manage investments. However, such positions may have the effect of impairing a Client's ability to sell the related securities when, and upon the terms, it may otherwise desire. In addition, such positions may place TCM personnel in a position where they must make a decision that is either not in the best interests of a Client or not in the best interests of the other shareholders of the portfolio company. Should such personnel make a decision that is not in the best interest of such other shareholders of a portfolio company, such decision may subject TCM or a Client to claims that they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In addition, because of potential conflicting duties, TCM could be restricted in choosing investments, which could negatively impact returns received by the Clients. The list of current board directorships of key TCM personnel is available on TCM's website. In addition, the biographies of all investment Partners of TCM are available on the brochure supplement, Form ADV Part 2B.

The spouses or other family members of TCM's personnel could (and have), from time to time, be employed by other financial institutions engaged in the same or similar business as TCM, Clients and/or their respective portfolio companies, or vendors, advisors or customers thereto. Such familial relationships may give rise to conflicts of interest with respect to a variety of matters, including, among other things, the selection of vendors, advisors or customers.

TCM, its personnel and one or more of their respective affiliates could also have (and certain personnel currently have) ongoing interests, including economic interests, in the Clients or other investment vehicles, former portfolio companies, vendors or competitors of TCM, Clients or portfolio companies, or other companies (collectively, "Other Businesses"). Such Other Business may be (x) invested in or may otherwise have an economic interest in one or more of a Client's portfolio companies or in competitors of such portfolio companies or (y) vendors, advisors or customers of TCM, Clients or Client's portfolio companies. The performance and operation of such Other Businesses could conflict with and adversely affect the performance and operation of a Client's portfolio companies and may adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. Accordingly, such entities and persons may experience a variety of conflicts of interest to the extent that the interests of such Other Businesses would be adversely affected by investment decisions that would otherwise be in the best interest of a Client. Similarly, if such entities or persons are faced with investment decisions for such Other Businesses that would be in the best interest of such Other Businesses but would otherwise adversely impact a Client or any of its portfolio companies, they may nevertheless be economically or otherwise incentivized to make such decisions for the benefit of such Other Businesses to the detriment of a Client (e.g., due to the prospect of earning more carried interest, management fee or other fees) or any such portfolio company. Such conflicts may be exacerbated when Clients invest in different parts of the capital structure of a particular portfolio company. For example, in the event a portfolio company enters bankruptcy, it may be in the best interest of one Client for it to aggressively pursue the portfolio company's assets to fully satisfy the portfolio company's obligations or indebtedness to another Client. As a result, a Client holding more junior securities of the same portfolio company might not have access to sufficient assets of the portfolio company to completely satisfy its bankruptcy claim against the portfolio company and may suffer a loss. Or conversely, because of the potential harm to a Client's holdings, a Client's general

partner, TCM and TCM's personnel and one or more of their respective affiliates (including, for this purpose, investment professionals and other personnel) may be disinclined to pursue the portfolio company's assets (or pursue them as aggressively as might otherwise be the case) as a result of their conflicting interests in such Client. In addition, the foregoing entities or persons may be incentivized to make riskier or more speculative investment decisions on behalf of a Client with the hopes of extracting value from junior securities that are otherwise significantly impaired to the detriment of another Client.

Accordingly, investors should expect that conflicts of interests could arise when one or more Other Businesses, invest in or otherwise have an economic interest in a portfolio company in which a Client holds an interest or when a Client invests in a portfolio company in which one or more Other Businesses hold an interest. A Client's general partner and TCM will endeavor to resolve such conflicts of interest in a manner they determine to be fair and reasonable under the circumstances over time, and may consult with, or seek the consent of, the LP advisory committee of one or more Clients. It should be understood that a conflict will not be deemed material solely because one or more Other Businesses invest in a portfolio company in which a Client holds an interest or solely because a Client invests in a portfolio company in which one or more Other Businesses hold an interest. Nevertheless, there can be no assurance that any such conflicts of interest will be resolved in a manner that is fair and equitable to any one Client.

Subject to any relevant restrictions or other limitations contained in the governing documents, TCM will allocate fees and expenses in a manner that it believes is fair and equitable to its Clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, TCM expects to be faced with a variety of potential conflicts of interest.

As a general matter, Client expenses typically will be allocated among all relevant Clients (including any co-invest vehicles that are Clients) eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by TCM or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Clients receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Client or TCM. The Clients generally have different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in the Clients bearing different levels of expenses with respect to the same investment.

Additionally, a portfolio company typically will reimburse TCM or service providers retained at TCM's discretion for expenses (including, without limitation, travel expenses) incurred by TCM or such service providers in connection with its performance of services for such portfolio company. This subjects TCM and its affiliates to conflicts of interest because the Clients generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. TCM determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Client, any fee paid or expense reimbursed to TCM or such service providers generally is subject to portfolio company governing documents or other agreements, which are often the result of negotiation with third parties, such as sellers, buyers, management teams, lenders and/or third party co-investors. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Clients and their investments, TCM, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of TCM's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, TCM and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Client or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "TCM Information"). In many cases, TCM Information will include tools, procedures and resources developed by TCM to organize or systematize TCM Information for ongoing or future use. Although TCM expects its Clients and their portfolio companies generally to benefit from TCM's possession of TCM Information, it is possible that any benefits will be experienced solely by other or future Clients or portfolio companies (or by TCM and its personnel) and not by the Client or portfolio company from which TCM Information was originally received or derived. TCM Information will be the sole intellectual property of TCM and solely for the use of TCM. TCM reserves the right to use, share, license, sell or monetize TCM Information, without offset to management fees, and the relevant Client or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Clients or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Clients or their respective investors; no such rewards will offset management fees.

TCM generally exercises its discretion to recommend to a Client or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) TCM or a related person of TCM (which may include a portfolio company of such Client); (ii) an entity with which TCM or its affiliates or current or former members of their personnel has a relationship or from which TCM or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where TCM personnel are seconded, or from which TCM receives secondees; or (iii) certain limited partners or their affiliates. For example, TCM expects to be presented with opportunities to receive financing and/or other services in connection with a Client's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects TCM to conflicts of interest, because, although TCM selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Client, TCM has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that TCM, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Clients or TCM), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. TCM will not necessarily seek out the lowest cost options when incurring (or causing a Client or its portfolio companies to incur) such expenses. Although TCM generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers.

It is possible that TCM and/or Clients could occasionally utilize the services of entities (or affiliates thereof) that have direct or indirect investments in Clients. Such services will only be used on an arm's length basis and only on a basis that TCM reasonably determines in good faith to be fair and reasonable taking into account any conflicts and any other considerations deemed relevant by TCM and otherwise in accordance with such Client's operating agreements. Whether or not TCM has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although TCM generally structures Clients to avoid circumstances in which one Client ultimately bears liability for all or part of the obligations of another Client or any TCM affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Client entities, which may result in a single Client being solely liable for other Clients' share of the relevant obligation and/or joint and several liability among Clients. In such cases, TCM intends to cause the relevant other Clients to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Client undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties are expected to seek "cross default" rights under which a Client will be treated as in default under the relevant facility in the event of a default by another Client or a TCM affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Client's limited partners could suffer adverse effects resulting from any default by any Client or an TCM affiliate, whether or not related to the Client in which such limited partners have invested.

TCM, its affiliates, and equity holders, officers, principals and employees of TCM and its affiliates reserve the right to buy or sell securities or other instruments that TCM has recommended to a Client. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Client, but will not in such circumstances be required to share in or reimburse the relevant Client for due diligence or other expenses (including broken deal expenses) incurred by the Client in connection with the Client's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the governing documents and any related policies and procedures set forth in TCM's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Client. Employees and related persons of TCM have, and are expected to continue to have, capital investments in or alongside certain Clients, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

A Client's general partner generally is permitted to receive a distribution in kind from the Client, including in connection with investment dispositions or the payment in kind of amounts owed to such general partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the general partner (and its beneficial owners) and the relevant Client's limited partners. For example, the general partner and its beneficial owners may intend to hold the investment for a different time period than TCM deems suitable for the Client. Although the general partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Client's disposition thereof, neither the relevant Client nor its limited partners will benefit from the increase, and over time the economic benefit to the general partner and its beneficial owners could exceed the value of the general partner's pro rata interest in the Client and the amount of carried interest owed. To the

extent the beneficial owners of the general partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Client or its limited partners.

TCM and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Client providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of TCM's compensation, none of which generally will be subject to the "most-favored nation" provisions of a Client's governing documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Client's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms.

TCM is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, e.g., based on commitment amount to a Client or the timing thereof, the ability of a limited partner to provide sourcing or other services to TCM, its affiliates and personnel or the Clients, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to TCM, its affiliates and personnel, or the Clients. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Clients. Except where required by governing documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Client, TCM, the relevant general partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject TCM to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Client's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Client or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Client thereof, the ability of a limited partner to provide sourcing or other services to TCM, its affiliates and personnel or the Clients, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to TCM, its affiliates and personnel, or the Clients. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make commitments to multiple Clients. Except where required by governing documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Client, TCM, the relevant general partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject TCM to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Client's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Client or of limited partners as a whole, including in the event that a Side Letter confers additional reporting,



information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Client.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although TCM believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Client have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Client as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the governing documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Client. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Client.

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

None of TCM or its affiliated Client general partners are registered with the United States Commodity Futures Trading Commission ("CFTC") as a commodities pool operator ("CPO"), pursuant to an exemption from registration under CFTC Regulation 4.13(a)(3). As a result, unlike a registered CPO, none of TCM nor any affiliate is required to provide prospective investors in Clients with a disclosure document containing certain CFTC-prescribed disclosures or to provide certified annual reports to limited partners of Clients. TCM is exempt from registration, and is not registered, with the CFTC as a commodities trading adviser ("CTA").

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

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

TCM has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) that is predicated on the principal that TCM owes a fiduciary duty to its Clients. Accordingly, employees of TCM must disclose or avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interest of Clients. To avoid any potential conflicts of interest, TCM’s Code of Ethics requires employees to, among other things:

- Act with integrity, competence, dignity, and in an ethical manner with the public, Clients, prospects, and third-party service providers;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting TCM’s services, and engaging in other professional activities;
- Adhere to the fundamental standard that employees not take inappropriate advantage of their position;
- Avoid or disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with TCM’s Code of Ethics; and
- Comply with applicable provisions of the federal securities laws.

TCM’s Code of Ethics also governs the ownership of securities by TCM personnel and certain Shared Personnel who have access to non-public information regarding the purchase or sale of securities by TCM Clients or are involved in making investment recommendations (or have access to such recommendations) and certain of their family members (such personnel and their applicable family members, “Access Persons”). Such Access Persons are required to, among other things: (1) pre-clear certain personal securities transactions, (2) report certain personal securities transactions on at least a quarterly basis, and (3) provide TCM with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such access persons have a direct or indirect beneficial interest. While the Code of Ethics generally permits Access Persons to beneficially own and transact in securities, Access Persons must do so in a manner consistent with TCM’s obligations to its Clients, among other things. Accordingly, Access Persons will generally be restricted from transacting in securities of a portfolio company owned by a Client; provided, that (x) securities received by an Access Person as director’s fees, if any, may be sold by such Access Person contemporaneously with any sale by a Client of such securities, and (y) Access Persons may be permitted to participate in directed share programs whereby such Access Persons could acquire securities of a portfolio company during a public offering of such portfolio company, provided that TCM determines, in good faith, that it would not have been suitable for a Client to acquire such securities. The acquisition of portfolio company securities by an Access Person in a directed share program generally will not be considered to create a material conflict of interest as long as such Access Person (i) owns less than 5% of the outstanding equity securities of the portfolio company and (ii) is restricted from selling such securities until after the Clients have disposed of all interests in such portfolio company. If securities are not issued by a portfolio company and are not on any restricted list held by Trilantic North America, Access Persons generally will not have material non-public information relating to such securities and consequently will be permitted to transact in such securities as long as no investment opportunity is being misappropriated. Conflicts could nevertheless arise (and have arisen) if the issuer of such securities is subsequently identified as a potential portfolio company

by a Client. To determine whether such a conflict is material, TCM will review a variety of factors, including whether such Access Person controls the company in question, the amount of such securities held by such Access Person, the timing of the purchase of such securities and the manner in which such Access Person received the investment opportunity. Generally, if an Access Person owns less than 5% of the outstanding equity securities of a potential portfolio company, does not otherwise control the company, did not transact in the securities once such Access Person knew of a Client's interest in such company and did not receive the investment opportunity as a function of his or her employment with TCM, then the ownership by such Access Person of such company will not be considered a material conflict of interest. If a Client acquires as a portfolio company any company whose securities are beneficially owned by an Access Person, such Access Person must disclose such ownership to the Chief Compliance Officer and the Managing Partners to facilitate ongoing monitoring for potential conflicts of interest. TCM will endeavor to monitor personal securities holdings and trading of Access Persons to identify potential conflicts of interest. While TCM will aim to resolve such conflicts of interest in a manner it determines to be fair and reasonable under the circumstances over time, there can be no assurance that any such conflicts of interest will be resolved in a manner that is fair and equitable to any or all Clients.

In addition, TCM's personnel intend, from time to time, to serve as directors or could acquire observer rights with respect to portfolio companies, the securities or other financial instruments of which are purchased on behalf of one or more Clients. In the event that such personnel (i) obtains material non-public information with respect to the issuer of any such securities or other financial instruments as a result of any of the foregoing activities, or (ii) is subject to trading restrictions pursuant to the internal policies of such issuer, Clients may be prohibited from engaging in transactions with respect to the securities or other financial instruments of such issuer. Such a prohibition may have an adverse effect on one or more Clients and/or conflicts of interest with respect to such positions may arise. In those instances where one Client is not the sole shareholder of a portfolio company, in addition to any duties such person may owe to such Client, as directors of or in similar governance roles for portfolio companies, such persons may owe duties to the other shareholders of such portfolio companies, including fiduciary duties, which in many cases may be other Clients, and to persons other than Clients. In general, such positions are often important to a Client's investment strategy and could have the effect of enhancing the ability of TCM to manage investments. However, such positions could have the effect of impairing the ability of a Client to sell the related securities when, and upon the terms, it may otherwise desire. In addition, such positions could place TCM personnel in a position where they must make a decision that is either not in the best interests of a Client or not in the best interests of the other shareholders of the portfolio company. Should such personnel make a decision that is not in the best interest of such other shareholders of a portfolio company, such decision could subject a Client to claims that they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In addition, because of potential conflicting duties, TCM may be restricted in choosing investments, which could negatively impact returns received by a Client.

The spouses or other family members of certain TCM personnel could (and have), from time to time, be employed by other financial institutions engaged in the same or similar business as TCM, the Clients and/or their respective portfolio companies, or vendors, advisors or customers thereto. Such familial relationships may give rise to conflicts of interest with respect to a variety of matters, including, among other things, the selection of vendors, advisors or customers. TCM endeavors to monitor such conflicts by requiring disclosure by TCM personnel of any known affiliations that such personnel believe could give rise to a conflict of interest.

TCM will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Clients in an appropriate manner, as required by the governing documents of its Clients, although the Clients and their respective investments will place varying levels of demand on these over time. In the ordinary course of TCM conducting its activities, the interests of a Client likely will conflict with the interests of TCM, one or more other Clients, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, TCM will determine all matters relating to structuring transactions and Client operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Clients.

During the investment period of a Client, all appropriate investment opportunities will be pursued by TCM principals through such Client, subject to certain limited exceptions set forth in the governing documents of the Clients and TCM's internal allocation guidelines and procedures. Without limitation, TCM principals currently manage, and expect in the future to manage, several other investments similar to those in which a Client will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. TCM personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. TCM's principals and TCM's investment staff will continue to manage and monitor such investments until their realization. Such other investments that TCM principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Client. Following the investment period of a Client, TCM principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Client's investments. To the extent an investment opportunity is received that is unsuitable for a Client, in TCM's sole discretion, TCM and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the governing documents, TCM personnel are permitted to serve on boards or act in other roles unaffiliated with TCM, the Clients or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce management fees.

From time to time, TCM will be presented with investment opportunities that would be suitable for multiple Clients or other investment vehicles operated by third parties. In determining which investment vehicles should participate in such investment opportunities, TCM and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the governing documents, TCM is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Client in a portfolio company also have the potential to raise the risk of using assets of one Client to support positions taken by other Clients.

TCM must first determine which Client(s) will, or are required to, participate in the relevant investment opportunity. TCM generally assesses whether an investment opportunity is appropriate for a particular Client based on the governing documents of such Client, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the governing documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. For example, a newly organized Client generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Client generally reserves the right to invest together with other Clients

advised by TCM, or an affiliate thereof, in the manner set forth in the governing documents and TCM's internal allocation guidelines and procedures.

Following such determination of allocation among Clients, TCM reserves the right to offer co-investment opportunities to one or more potential co-investors, including vendors, service providers and/or other third parties, as determined by the governing documents, Side Letters and TCM's internal allocation guidelines and procedures, including through a co-investment entity that is itself a Client. TCM's procedures permit it to take into consideration a variety of factors as described below in Item 11.

TCM's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While TCM will allocate investment opportunities in a manner that it believes is fair and equitable to its Clients under the circumstances over time and considering relevant factors, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which TCM expects to be subject, discussed herein, did not exist.

In certain cases, TCM will have the opportunity (but, subject to any applicable restrictions or procedures in the governing documents, no obligation) to identify one or more secondary transferees of interests in a Client. In such cases, TCM will use its discretion to select such transferees based on eligibility and other factors, and unless required by the governing documents, will determine in its sole discretion whether the opportunity to receive a transfer of Client interests should be offered to one or more existing Client investors.

A copy of TCM's Code of Ethics is available to any current or prospective investor upon request.

Certain employees of TCM and/or related entities or persons will have investments in Clients. In addition, TCM and/or the respective general partners will participate in the Clients' investment program by agreeing to commit a certain percentage of the Clients' total capital commitments or a certain amount as defined in the Clients' governing documents. Therefore, TCM, its employees or a related entity economically participate in transactions effected for Clients. In addition, certain employees of TCM and/or related entities or persons could have investments in Clients outside of any general partner participation, such as the ability to invest in Clients on a reduced or waived fee/carried interest basis. Furthermore, certain employees of TCM could be offered an opportunity to participate in investment opportunities associated with Other Businesses, and subject to the pre-clearance requirements noted above, could make such investments in Other Businesses. The performance and operation of such Other Businesses could conflict with and adversely affect the performance and operation of a Client's portfolio companies and may adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. Accordingly, such entities and persons could experience a variety of conflicts of interest to the extent that the interests of such Other Businesses would be adversely affected by investment decisions that would otherwise be in the best interest of a Client. Similarly, if such entities or persons are faced with investment decisions for such Other Businesses that would be in the best interest of such Other Businesses but would otherwise adversely impact a Client or any of its portfolio companies, they could nevertheless be economically or otherwise incentivized to make such decisions for the benefit of such Other Businesses to the detriment of a Client (e.g., due to the prospect of earning more carried interest, management fee or other fees) or any such portfolio company. TCM endeavors to mitigate such conflicts by requiring all personnel to disclose interests in personal securities (as described above) and any outside activities to the Chief Compliance

Officer. TCM will endeavor to resolve such conflicts of interest in a manner it determines to be fair and reasonable under the circumstances over time, and such conflict could be required to be disclosed to the LP Advisory Committee of an affected Client, or require the consent of the affected Client's LP Advisory Committee, in accordance with such Client's governing documents, although it should be understood that a conflict will not be deemed material solely because one or more Other Businesses invest in a portfolio company in which the a Client holds an interest or solely because a Client invests in a portfolio company in which one or more Other Businesses hold an interest. Nevertheless, there can be no assurance that any such conflicts of interest will be resolved in a manner that is fair and equitable to any Client.

In addition, TCM could arrange for a transaction amongst or between certain Clients, Fund IV Europe and its successor fund, funds sponsored by Greenbelt and/or their respective portfolio companies. In any such circumstances, TCM will enter into such transactions only on a basis that TCM reasonably determines in good faith to be fair and reasonable taking into account any conflicts and any other considerations deemed relevant by TCM Affiliates and otherwise in accordance with such Client's operating agreements, which in certain cases, includes notification to, or pre-approval by, a Client's LP Advisory Committee. To the extent more than one Client is currently investing, any investment opportunities that can be referred to multiple Clients will be done based on TCM's investment allocation guidelines, which are available to any current or prospective investor upon request.

Co-investment entities that are Clients and co-investors could also present conflicts of interest. Co-investment opportunities are offered at the sole discretion of TCM, including being offered to members of the Trilantic Advisory Boards, including the Founders Council, at the discretion of TCM, could be offered, and has been offered, to third parties, current or former portfolio company management and/or current or potential limited partners of the Clients. TCM will not be able to offer co-investment opportunities to all requesting parties. In allocating co-investment opportunities, TCM takes into consideration past opportunities shown and elected, strategic relationships (including participation/role in transaction), contractual obligations, industry expertise, aggregate commitments to a specific Client or across multiple Clients, expected commitments to future Clients, and portfolio company structure, among other considerations. TCM could charge management fees or carried interest on these co-investment opportunities at rates lower or higher than those of its Funds, or can waive such fees and carried interest altogether (and has so waived or calculated differently such economics), in its sole discretion. In addition, such co-investment opportunities could be structured (and have been structured) through a syndication of an investment purchased initially by the Clients, with the Clients receiving a return of capital and generally receives interest thereon (typically equal to the subsequent closing interest rate). TCM strives to execute such syndications within eighteen months following any Client investment, timing could vary, and has varied, on a case-by-case basis, taking into consideration any time limits included in a Client's governing documents. Expenses borne by Clients are generally allocated among Clients that shared in the activities generating such expenses, including co-investment vehicles participating in such activity, although certain expenses could be allocated to a single Client or investor of Client, or a subset of Clients or investors and not all Clients or investors, at the discretion of TCM.

Furthermore, TCM or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Client investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally

reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Client, and TCM expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Client because (i) co-invest opportunities generally appeal to Client investors and third parties, (ii) to the extent co-investments made by Client investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Client's governing documents. In order to facilitate the acquisition of a portfolio company, a Client reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Client will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Client's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Client would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that employees and related persons of TCM and its affiliates make capital investments in or alongside certain Clients, TCM and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Client's return from a transaction would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

## **Item 12. Brokerage Practices**

TCM Clients focus on making investments in private securities, however, certain Clients are permitted to invest up to 10% of their aggregate capital commitments in public companies. Therefore from time to time TCM deals with financial intermediary such as a broker-dealer, and TCM could use, and has in the past used, certain broker-dealers or "finders" in connection with deal sourcing of private securities, with negotiated sourcing fees. TCM preselects brokers based upon the broker's ability to provide best execution for Clients' transactions. TCM will evaluate applicable qualitative and quantitative factors in selecting brokers, including, but not limited to:

- industry expertise
- service quality
- best execution
- qualified custodian status
- financial stability
- commission costs
- confidentiality considerations

TCM is generally authorized to make the following determinations, subject to Clients' investment objectives and restrictions, without obtaining prior consent from the relevant Clients or any of their investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

Although TCM generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

In addition, to the extent TCM Clients are in a minority investment in any portfolio company, TCM may have a limited ability to choose the executing broker or dealer for a transaction.

TCM does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to TCM's own research effort. To the best of TCM's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers.

TCM aggregates transactions across Client accounts in accordance with each Client's respective governing documents.

## **Item 13. Review of Accounts**

Generally, Client investments are reviewed on a continuous basis by TCM's investment professionals. These reviews are designed to monitor and analyze Client transactions, positions, and investment levels. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels. Additionally, TCM monitors and manages the performance of the underlying portfolio investments (*i.e.*, accounts) of Clients through representation on the portfolio companies' board of directors and further (as appropriate) advises the portfolio companies' management team on financial, operating and strategic matters during the terms of the portfolio investments.

Currently, all investors in Clients over which TCM has custody receive audited financial statements on an annual basis as of the end of such Client's fiscal year end. In addition, the Clients' investors typically receive unaudited financial statements on a quarterly basis as of the end of each of the first three fiscal quarters, and unaudited individual capital account statements as of the end of each fiscal quarter. Some investors are entitled to annual audited financial statements and annual unaudited individual capital account statements only, according to the terms of their respective Client's operating documents. In addition, reporting for other Client investors could be negotiated on a case-by-case basis.

Material new investments are communicated to investors of the applicable Client, typically via capital call notices, which include a brief description of the investment, and subsequently new investments are described in quarterly limited partner reports.



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

TCM does not compensate any third party for Client referrals. During a fundraising cycle of a Client (including, under certain circumstances, during a pre-marketing stage), TCM has the authority to compensate placement agents who introduce investors that may commit capital to such Client. The amount paid to placement agents is based on point-in-time negotiation and the existence of any placement arrangements are fully disclosed to prospective investors referred by such placement agents as required by law or other agreements with investors. TCM or its affiliates generally charge the applicable Fund for such placement fees or otherwise cause the Client to pay such fees; however, all such fees due to placement agents by such Fund reduce the management fee otherwise payable by the Client's limited partners by an identical amount. As of the date hereof, TCM does not have any active placement agents or other finders for Clients other Fund VII North America, which is not yet operational.

TCM or its affiliates could be entitled to receive cash and non-cash: (i) set-up or other origination fees in connection with the origination of any Client's portfolio investments; (ii) topping or break-up fees in connection with proposed but unconsummated investment of a Client; (iii) directors' or monitoring fees paid by a portfolio company of a Client or other companies; (iv) commitment fees in connection with a Client's commitment to make a portfolio investment; (v) stock options or other compensation granted or paid by portfolio companies of Clients to the employees of TCM who could serve in a bona fide, non-director management capacity at any such portfolio company; (vi) stock options or other compensation granted or paid by portfolio companies that a Client has disposed of (whether or not such employees serve in a director or management capacity at such portfolio companies); and (vii) certain other fees including, without limitation: exit fees; diligence fees; rental income; compensation or directors fees paid to members of TCM's Advisory Boards, including the Founders Council, senior advisors and/or Reinet; directors fees paid to TCM or its employees by portfolio companies that have been disposed of by Clients. In accordance with each Funds' applicable governing documents and as discussed in Item 5, certain of these fees collected by TCM or its affiliates (that meet the definition of Available Fees set forth in each Client's operative documents) are subject to an offset against the future management fee otherwise payable by such Client.

## **Item 15. Custody**

Generally, TCM expects it will be deemed to have “custody” (within the meaning of the Advisers Act Rule 206(4)-2 (the “Custody Rule”)) over Client’s assets because its affiliates serve a Client’s general partner or managing member with general authority over assets of Clients. Such Clients are subject to an annual audit and the audited financial statements are distributed to each investor within 120 days of each respective Client’s fiscal year end. Unless otherwise expressly agreed with investors of a Client, TCM could also determine, in its sole discretion, to satisfy its obligations under the custody rule of the Advisers Act (the “Custody Rule”) by having such Client’s assets subject to an independent verification by an independent public accounting firm and providing for quarterly statements to be distributed to each investor in such Client by such Client’s qualified custodian(s). Assets of all Clients over which TCM has custody (other than uncertificated securities held by Clients subject to an annual audit, which are recorded on the books and records of the applicable company, or certain legended and restricted certificated securities) are held in custody by unaffiliated broker/dealers or banks, which are considered “qualified custodians” under the Custody Rule. In addition, with respect to Clients that would be subject to an independent verification, documents evidencing uncertificated securities would also be maintained by such Client’s qualified custodian(s). With respect to Clients that are subject to an annual audit, the audited financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and distributed within 120 days of each respective Client’s fiscal year end as noted above, or such earlier period as has been designated in such Client’s operating documents.

Currently, all Clients over which TCM has custody are subject to an annual audit and therefore audited financial statements are distributed to each investor.

## **Item 16. Investment Discretion**

TCM, with the required advice and consent of the relevant investment committee, generally has discretionary authority to determine, without obtaining specific consent from Clients or their investors, the securities and amount to be bought or sold. Investors in Clients may not impose any limitations on the investment discretion of TCM, other than any limitations on authority that are included in a Client’s governing documents (including limited partnership agreements, operating agreements and/or investment advisory agreements, and side letters thereto).

## **Item 17. Voting Client Securities; Class Actions**

### *Proxy Voting*

Most of the portfolio companies held by Clients are private companies which typically do not issue proxies. However, certain Clients have the authority to invest up to 10% of their aggregate capital commitments in public companies. In the event that TCM or a Client’s general partner(s), on behalf of Clients, are requested to vote on certain proposals, amendments, consents or resolutions of any public company (“proxies”), TCM has adopted the following procedures:

- TCM will seek to vote its Clients’ proxies in the best interest of its Clients and not its own.
- TCM will seek to avoid material conflicts of interest between the interests of TCM on the one hand and the interests of its Clients on the other.

- If the CCO or designee and/or investment staff member detects a material conflict of interest in connection with a proxy solicitation, the CCO must be informed and will then elevate the matter to TCM's Chairman or President for discussion. The CCO or designee will retain a memo to the files describing the material conflict of interest and the proposed resolution.
- TCM will vote proxies in the interest of maximizing value for TCM's Clients.
- All proxy solicitation materials received by TCM shall be received by the Principal or Partner on the respective deal(s) and shared with the CCO and/or her designee.
- A copy of the deal team(s) proxy vote remittance will be provided to the CCO or her designee.

A number of TCM's investment professionals or other designated representatives serve as board members for portfolio companies of Clients. In situations where TCM votes the proxy for a company in which a TCM investment professional serves on the board of directors, TCM has determined that it does not inherently present a conflict of interest as (a) the TCM investment professional is on the board of directors as a representative of the Clients and (b) the sole purpose for serving on the board is to maximize the return on Clients' investment and to ensure that Clients' interests are protected. Given these facts, the Clients' and the representative's role are aligned with respect to proxy voting.

A record of proxy voting policies and procedures, proxy statements received regarding Client securities and all proxy votes cast on behalf of Clients will be maintained for at least five years and available for review. Please note that TCM may rely on proxy statements filed on the SEC's EDGAR system (see <http://www.sec.gov/edgar/searchedgar/companysearch.html>), or which are maintained with a third party, such as a proxy voting service, provided that TCM has obtained an undertaking from the third party to provide a copy of the documents promptly upon request. Investors should contact the CCO for a copy of the proxy voting policy and procedures, or information with respect to a specific proxy vote.

### *Class Actions*

In the event that one or more of TCM's Clients becomes involved in any class actions, TCM and a Client's general partner(s) of the applicable Client(s) will use their discretionary authority to act in what they believe to be the best interests of the Clients in directing their participation in such class actions, which may include opting out of the recovery achieved through the class action and separately pursuing their own remedy. If the class action relates to a specific portfolio company, the determination of whether to participate in such class action is delegated to the Partner(s) and Principal(s) primarily responsible for monitoring such portfolio company, which determination shall be made in consultation with the other Partners and Principals of TCM. In the event that a Client does not participate in a class action, investors will not receive any proceeds received from class action recoveries.

## Item 18. Financial Information

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

The Statement of Assets, Liabilities and Partners' Capital (the "Statement") set forth below has been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). U.S. GAAP requires that, among other things, TCM management make estimates and assumptions that affect the reported amounts of assets and liabilities during the reporting period. While TCM management believes that the estimates utilized in preparation of the Statement are reasonable and prudent, actual results could differ from these estimates and those differences could be material. The independent public accounting firm responsible for issuing an audit report on the Statement is Ernst & Young LLP. The Statement below is subject to adjustment pending receipt of the final audit report.

### Trilantic Capital Management L.P.

(a Delaware Limited Partnership)

Statement of Assets, Liabilities and Partners' Capital

December 31, 2022

(in thousands)

### Trilantic Capital Management L.P.

(a Delaware Limited Partnership)

Statement of Assets, Liabilities and Partners' Capital

December 31, 2022

(in thousands)

<b>Assets</b>		
Cash and cash equivalents	\$	12,655
Due from affiliates		3,561
Prepaid expenses		566
Fixed assets and leasehold improvements, net		5,999
Total Assets	\$	22,781
<b>Liabilities and Partners' Capital</b>		
<b>Liabilities</b>		
Deferred revenue	\$	11,194
Notes payable		3,409
Accounts payable and accrued expenses		2,274
Lease incentive obligation		2,232
Other liabilities		2,015
Total Liabilities		21,124
Total Partners' Capital		1,657
Total Liabilities and Partners' Capital	\$	22,781

## **Item 19. Requirements for State-Registered Advisers**

Not Applicable.