

**PART 2A OF FORM ADV
INVESTMENT ADVISER BROCHURE**

SUMMIT PARTNERS CREDIT ADVISORS, L.P.

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Summit Partners Credit Advisors, L.P. (“SPCA”). If you have any questions about the contents of this Brochure, please contact us at (617) 824-1000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

SPCA is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding SPCA is also available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

SPCA filed its most recent Form ADV Part 2A on March 28, 2022. This annual amendment includes updates related to the description of certain risk factors, business practices and advisory services of SPCA.

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Summit Partners Credit Advisors, L.P. Brochure

Section 1. Advisory Business

SPCA, the registered investment adviser, is a Delaware limited partnership. SPCA and its affiliated investment advisers provide “investment advisory services” to their clients, which consist of private investment-related funds. SPCA commenced operations in 2010. SPCA is principally owned by Summit Partners, L.P. (“**Summit Partners**”) and its limited partners, with Summit Partners controlled by its manager, Summit Master Company, LLC.

The following are certain of the affiliated advisers of SPCA (collectively, the “**General Partners**” and, together with SPCA, the “**Managers**”):

- Summit Partners Credit GP, L.P. (“**SPC GP**”)
- Summit Partners Credit A-1 GP, L.P. (“**SPC A-1 GP**”)
- Summit Partners Credit II, L.P. (“**SPC II GP**”)
- Summit Partners Credit A-2, L.P. (“**SPC A-2 GP**”)
- Summit Partners Credit B-2, L.P. (“**SPC B-2 GP**”)
- Summit Partners Credit III, L.P. (“**SPC III GP**”)
- Summit Partners Credit IV, L.P. (“**SPC IV GP**”)

Each General Partner listed above is subject to the Advisers Act pursuant to SPCA’s registration in accordance with applicable SEC guidance. This Brochure also describes the business practices of each General Partner, which operate as a single advisory business together with SPCA.

The Managers’ clients include the following (each, a “**Fund**” and, together with any future private investment fund to which SPCA provides investment advisory services, the “**Funds**”):

- Summit Partners Credit Fund, L.P. (the “**Onshore Fund**”)
- Summit Partners Credit Offshore Intermediate Fund, L.P. (the “**Offshore Intermediate Fund**”)
- Summit Partners Credit Offshore Fund, L.P. (the “**Offshore Fund**”)
- Summit Partners Credit Fund A-1, L.P. (the “**SPC A-1 Fund**”)
- Summit Partners Credit Fund II, L.P. (the “**Onshore Fund II**”)
- Summit Partners Credit Offshore Fund II, L.P. (the “**Offshore Fund II**”)
- Summit Partners Credit Offshore Intermediate Fund II, L.P. (the “**Offshore Intermediate Fund II**”)
- Summit Partners Credit Fund A-2, L.P. (the “**SPC A-2 Fund**”)

- Summit Partners Credit Fund B-2, L.P. (the “**SPC B-2 Fund**”)
- Summit Partners Credit Fund III, L.P. (the “**Onshore Fund III**”)
- Summit Partners Credit Offshore Fund III, L.P. (the “**Offshore Fund III**”)
- Summit Partners Credit Offshore Intermediate Fund III, L.P. (the “**Offshore Intermediate Fund III**”)
- Summit Partners Credit Offshore Fund III AIV, L.P.
- Summit Partners Credit Fund IV, L.P. (the “**Onshore Fund IV**”)
- Summit Partners Credit Offshore Fund IV, L.P. (the “**Offshore Fund IV**”)
- Summit Partners Credit Offshore Intermediate Fund IV, L.P. (the “**Offshore Intermediate Fund IV**”)

The General Partners each serve as general partner to one or more Fund(s) and have the authority to make the investment decisions for the Funds to which they provide advisory services. The General Partners have delegated the day-to-day investment advisory services for the Funds to SPCA. References contained in this Brochure to the strategy and operations of a General Partner should be read to include the activities of SPCA and other SPCA affiliates that collectively engage in the investment process and ongoing management of the Funds’ portfolio companies and other investments.

An affiliate of SPCA advises certain private investment vehicles formed to allow current and former employees of SPCA and its affiliates, as well as certain other persons (the “**Summit Employee Funds**”), to co-invest in certain investments made by the Funds.

The Funds primarily employ a leveraged credit strategy and invest primarily in fixed-income instruments, while retaining flexibility to invest across a wide variety of industries and investment types. In connection with this strategy, the Onshore Fund, Onshore Fund II, Onshore Fund III and Onshore Fund IV (collectively, the “**Onshore Funds**”) typically originate or purchase loans and sell them to the Offshore Funds (as defined herein) or other third parties. The Managers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, the senior principals or other personnel of SPCA or its affiliates will serve on such portfolio companies’ respective boards of directors or otherwise act to influence the management or control of a portfolio company in which a Fund has invested.

SPCA also may provide investment supervisory services to separately managed account clients (“**SMA Clients**”). The Funds and any other private investment funds or SMA Clients (collectively, “**SPCA Clients**”) that will be advised by SPCA (or its affiliates) at a later date or that may otherwise become clients of SPCA are expected to focus on debt investments in companies characterized by stable and predictable cash generation, while retaining flexibility to invest across a wide variety of industries and investment types, though some SPCA Clients investments are expected to be specialized or focused on particular industries.

The Managers’ advisory services for the Funds are further described in the Funds’ respective private placement memoranda or other offering documents (each, a “**Memorandum**”), investment management agreements and limited partnership or other operating agreements (each, a “**Partnership Agreement**” and,

as applicable, together with any relevant Memorandum, the “**Governing Documents**”), as well as below under “Methods of Analysis, Investment Strategies and Risk of Loss” and “Investment Discretion.” Investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other applicable constraints or for other agreed upon reasons pursuant to the Governing Documents; such arrangements generally do not and will not create an adviser-client relationship between a Manager and any investor. The Funds or the Managers have entered into side letters or other similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant Governing Documents with respect to such investors.

SPCA’s advisory services for SMA Clients will be set forth in the investment advisory agreement or other agreement (each, an “**SMA**”) with respect to each SMA Client.

Additionally, from time to time and as permitted by the Governing Documents, the Managers and/or their affiliates expect to provide (or agree to provide) loan syndication and/or co-investment opportunities (including the opportunity to participate side-by-side with the Funds) to certain current or prospective investors or other persons, including lenders, other sponsors, market participants, finders, consultants and other service providers, the Managers’ current and former principals, personnel and/or certain other persons associated with the Managers or their affiliates (*e.g.*, a vehicle formed on behalf of SPCA’s employees, such as the Summit Employee Funds). Such syndicate participants and co-investments typically involve investment and disposal of interests in the applicable investment at the same time and on the same terms as the Fund making the same investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle reserves the right to purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Managers’ sole discretion, the Manager reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any holding expenses or other related costs are not charged to the co-investor, they generally will be borne by the relevant Fund. Generally, the Funds bear investment-related costs regarding research, diligence, and all other deal related costs for investments that are expected to be syndicated or offered to co-investors, but that are not consummated except for costs and expenses related to committed co-investment vehicles.

As of December 31, 2022, SPCA managed approximately \$1,131,021,912 in client assets on a discretionary basis.

Section 2. Fees and Compensation

The following is a general description of fees, compensation and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds may not charge the same fees, compensation or expenses that other Funds charge. The Governing Documents of the Funds describe fees, compensation and expenses in greater detail.

With respect to the Onshore Fund, Offshore Intermediate Fund, SPC A-1 Fund, SPC A-2 Fund, SPC-B-2 Fund, Onshore Fund II, Offshore Intermediate Fund II, Onshore Fund III, Offshore Intermediate Fund III, Onshore Fund IV and Offshore Intermediate Fund IV, the applicable General Partner will receive a carried interest from investors in such Funds equal to a specified percentage of all realized profits (as more fully

described in the applicable Governing Documents). A General Partner typically is subject to a potential clawback or giveback obligation at the end of one or more periods during the life of a Fund in the event such General Partner has received excess cumulative carried interest distributions with respect to such period, as further specified in each Fund's relevant Governing Documents.

The Governing Documents of each Fund describe in detail the terms of the annual management fee (the "**Management Fee**") payable for each Fund. These terms differ among the Funds, but generally are calculated as a specified percentage (which generally ranges from 1% to 1.5%) of a base amount of assets, typically calculated with reference to one or more of the following: capital commitments, investment contributions with respect to investments (or portions thereof) that have not been disposed of, as applicable, under a Fund's Governing Documents, all or a specified portion of investments funded through a subscription facility or through an alternative leverage facility, and/or all capital contributions. Following the expiration of the investment period of a Fund (which periods also differ among the Funds) (the "**Stepdown Date**"), the Governing Documents also provide for a reduced Management Fee, which typically is calculated as a specified percentage of capital contributions (including a specified percentage of amounts contributed pursuant to a capital call subscription facility), investment contributions or NAV. Below is a summary; additional detail is available in the Governing Documents of an applicable Fund. In each case where the Management Fee is calculated with respect to investment contributions, the calculation generally includes, where applicable under a Fund's Governing Documents, amounts contributed pursuant to a subscription facility (e.g., for Fund IV) and a specified percentage of capital contributed pursuant to other leverage facilities.

SPC A-1 Fund generally paid SPCA a Management Fee equal to a specified percentage of all capital contributions, payable quarterly in advance prior to the expiration of the three-year investment period for SPC A-1 Fund. The investment period for SPC A-1 Fund has expired. Following the investment period, the Management Fee is calculated as a specified percentage of the lesser of all capital contributions and the net asset value of the Fund. For SCPA A-2 Fund, the Management Fee during the investment period was calculated as the sum of a specified percentage of unfunded capital commitments and a specified percentage of investment contributions (or, capital commitments that have been funded for the purpose of making an investment under the provisions of the Governing Documents). The investment period for SPC A-2 Fund has expired. Following the investment period, the Management Fee is calculated as a specified percentage of the lesser of all capital contributions and the net asset value of the Fund. The same fee structure applies for SPC B-2, except that in the post-investment period through the eighth anniversary of the first draw-down date, the Management Fee is calculated as a specified percentage of the lesser of investment contributions (rather than all capital contributions) and the net asset value of the Fund. The investment period for SPC B-2 has expired and SPC B-2 no longer pays a Management Fee. For Onshore Fund II and Offshore Intermediate Fund II, the Management Fee during the investment period was equal to a specified percentage of capital commitments. The four-year investment period for Onshore Fund II and Offshore Intermediate Fund II has expired and due to the occurrence of events specified in the relevant Governing Documents, Onshore Fund II and Offshore Fund II no longer pay a Management Fee.

With respect to Onshore Fund III and Offshore Intermediate Fund III, each of such Funds generally pays SPCA a Management Fee equal to the sum of a specified percentage of commitments and a specified percentage of the aggregate amount of investment contributions invested capital with respect to investments (or portions thereof) that have not been disposed of, as applicable, (including, in each case, amounts deemed contributed and a specified percentage of amounts funded pursuant to a leverage facility) in years 1 through 4. The four-year investment period for Onshore Fund III and Offshore Intermediate Fund III has expired. Following the investment period, the Management Fee is calculated as a specified percentage of the lesser of (i) the aggregate amount of investment contributions with respect to investments (or portions thereof) that have not been disposed of, as applicable, (including, in each case, amounts deemed contributed and a specified percentage of amounts funded pursuant to a leverage facility) and (ii) such Fund's net asset value.

For Onshore Fund IV and Offshore Intermediate Fund IV, during the investment period, the Management Fee will be calculated as a specified percentage of invested capital with respect to investment contributions (or portions thereof) that have not been disposed of, as applicable, (including a specified percentage of amounts that have been invested pursuant to a leverage facility). Following the expiration of the four-year investment period, the Management Fee for each of Onshore Fund IV and Offshore Intermediate Fund IV equals a specified percentage of the lesser of (i) the aggregate amount of investment contributions with respect to investments (or portions thereof) that have not been disposed of, as applicable, (including, in each case, amounts deemed contributed, amounts funded pursuant to a subscription facility and a specified percentage of amounts funded pursuant to a leverage facility) and (ii) such Fund's net asset value. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors and/or set forth in the Governing Documents. Certain Funds are subject to a reduced Management Fee during any term extensions in accordance with the applicable Governing Documents.

In accordance with the terms of the applicable Governing Documents, each of the Onshore Fund and Offshore Intermediate Fund no longer pay any Management Fees. The terms of the Management Fee offsets differ among the Funds, as specified in each Fund's Governing Documents. Typically, a Fund's Management Fee with respect to a limited partner will be reduced or offset by an amount equal to such partner's pro rata share (based upon the partner's respective commitments) or investment contributions, as applicable, of a specified percentage of any directors' fees, consulting fees, investment banking fees, certain closing and origination fees, advisory fees, monitoring fees, commitment fees, break-up fees and similar fees (such fees, "**Supplemental Fees**") paid to the applicable General Partner, its affiliates or personnel with respect to the applicable Fund's portion of a respective investment. To the extent the applicable General Partner, its affiliates or personnel receive any amendment fees with respect to any Fund investment, the Management Fee will be reduced by an amount equal to such partner's pro rata share (based upon the partner's respective commitments) of such amendment fees with respect to the Fund's portion of respective investments. To the extent that such a reduction would reduce the applicable Fund's Management Fee for a given period below zero, a credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result). Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset.

Certain Governing Documents permit the General Partner to waive or agree to reduce the Management Fee. Any such waived or reduced portion of the Management Fee reduces the amount of capital such General Partner would otherwise be required to contribute to the applicable Fund. The limited partners of such Funds typically would, in such circumstances, be required to make a pro rata contribution according to their respective commitments to fund any contribution that would otherwise be required of the applicable General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver has the potential to result in an acceleration of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by a General Partner and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in a Fund until any unapplied portion of such Management Fee offsets is allocated to limited partners. The General Partners and/or their affiliates may also exempt certain persons from payment of all or a portion of Management Fees and/or carried interest, including personnel or owners of the General Partners or their affiliates, persons with family or other relationships with the General Partners or their affiliates, and service providers for the General Partners or their affiliates. Any such exemption from Management Fees and/or carried interest may be made by a direct exemption, a rebate by the General Partners and/or their affiliates, or through private investment vehicles which co-invest with the Funds.

Management Fees and other fees are expected to be paid, except as otherwise described in the applicable Governing Documents, over the term of the applicable Fund, and investors generally are not permitted to withdraw or redeem interests in the Fund.

Managing Directors and certain other personnel of SPCA or its affiliates generally receive salaries and other compensation derived from the Management Fees, carried interest or other compensation received by SPCA or its affiliates.

Subject to variations in each Fund's Governing Documents (and as further described herein), a Fund typically will pay all organizational and start-up expenses of the applicable Fund and the Manager, including legal, travel (including expenses for first class travel or the equivalent thereof), accounting, filing, capital raising, regulatory compliance (including initial filings, compliance and other requirements contemplated by the Alternative Investment Fund Managers Directive ("AIFMD")), administrative or other filings and other organizational expenses. The Managers will bear the cost (through an offset against the Management Fee or otherwise) of all organizational expenses in excess of a specified cap, if any, and of any placement fees payable to any placement agent in connection with the formation of the applicable Fund. The Funds will not ultimately bear any investment banking or private placement fee incurred in connection with the organization of the Funds.

In addition to the organizational and start-up expenses and the Management Fee and carried interest payable to the General Partners, the Funds will bear all other fees, costs, expenses, liabilities and obligations related to each Fund's (and any intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio company (which reimbursements may be for out-of-pocket expenses incurred in connection with the evaluation, execution, monitoring and disposing of potential and consummated investments) or applied to reduce any Management Fees, including: (i) fees, costs, expenses, liabilities and obligations relating or attributable to investigating, structuring, organizing, acquiring, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals or databases), bidding on, owning, managing, operating, holding, hedging, trading, selling, valuing, restructuring, monitoring, taking public or private, winding up, liquidating, dissolving and disposing of a Fund's actual and potential investments (including travel (not to exceed an amount specified in the Governing Documents in any given year), including first class travel or the equivalent thereof) and follow-on investments and refinancings) or seeking to do any of the foregoing (including the prepayment of principal, interest and fees on money borrowed by or on behalf of such Fund and any expenses incurred in connection with a revolving credit facility or any other debt or leverage facility or other borrowings); (ii) legal, filing, accounting, asset and financial administration, auditing, advisory consulting (including consulting and retainer fees paid to consultants performing investment initiatives and other similar consultants, fees and expenses of an administrator, a Fund's portion of a loan administrator, and/or expert network services), financing, refinancing, insurance (including directors and officers, errors and omissions, and representation and warranty liability and other insurance, and all premiums and charges in connection with the maintenance thereof), third-party portfolio management, software data and information services and subscription services, broker, finder's, financing commitment, real estate title, appraisal, brokerage, printing, custodian, depository (including a depository appointed pursuant to the AIFMD or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Scheme Act dated June 23, 2006 (as amended) and the implementation thereof (the "CISA") and the Financial Services Act 2018 ("FinSA") including any law, rule, or regulation related to the implementation thereof), administration (including fees, costs and expenses incurred in connection with anti-money laundering and "know your customer" matters), trustee, record keeping, safekeeping, transfer, registration and other similar fees and expenses (including fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals); (iii) expenses incurred in connection with third-party valuations (including costs of third-party valuation agents and pricing services);

(iv) fees, costs and expenses associated with the preparation or distribution of a Fund's financial statements, tax returns, tax estimates, Schedule K-1s (or their equivalents) or any other Fund-related or investment related registration, filing, regulatory, compliance, reporting, depository, legal, accounting or administrative filing and fees and expenses related to the foregoing incurred to allow such Fund, the applicable General Partner or their affiliates to comply with non-U.S. and U.S. federal, local and state laws and regulations during the term of such Fund, excluding, for clarity, registration and filing obligations not related to such Fund; (v) expenses associated with SPCA's and a Fund's compliance with the requirements of the AIFMD, as implemented in any relevant jurisdiction and including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements (excluding, for clarity, initial and/or preliminary registrations, filings and compliance which fall within Organizational Expenses); (vi) fees, costs and expenses of the advisory board (including travel (including first class travel or the equivalent thereof) and any other reasonable out-of-pocket costs and expenses incurred by representatives of the applicable General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board) and all out-of-pocket fees, costs and expenses incurred by a Fund, the relevant General Partner, SPCA or any of their subsidiaries or any of their partners or members in connection with annual and other periodic meetings of the limited partners and any other meeting with any limited partner(s) (other than meetings solely with one limited partner or one or more affiliated limited partners); (vii) costs and expenses of complying with any side letter arrangements related to a Fund (including the costs of preparing and administering any most-favored nations or similar process); (viii) fees, costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and final winding-up of any alternative investment vehicle; (ix) Management Fee; (x) indemnification fees, costs and expenses (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Governing Documents or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents); (xi) extraordinary expenses (including fees, costs and expenses of any actual, threatened or otherwise anticipated, governmental inquiry, investigation or proceeding, litigation, mediation, arbitration or other dispute resolution process), including the costs and expenses of any discovery related thereto and judgments, other awards and settlements, if any); (xii) all out-of-pocket fees, costs, expenses, liabilities and obligations relating to investment and disposition opportunities for a Fund incurred by a Fund, a General Partner, SPCA or any of their subsidiaries or any of their partners or members not consummated (including, without limitation, legal, accounting, auditing, insurance, travel (subject to certain limitations described in clause (i), above), consulting (including consulting and retainer fees paid to any consultants performing investment initiatives and other similar consultants), brokerage, finders', financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination, entity formation and other fees and expenses (collectively, "**Broken Deal Expenses**" (including Broken Deal Expenses relating to transactions that have been syndicated or offered to but not taken by co-investors, or for which a syndication or co-investment was believed necessary in order to consummate such transaction)), (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or the limited partners; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data; (xv) except as otherwise determined by the applicable General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities; (xvi) all organizational expenses and private placement or finders' fees and expenses paid by a Fund to third parties in connection with the organization or funding of such Fund; (xvii) any taxes, fees or other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of such Fund (in

each case, except to the extent reimbursed or reimbursable by a partner under the Governing Documents); (xviii) fees, costs and expenses incurred in connection with the dissolution, liquidation and final winding up of a Fund; (xix) fees, costs and expenses relating to amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, the applicable General Partner, SPCA and any alternative investment vehicle of such Fund, including the preparation, distribution and implementation thereof; (xx) costs associated with the enforcement of defaults by partners in the payment of any capital contributions; (xxi) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated by the Governing Documents to the extent not borne or reimbursed by a transferring party; (xxii) all out-of-pocket fees, costs expenses, liabilities and obligations relating to portfolio accounting and management, support and monitoring software and related services; and (xxiii) any other fees, costs, expenses, liabilities or obligations approved by the advisory board. As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company or an intermediate entity pays or reimburses expenses, including expenses of the Managers and/or their affiliates the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, syndicate participants and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Furthermore, generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in the side letters relating thereto. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

Subject to the Governing Documents, the Managers generally will bear normal and recurring operating and administrative expenses of managing the Funds, including, but not limited to, compensation of all of the Managers' professional personnel and fees and expenses for administrative services, office space and facilities. In addition, the Managers generally will bear all non-recurring expenses related to meetings with individual limited partners, which are not considered organizational expenses under the applicable Governing Documents, including travel expenses. The Managers generally also will bear all fees and expenses related to SPCA and the General Partners registering, or maintaining their registration, as investment advisers under the Advisers Act.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors or syndicate participants (including without limitation legal expenses for a transaction in which all such Funds and/or co-investors or syndicate participants participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors or syndicate participants over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for use of the facility. In certain circumstances, a Manager or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds, without interest, to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest alongside one or more Funds, subject to SPCA's related policies and practices and the relevant Governing Documents and/or side letter(s). To the extent a co-invest vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a

transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. However, to the extent that such third-party co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken-Deal Expenses, where permitted by such vehicle's Governing Documents, subject to negotiations with such co-investors regarding expenses. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility. In connection with structuring lending transactions, SPCA also participates in the syndication of such debt to other financial market participants. In selecting loan syndicate participants, a General Partner generally is subject to expense and investment allocation considerations that are similar to those applicable for third-party co-investment. For example, in the event of a broken-deal, a Fund typically will bear all Broken Deal Expenses relating to such proposed transaction regardless of the status of any proposed or actual loan syndication process.

With respect to the short-term investment of the Funds' cash balances, SPCA expects, together with Bank of America Merrill Lynch, a custodian for the Funds, to invest all or a portion of the cash balances in third-party mutual funds (typically, money market funds). These cash balances are either automatically swept into such money market funds by Bank of America Merrill Lynch, or designated for investment in such funds by SPCA. Bank of America Merrill Lynch receives a custody fee, which includes its custodial services and this cash-sweep and treasury management function. Additionally, the Funds will bear the fees and expenses of such mutual funds as described in the applicable mutual fund prospectus. Such fees are in addition to the fees and carried interest received by the General Partner.

It is expected that any similar future private investment funds will have a similar compensation structure. The fees, compensation and expenses relating to any SMA Client will be described in the relevant SMA, which generally will be negotiated between such SMA Client and SPCA.

Brokerage fees may be incurred by the applicable SPCA Client in accordance with the practices set forth in Section 9, "Brokerage Practices," below.

Section 3. Performance-Based Fees and Side-By-Side Management

As discussed under Section 2, "Fees and Compensation," above, the relevant General Partners generally receive a carried interest allocation on certain realized profits in certain of the Funds. An affiliate of SPCA advises the Summit Employee Funds, which do not charge Management Fees and are not subject to carried interest. This practice could present a conflict of interest because SPCA's affiliate has an incentive to favor accounts for which it receives a performance-based fee. This potential conflict of interest is generally addressed by investing the Summit Employee Funds in each investment that the applicable Funds that do charge performance-based fees invest in. Such investments are made at substantially the same time and on substantially the same terms as the investments of the applicable Funds and are disposed of in a similar manner, which structure generally is intended to align the interests of the applicable Funds. See Section 5, "Methods of Analysis, Investment Strategies and Risk of Loss," for further discussion of conflicts of interest.

Additionally, to the extent that SPCA has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or SPCA personnel are assigned varying percentages of carried interest from the Funds, SPCA and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

SPCA seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by SPCA or any personnel.

As noted above, the compensation relating to any SMA Client, including a carried interest allocation on certain realized profits in the relevant SMA, will generally be negotiated between such SMA Client and SPCA.

Section 4. Types of Clients

SPCA provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to SPCA's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

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

The Funds generally have a minimum investment of \$5 million for third-party investors, which may be waived by the applicable General Partner. Generally, investors must be "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either "qualified purchasers" or "knowledgeable employees" as each term is defined under the Investment Company Act.

SPCA also may provide investment supervisory services to SMA Clients. While SPCA does not currently impose a minimum investment amount for establishing a separately managed account, it generally will seek to establish separately managed accounts with a minimum balance of \$100 million, although SPCA, in its sole discretion, generally is permitted to waive any initial minimum investment amount.

Section 5. Methods of Analysis, Investment Strategies and Risk of Loss

General

Subject to the specific investment guidelines and restrictions set forth in each Fund's Governing Documents or each other client's SMA, the principal investment strategy of the Managers is to seek attractive risk-adjusted returns through opportunistic credit investments in middle market companies. There can be no assurance that the Managers will achieve the investment objectives of each SPCA Client, and a loss of investment may be possible.

The following is a summary of the investment strategies and methods of analysis generally employed by the Managers on behalf of SPCA Clients and a summary of certain risks involved with the Managers' investment strategy and an investment in the Funds. More detailed descriptions of the investment strategies and methods of analysis and risks applicable to each SPCA Client are included in the applicable Governing Documents for each Fund or the SMA for each SMA Client, as applicable.

Investment and Operating Strategy

The Managers seek to provide returns to investors by (i) conducting extensive due diligence on investment opportunities, (ii) applying their industry experience, (iii) monitoring portfolio positions and (iv) exiting investments in a disciplined manner.

Conduct Extensive Due Diligence. The credit analysis applied to investment opportunities follows a long and detailed proprietary evaluation process that begins with developing a view of a company's fundamental characteristics and then supplementing this view by engaging in additional diligence based on internal industry experience, external resources and other publicly-available information sources that can provide further insight into a particular target portfolio company's market position. In addition, the Managers believe an important determinant of a company's success and its enterprise value is its management team. As a result, the Manager places a strong emphasis on the identification of successful management teams in determining potential investment opportunities.

The Managers have a hands-on approach to evaluating a company, with a goal of confirming their investment thesis through independent analysis, ultimately creating base case and stress case scenarios in projecting the performance of the business. This approach may include, but is not limited to, evaluation of the management team, customer diligence, supplier diligence, contract reviews, property, plant and equipment or real estate appraisals, accounting reviews, and third-party industry reviews. Decisions to make investments are approved by an investment committee (the "**Investment Committee**").

Application of Industry Experience. Potential investments are identified by reviewing sector fundamentals and comparing those metrics across and within industry sectors. The Managers make a determination as to which investments they believe represent good relative value across the marketplace or within a particular capital structure.

Deal Structuring. The Managers negotiate the documentation governing each investment, aiming to understand the key operational and financial risks applicable to a borrower along with the economic incentives of the managers and owners, which includes seeking certain covenant and borrower controls as risk mitigating factors and developing a thorough understanding of the scope and substance of the inter-creditor arrangements.

The Managers generally seek to develop an understanding of each investment within the capital structure, leverage points across different classes of creditors, strengths and weaknesses of covenants, and the flexibility of equity holders to take actions that could affect the value of an investment. The Managers typically seek to leverage their experience in performing detailed covenant analysis to help create value for the Funds through early identification of contractual provisions that have a material impact on an investment's risk profile or that have the potential to serve as a catalyst to an investment opportunity.

Monitoring Portfolio Positions. The Investment Committee regularly reviews and discusses the Funds' investment strategy and considers investment recommendations as they relate to individual positions. The investment professionals monitor any news or updates pertaining to a portfolio company and communicate with the Investment Committee so that they may evaluate the position, including any potential actions to be taken.

The development of an investment strategy is an ongoing process and the investment strategy and methods applicable to the Funds or an SMA Client, as applicable, may therefore be modified from time to time, including the analytical models used by the Managers. The Managers are not restricted to implementing any specific investment process on behalf of SPCA Clients, either in allocating capital to a particular investment or market or any combination of investments or markets or in the Managers' ongoing

management of SPCA Clients. Depending on conditions and trends in securities markets and the economy generally, the Managers may pursue other objectives or employ other strategies or techniques that it considers appropriate and in the best interest of SPCA Clients.

Types of Investments

The Offshore Fund, Offshore Fund II, Offshore Fund III and Offshore Fund IV (collectively, the “**Offshore Feeder Funds**”) intend to invest substantially all of their assets in the Offshore Intermediate Fund, Offshore Intermediate Fund II, Offshore Intermediate Fund III and Offshore Intermediate Fund IV (collectively, the “**Offshore Funds**”), respectively. The Offshore Funds intend primarily to invest indirectly, and each of Onshore Fund III and Onshore Fund IV intends to invest directly, in non-sponsored companies characterized by stable and predictable cash generation. As used herein, “non-sponsored” generally refers to a company or transaction that is not primarily owned or controlled by an outside management firm such as a private equity firm or similar entity. Onshore Fund III, Offshore Intermediate Fund III, Onshore Fund IV and Offshore Intermediate Fund IV additionally are permitted to make opportunistic investments in syndicated bank loan, high yield bond and other corporate credit markets.

While the Managers intend that SPCA Clients will invest primarily in fixed-income instruments, the Managers have broad and flexible authority to make investments in a wide variety of securities and financial instruments, domestic and foreign, whether publicly traded or privately placed, including, without limitation, convertible securities, limited partnership interests, interests in other investment vehicles, options (purchased or written), warrants, common and preferred stocks, futures, derivatives (including swaps, forward contracts and structured instruments), currencies, monetary instruments, collateralized debt obligations (including collateralized loan obligations), commercial mortgage-backed securities, other asset-backed securities and cash and cash equivalents. From time to time, the Managers may use derivative instruments or securities for hedging or investment purposes for the SPCA Clients. The Managers are also permitted to make investments in commodity futures contracts.

From time to time, the Offshore Funds purchase participations in and/or assignments of loans (or interests therein) originated or purchased by the Onshore Funds (as defined herein). The decision to purchase a participation or assignment of loans for the Offshore Funds is subject to a number of guidelines, including (i) that the participation or assignment not be sold until the expiration of a predetermined waiting period from the time of origination, (ii) that the sale of such participation or assignment be made at a price determined at the end of such waiting period, and (iii) that the price be supported by a third-party appraisal or opinion of valuation.

Risks of Investment

A Fund and its investors, and investors in separately managed accounts, bear the risk of loss that a General Partner’s or Manager’s investment strategy entails. The risks involved with a General Partner’s investment strategy and an investment in a Fund are detailed in each Fund’s private placement memorandum. The risks involved with the Manager’s investment strategy and an investment in separately managed account are described in each SMA. In general, these risks with respect to each SPCA Client and its General Partner and the Manager include, but are not limited to:

1. General Investment Risks. All investments risk the loss of capital. The Managers believe that investment program and research techniques of a Fund moderate this risk through a careful selection of securities and other financial instruments. No guarantee or representation is made that the Fund or SMA Client’s investment program will be successful. There can be no assurance that a Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of companies and transactions the such Fund invests in,

including investments in equity, equity-related debt or debt-related securities of such companies. There can be no assurance that any limited partner will receive any distribution from any Fund. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment. Past activities of other Funds and other investment entities associated with a Manager provide no assurance of future success.

2. Effect of General Economic and Market Conditions on the Fund's Activities; Uncertain Environment. The success of a Fund's activities will be affected by general economic and market conditions such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in law (including laws relating to taxation of an interest in a Fund and such Fund's investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors are expected to affect the level and volatility of financial instruments' prices and the liquidity of such Fund's investments. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of such Fund to sell and/or partially dispose of its investments. Such adverse effects may include the requirement of such Fund to pay break-up, termination or other fees and expenses in the event such Fund is not able to close a transaction and/or the inability of such Fund to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect such Fund's ability to raise funding to support its investment objective. The applicable Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses commonly known as SARS, MERS, and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply chains affected, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty, including the contagion of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund to execute its investment strategy or the ability of a Fund's portfolio companies to execute their respective strategies and continue to be able to meet their respective debt obligations. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the contagion of infectious viruses or diseases, or general economic downturn may have an adverse effect upon the companies in which such Fund makes investments.

It is important to understand that in light of the nature of certain investments a Fund may not be able to react quickly to changes in market conditions and such Fund could incur material losses even if it reacts quickly to difficult market conditions. There can be no assurance that such Fund will not suffer material adverse effects from broad and rapid changes in market conditions.

3. Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject such Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, and increased costs associated with each of the aforementioned risks.
4. Fund Leverage. A Fund is permitted to make use of leverage by incurring debt to finance a portion of its investment in a given portfolio company. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage generally will also result in fees, interest expense and other costs to a Fund that may not be covered by distributions made to such Fund or appreciation of its investments. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to finance future operations and capital needs or to pay principal and interest on a Fund's investments when due. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, the companies in which a Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

The amount of such borrowings or other leverage will be in the relevant General Partner's discretion (up to a limit specified in the Governing Documents). The relevant General Partner is permitted in its sole discretion at any time throughout the life of the applicable Fund, in light of then-prevailing business and markets conditions and portfolio considerations, amend, modify, restructure or refinance any revolving credit facility or any other debt or leverage facility or other investment leverage with the lender parties and on such terms as the relevant General Partner determines appropriate for the applicable Fund. In such circumstances, certain terms of any new or amended revolving credit facility or any other debt or leverage facility may be less favorable than its predecessor facility.

The use of leverage involves a high degree of financial risk. The extent to which a Fund uses leverage may have important consequences to investors, including, but not limited to, the following: (i) greater fluctuations in the net assets of the Fund, (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions, or other purposes, (iii) to the extent that Fund revenues are required to meet principal payments, investors may be allocated income (and therefore incur tax liability) in excess of cash available for distribution, (iv) in certain circumstances the Fund may be required to

prematurely harvest investments to service its debt obligations, (v) limitations on the flexibility of the Fund to make distributions to investors or sell assets that are pledged to secure the indebtedness, and (vi) increased interest expense if interest rate levels were to increase significantly. There can also be no assurance that a Fund will have sufficient cash flow to meet its debt service obligations. It is also possible that certain co-investors or syndicate participants (including third-party co-investors or syndicate participants) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. As a result, such Fund's exposure to losses may be increased due to the illiquidity of its investments generally.

There can be no assurance that a Fund will be able to obtain indebtedness on terms available to any predecessor or affiliated fund or to competitors, including terms that may be currently available in the market, or that indebtedness will be accessible by such Fund at any time, and to the extent that it is available there can be no assurance that such indebtedness will be on terms favorable to such Fund, including with respect to interest rates, or that such indebtedness will remain available throughout the term of such Fund. The failure by such Fund to obtain indebtedness on favorable terms (or at all) could adversely affect the returns of such Fund.

Furthermore, a Fund is permitted to use credit facilities for the purchase or implementation of certain investments or for other portfolio management purposes. Should such credit facilities be utilized, such Fund would incur additional interest and other expenses with respect to such facilities. Any such credit facility provider that permits the Fund to borrow may accept Fund assets as collateral for such credit facility and may be permitted to require the transfer, assignment, appropriation, sale or liquidation of Fund assets held by it as collateral, after occurrence of certain events, including a default by such Fund pursuant to the agreement with such credit facility provider. Events of default under any such credit facility may include, among other things, failure to pay amounts due under such credit facility, failure to inform the credit facility provider of certain events with respect to such Fund, failure to provide the credit facility provider with certain periodic reports and financial statements, breach by the Fund of other representations and covenants contained in credit facility documentation and other similar terms. In such instances, the credit facility provider may take any such action without notice to such Fund or the applicable General Partner. If any such credit facility provider were to require the Fund to transfer, assign, sell or liquidate assets or otherwise act to realize on such collateral, these actions are expected to impair the operational capabilities of such Fund and have adverse tax and economic effects on such Fund.

In connection with any financing or other borrowing transaction, the relevant General Partner shall have the right, at its option, to grant as security for any financing incurred directly or indirectly by the Fund any or all of the assets of a Fund including the partners' unfunded commitments.

5. Non-controlling Investments. The Funds anticipate that they will principally hold debt obligations and other non-controlling interests in portfolio companies and, therefore, will have a limited ability to protect the applicable Fund's position in such portfolio companies. However, the relevant General Partner will seek appropriate creditor and shareholder rights to help protect such Fund's interest. The applicable Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, such Fund at times may hold minority equity stakes of any size (e.g., where portfolio holdings are taken public). As is the case with minority holdings in general, such minority stakes that such Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums afforded majority or controlling stakes. Where the applicable Fund holds a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if the applicable Fund has contractual rights to seek liquidity of such Fund's minority interests in such companies, it may be

very difficult to sell such interests or seek a sale of such company upon terms acceptable to such Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

6. Fixed-Income Securities and Loans. The Funds reserves the right to invest in bonds or other fixed-income securities of U.S. and non-U.S. issuers, including, without limitation, bank debt, bonds, notes, debentures, and commercial paper, as well as derivatives thereon. Fixed-income securities pay fixed, variable, or floating rates of interest. The value of fixed-income securities in which a Fund invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities and bank loans can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed-income securities and bank loans are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

To the extent that one or more borrowers default on a secured obligation held by a Fund, such Fund may receive equity issued by an entity reorganized through a bankruptcy or insolvency proceeding, or assets that such borrowers had pledged to secure such loans or obligations. Such assets may include real estate or other real assets, intellectual property rights, receivables, securities, other assets or direct or indirect interests therein. There is no guarantee that such assets will be liquid or of a value equivalent to the amount due and owing from the issuer or obligor of such defaulted obligation.

7. Bank Loans. A Fund's investment program may include investments in significant amounts of bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the applicable Fund to directly enforce its rights with respect to participations. In analyzing each bank loan, the relevant General Partner compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks may be borne by a Fund.

Certain newer loans use standardized documentation in an attempt to facilitate loan trading. Although this may improve market liquidity, there can be no assurance that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that any level of liquidity will continue. Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to the high-yield debt market.

8. Loan Origination. If a Fund desires to sell or assign a loan that it originates (including to the Offshore Funds), but is unable to sell, assign or successfully close transactions for assignments or participations in such loans, such Fund will be forced to hold such a loan until such time as it can be disposed, during which time such Fund may be "overweighted" with respect to a particular borrower.
9. Future Funding Obligations. A Fund reserves the right to incur funding obligations that arise in the future in connection with an investment. For example, a Fund is permitted to purchase from a lender

a revolving credit facility that has not yet been fully drawn or enter into a loan commitment in which the lender commits itself to make a loan or loans up to a specified amount within a specified time period. If a borrower subsequently draws down on such facility, the applicable Fund would be obligated to fund the amounts due. Further, a lender typically is obligated to advance the unfunded amount of a loan commitment at the borrower's request, subject to certain conditions regarding the creditworthiness of a borrower, and borrowers with deteriorating creditworthiness may continue to satisfy their contractual conditions and therefore be eligible to borrow at times when the lender might prefer not to lend. In addition, a lender may have assumptions as to when a company in which the partnership invests may draw on an unfunded loan commitment when the lender enters into the commitment. If the borrower does not draw as expected, the commitment may not prove as attractive an investment as originally anticipated. Any failure to advance requested funds to a company in which a Fund invests could result in possible assertions of offsets against amounts previously lent.

10. Timing Risk. Many agency, corporate, and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains the right to refinance the bond in the future if market interest rates decline below the coupon rate. There are certain disadvantages to the call provision, including, without limitation: (i) the cash flow pattern of a callable bond is not known with certainty; (ii) because the issuer will call the bonds when interest rates have dropped, the applicable Fund is exposed to reinvestment rate risk — such Fund will have to reinvest the proceeds received when the bond is called at lower interest rates or may be unable to reinvest such proceeds under the Governing Documents; and (iii) the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.
11. Zero-Coupon and Deferred Interest Bonds. A Fund reserves the right to invest in zero-coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original issue discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.
12. Equitable Subordination. Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). Due to the nature of the debt obligations, a Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by such Fund should be equitably subordinated.
13. Non-Performing Nature of Debt. It is anticipated that certain debt instruments purchased by a General Partner for a Fund will be non-performing and possibly in default at the time of such purchase. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation.

There can be no assurance as to the amount and timing of payments, if any, with respect to the loans made by a Fund.

14. Low Credit Quality Securities. A Fund is permitted to invest in securities that make particularly risky investments that also offer the potential for correspondingly high returns. As a result, such Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to such Fund's investment in any security. Certain debt securities in which such Fund is permitted to invest may be rated lower than investment grade and hence may be considered to be "junk bonds" or distressed securities.
15. Distressed Credit. A Fund reserves the right to invest in securities of U.S. and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial and business risks that can result in substantial or at times even total losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by U.S. state and federal laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the U.S. Bankruptcy Court's power to disallow, reduce, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (*e.g.*, due to failure to obtain requisite approvals), will be delayed (*e.g.*, until various liabilities, actual or contingent, have been satisfied), or will result in a distribution of cash or a new security the value of which is less than the purchase price to such Fund of the security in respect to which such distribution was made.
16. Special Situations. A Fund reserves the right to provide financing to companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment transaction involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price paid by such Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if such an anticipated transaction does not in fact occur, a Fund may lose all or a material portion of its investment. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a Fund may invest, there is a potential risk of loss by a Fund of its entire investment in such companies. In connection with such transactions (or otherwise), a Fund reserves the right to purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price and/or interest rate receivable with respect to a when-issued security are fixed when a Fund enters into the commitment. Such securities are subject to a change in value prior to their delivery.
17. Risks Associated with Bankruptcy Cases. A Fund reserves the right to invest in financially troubled companies and companies either currently in, or that may enter into, Chapter 11 bankruptcy or insolvency proceedings. Many of the events within bankruptcy or insolvency proceedings are

adversarial and are often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that bankruptcy courts would decide favorably toward, or consistent with the interests of, such Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and/or functional operating control of a debtor.

As the duration of bankruptcy cases can be only roughly estimated, the reorganization process can involve substantial legal, professional, and administrative costs to a company and/or a Fund, and is subject to unpredictable and lengthy delays. In addition, during the process a company's competitive position may erode, key management may depart, and the company may not be able to invest adequately. In some cases, a company may not be able to reorganize and may be required to liquidate assets. Decisions by a Fund to invest primarily in the debt of such companies may not be protective of such Fund's economic interests, as the debt of companies in the process of financial reorganization generally will not pay current interest, may not accrue interest during reorganization, and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

There exists a significant risk that a Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, a class. In addition, certain administrative costs and claims (for example, claims for taxes) that have priority by law over the claims of certain creditors may be quite high.

A Fund reserves the right to purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction or forfeiture by such Fund.

18. Default Rates of Loans and High-Yield Securities. A Fund reserves the right to make investments that classified as "higher-yielding" (and, therefore, higher-risk). In most cases, such investments will be rated below "investment grade" or will be unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. The market for high-yield instruments has experienced periods of volatility and reduced liquidity. The market values of certain of these debt instruments may reflect individual corporate developments. General economic recessions or a major decline in the demand for products and services in which the company provides would likely have a materially adverse impact on the value of such instruments. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these high-yield debt instruments. In addition, the historical performance of the high-yield market is not necessarily indicative of its future performance, and the numerous methods for calculating default rates leave a significant amount of uncertainty in the potential profitability of a Fund's investment in such instruments. Should increases in default rates occur with respect to the instruments acquired by a Fund, the actual default rates of the instruments held by such Fund may exceed those of the calculation methodology used by the relevant General Partner in determining to purchase such instruments, resulting in substantial losses to such Fund.
19. Participation on Creditors' Committees. Certain members of the relevant General Partner, on behalf of the Funds, are permitted to serve on committees formed by creditors ("**Creditors' Committees**") to negotiate with the management of financially troubled companies that may or may not be in bankruptcy. Such Fund may also seek to negotiate directly with debtors with respect to restructuring issues. Even if the applicable Fund chooses to join a Creditors' Committee, there can be no

assurance that such Fund would be successful in obtaining results favorable to it in such proceedings, and such Fund may incur significant legal fees and/or other expenses in attempting to do so, as Creditors' Committees generally consist of many participants, each of which attempts to obtain an outcome that is in its individual best interests. As a result of such Fund's service on such Creditors' Committees, the Fund may be deemed to have duties to other creditors represented by the Creditors' Committees, which might thereby expose such Fund to liability to such other creditors who disagree with such Fund's actions.

The relevant General Partner, on behalf of the applicable Fund, reserves the right to elect to serve on Creditors' Committees, equity holders' committees, or other groups to ensure preservation or enhancement of such Fund's position as a creditor or equity holder. A member of any such Creditors' Committee or group may owe certain obligations generally to all parties similarly situated that the Creditors' Committee represents. If the General Partner concludes that its obligations owed to the other parties as a Creditors' Committee or group member conflict with its duties owed to the applicable Fund, it will resign from that Creditors' Committee or group, and such Fund may not realize the benefits, if any, of the relevant General Partner's service on the Creditors' Committee or group. Additionally, if such Fund is represented on a Creditors' Committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in the subject company while it continues to be represented on such Creditors' Committee or group.

20. Reliance on Corporate Management and Financial Reporting and Projections. In many cases, the General Partner will rely on the financial projections information made available by the borrowers or issuers in which the Fund invests. Projected operating results of certain companies in which a Fund invests normally will be based on financial projections and information prepared by each company's management, with adjustment made by the relevant General Partner in its discretion. The General Partner generally will not have the ability to independently verify such financial projections and information, and generally will be dependent upon the integrity of both the management of these borrowers and issuers and the financial reporting process in general. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Material losses can occur as a result of corporate mismanagement, fraud and accounting irregularities.
21. "Widening" Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which a Fund invests may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.
22. Uncertain Exit Strategies. Due to the illiquid nature of some of the positions which certain of the Funds are expected to acquire, the relevant General Partner is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available at an attractive price, or at all. Exit strategies which appear to be viable or profitable when an investment is initiated may be precluded or unprofitable by the time the investment is ready to be realized due to market, economic, legal, political, or other factors.
23. Inability to Vote Certain Positions. As a result of voting agreements or other arrangements relating to certain issuers, securities or instruments in which a Fund is invested, the relevant General Partner

or its affiliates may be subject to restrictions on their ability to vote or take other actions with respect to such issuers or securities. In such situations, the relevant General Partner may not be able to vote or take other actions with respect to such issuers or securities in the manner that it otherwise would believe to be in the best interests of the applicable Fund.

24. Non-U.S. Investments. A Fund reserves the right to invest in securities issued by non-U.S. companies, in countries other than the U.S. and in securities of non-U.S. government entities. Investments outside the U.S. or denominated in non-U.S. currencies pose currency exchange risks as well as a range of other potential risks that could include, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility, and market manipulation. In addition, less information may be available regarding non-U.S. issuers, and non-U.S. companies may not be subject to accounting, auditing, and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Further, non-U.S. securities markets may not be as liquid as U.S. markets. Transaction costs of investing outside the U.S. are generally higher than in the U.S. There is generally less government supervision and regulation of exchanges, brokers, and issuers outside the U.S. than there is in the U.S., and there is greater difficulty in taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect a Fund's performance.
25. Derivatives. A Fund reserves the right to invest in complex derivative instruments that seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices or markets on a leveraged or unleveraged basis. These instruments generally have counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the investor. These investments are all subject to additional risks that can result in a loss of all or part of an investment, in particular, interest rate and credit risk volatility, world and local market price and demand and general economic factors and activity. Derivatives may have very high leverage embedded in them that can substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which a Fund may effect derivative transactions are over-the counter ("OTC") or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the applicable Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty (See "Counterparty Risk" below).
26. Collateral. A Fund may have significant credit risk exposure and will have significant operational risk exposure to its counterparties, which may require such Fund to post collateral to support their obligations in connection with transactions involving forwards, swaps, futures, options, and other derivative instruments. Generally, counterparties will have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of the collateral posted by the applicable Fund in connection with such transactions. This could increase such Fund's exposure to the risk of a counterparty default since, under such circumstances, such collateral could be lost or such Fund may be unable to recover such collateral promptly. Also, counterparties have an interest in maximizing the return from such collateral. This interest could conflict with the interests of such Fund in preserving and protecting its portfolio.
27. Options. A Fund reserves the right to buy or sell (write) both call options and put options (whether exchange-traded, over-the-counter or issued in private transactions), and when it writes options it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns

securities of the class and amount of those as to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. A Fund's options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which such Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions such Fund may enter into.

When a Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, would result in a total loss of such Fund's investment in the option (including commissions). Such Fund could mitigate those losses by selling short the securities as to which it holds call options or taking a long position (*i.e.*, by buying the securities or buying options on them) on securities underlying put options.

When a Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. Theoretically, the risk is unlimited unless the option is "covered." If it is covered, an increase in the market price of the security above the exercise price would cause such Fund to lose the opportunity for gain on the underlying security — assuming it bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss such Fund might suffer as a result of owning the security.

28. Risks Associated With CDO Securities. A Fund is permitted to invest in structured product CDO securities. In case of a default, CDO securities generally are limited recourse obligations of the issuer thereof payable solely from the underlying assets of the issuer ("**CDO Collateral**") or proceeds thereof. Consequently, holders of CDO securities must rely solely on distributions on the underlying CDO Collateral or proceeds thereof for payment. If distributions on the underlying CDO Collateral are insufficient to make payments on the CDO securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer to pay such deficiency will be extinguished. Many subordinate classes of CDO securities provide that a deferral of interest thereon or a write-down does not constitute an event of default and the holders of such securities will not have available to them any associated default remedies. During such periods of nonpayment or partial nonpayment, such non-paid interest will generally be capitalized and added to the outstanding principal balance of the related security. Any such deferral will reduce the amount of current payments made on such CDO securities.

CDO securities are subject to operational, credit, liquidity, and interest rate risks. Issuers of CDO securities may acquire interests in loans and other debt obligations by way of assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; provided, however, its rights can be more restricted than those of the assigning institution. In purchasing participations, an issuer of CDO securities will usually have a contractual relationship only with the selling institution, and not the borrower. The issuer generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor have the right to object to certain changes to the loan agreement agreed to by the selling institution. The issuer may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the

selling institution. In addition, in the event of the insolvency of the selling institution, under U.S. federal and state laws, the issuer may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, the issuer may be subject to the credit risk of the selling institution as well as of the borrower.

CDO securities are also subject to interest rate risk and day count basis risk. The CDO Collateral of an issuer of CDO securities may bear interest at a fixed or floating rate while the CDO securities issued by such issuer may bear interest at the opposite kind of rate. As a result, there could be an interest rate mismatch between such CDO securities and CDO Collateral, where the CDO Collateral bears interest that is, at certain times, insufficient to adequately collateralize the CDO securities. There may be a timing mismatch between the CDO securities and CDO Collateral assets that bear interest at a floating rate as the interest rate on such assets bearing interest at a floating rate may adjust more frequently or less frequently and/or on different dates and/or based on different indices than the interest rates on the CDO securities. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability to make payments on the CDO securities. In addition, hedges may have been acquired to manage the interest rate risk of such CDO securities, making such CDO securities also subject to the credit risk of the applicable hedge counterparty.

29. Credit Loan Obligations. A Fund reserves the right to invest in credit loan obligations (“CLOs”) or other securizations, which are generally limited recourse obligations of a portfolio company (“Securitization Vehicles”) payable solely from the underlying assets (“Securitization Assets”) of a portfolio company or proceeds thereof. Consequently, holders of equity or other instruments or obligations issued by Securitization Vehicles must rely solely on distributions on the Securitization Assets or proceeds thereof for payment in respect thereof. Securitization Vehicles typically are actively managed by a manager, and as a result the Securitization Assets will be traded, subject to rating agency and other constraints, by such investment manager. The aggregate return on the CLO equity instruments will depend in part upon the ability of each investment manager to actively manage the related portfolio of Securitization Assets.
30. Credit Default Swaps. A Fund reserves the right to invest in credit default swaps (“CDSs”). Generally, CDSs are contracts where termination may occur prior to the contract's scheduled maturity date if a credit event occurs. Credit events may include a ratings downgrade of the reference obligation below certain specified ratings levels, a writedown (including an implied writedown) of the reference obligation, a failure by the reference company to pay principal or interest with respect to the reference obligation, a restructuring of the final maturity date of the reference obligation, or an acceleration of the reference obligation so that it is due prior to its stated maturity date, among others. CDSs can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. In addition, CDSs can be used to implement the relevant General Partner's view that a particular credit, or group of credits, will experience credit improvement. In the case of expected credit improvement, a Fund may “write” credit default protection in which it receives spread income. A Fund may also “purchase” credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of the relevant General Partner, there is a high likelihood of credit deterioration.

Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock and debt of the company, and potential loss realized on the debt upon default, among other factors. As such, there are many factors upon which market participants may have divergent views. If the relevant General Partner has a positive view of a company's credit outlook, it may enter into CDS transactions in which it assumes the risk of default

of the company. It may also enter into an opposite transaction, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components determining the value of a swap.

Upon the occurrence of a credit event, CDSs may be physically settled or cash settled depending upon the terms of the particular CDS. In the event of physical settlement of a CDS, if a Fund is long the credit risk, the CDS counterparty may satisfy its obligations under the CDS by delivering to such Fund one or more deliverable obligations (which frequently are the reference obligation, although may instead be an obligation which is ranked *pari passu* with the reference obligation). Because the obligation is delivered after a credit event, it is likely that the delivered obligation is a defaulted or credit impaired security and will not be worth the same value as the reference obligation related to the CDS prior to the occurrence of any credit event. In the event of cash settlement, the CDS counterparty would, if the applicable Fund is long the credit risk, obtain prices in the general credit market for the final principal value of the reference obligation subject to a credit event and such Fund would be obligated to pay the difference of the initial principal amount referenced in the CDS over the final principal value of the reference obligation as obtained by the CDS counterparty in the general credit market. It is likely that because the reference obligation may at the time of such settlement be a defaulted or credit impaired security, the final value of the reference obligation may be less than the initial principal balance referenced in the CDS.

31. Counterparty Risk. Some of the markets in which a Fund may effect transactions are OTC or “interdealer” markets. The participants in such markets typically are not subject to the same credit evaluation and regulatory oversight as are members of “exchange based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such “over-the-counter” transactions. This exposes the applicable Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing such Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where such Fund has concentrated its transactions with a single or small group of counterparties. The relevant General Partner is not restricted from dealing with any particular counterparty or from concentrating any or all of such Fund’s transactions with one counterparty. Moreover, the relevant General Partner has no formal credit function which evaluates the creditworthiness of the applicable Fund’s counterparties. The ability of such Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by such Fund.

In addition, the counterparties with which a Fund effects transactions may, from time to time, cease making markets or quoting prices in certain of the instruments. In such instances, a Fund may be unable to enter into a desired transaction, or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, certain forward, spot and option contracts and swaps may not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts or swaps, a Fund may be required, and must be able, to perform its obligations under the contract.

32. Suspensions of Trading. Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for a Fund to liquidate its

positions listed on such exchanges and thereby expose it to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for such Fund to close out positions.

33. Futures. Investments in commodities, futures and options contracts involve risks including, without limitation, leverage (*e.g.*, margin is usually only 5% to 15% of the face value of the contract and exposure can be nearly unlimited) and credit risk vis-à-vis the contract counterparty. A Fund's futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent such Fund from promptly liquidating unfavorable positions and subject it to substantial losses.
34. Failure of Futures Commission Merchants. Under the Commodity Exchange Act, as amended, futures commission merchants are required to maintain customers' assets in a segregated account. To the extent that a Fund engages in futures and options contract trading and the futures commission merchants with whom such Fund maintains accounts fail to so segregate such Fund's assets, such Fund will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. In certain circumstances, the Fund might be able to recover, even with respect to property specifically traceable to such Fund, only a pro rata share of all property available for distribution to a bankrupt futures commission merchant's customers.
35. Forward Trading. A Fund is authorized to engage in forward trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have been unable to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Fund.
36. Illiquid Investments. A Fund is permitted to make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists, such as private placement originated loans. Illiquidity increases risk and volatility and may make it impossible to close out positions against which the market is moving or to realize such positions' value at the time of sale.
37. Reinvestment. Under certain circumstances as specified in each Fund's Governing Documents, proceeds from a partial or complete liquidation of any investment that results in a return of capital contributions may be retained and reinvested by the applicable General Partner. Accordingly, a limited partner may be required to contribute capital for investments an aggregate amount in excess of its committed capital during the term of a Fund, and to the extent recalled or retained amounts are reinvested in an investment, a limited partner will remain subject to investment and other risks associated with such investments.

38. Highly Volatile Markets. The prices of securities and derivative instruments, including futures and options prices, may be highly volatile. Price movements of securities, forward contracts, futures contracts, and other derivative contracts in which a Fund may invest are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary, and exchange control programs and policies of governments; and U.S. and international political and economic events and policies. In addition, governments from time to time intervene, directly and/or by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Fund will also be subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses.
39. Currency Exchange Exposure. A Fund reserves the right to make investments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. Certain of the Funds, however, value their investments in U.S. dollars. Such Funds also reserve the right to seek to hedge their non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that investments suitable for hedging currency or market shifts will be available at the time when such Funds wish to use them, or that hedging techniques employed by such Funds will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent unhedged, the value of a Fund's positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which such Fund makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of such Fund's investments in their local markets and may result in a loss to such Fund. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on such Fund's non-U.S. dollar investments.

The relevant General Partner is not required to attempt to hedge portfolio positions in a Fund and, for various reasons, may determine not to do so. Furthermore, the relevant General Partner may not anticipate a particular risk so as to hedge against it. While a Fund is permitted to enter into hedging transactions in seeking to reduce risk, such transactions may result in a poorer overall performance for the applicable Fund than if it had not engaged in any such hedging transaction. For a variety of reasons, the relevant General Partner may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent such Fund from achieving the intended hedge or expose such Fund to risk of loss. The success of the hedging strategy of a Fund is subject to the relevant General Partner's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy is also subject to the relevant General Partner's ability to recalculate continually, readjust and execute hedges in an efficient and timely manner. Moreover, it should be noted that the portfolio always will be exposed to certain risks that cannot be hedged, such as certain credit risk (relating both to particular securities and counterparties with respect to which CDS protection is unavailable), "liquidity" risk, and "widening" risk.

40. Hedging Arrangements; Related Regulations. A General Partner is authorized (but is not obligated) to endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. Such

Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or OTC contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject such Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the applicable Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the relevant General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the applicable Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

41. Other Trading Strategies. A Fund reserves the right to employ investment strategies for which no "risk factors" are disclosed herein. Such strategies should not be considered to be less risky than the strategies disclosed herein, and should be viewed as speculative volatile. There can be no assurance that a Fund will achieve its investment objectives or avoid total losses.
42. Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if such Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to such Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than such Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases such Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the applicable General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on investment contributions, which, pursuant to a Fund's Governing Documents,

include certain amounts funded pursuant to subscription or other leverage facilities. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds or syndicate participants), as to the extent any such party is not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors or syndicate participants nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in such Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. Such General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

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

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario

potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

43. Dynamic Investment Strategy. While the General Partners generally intend to seek attractive returns for the Funds primarily through making privately sourced loans as described herein, the General Partners are permitted to pursue additional investment strategies and/or modify or depart from their initial investment focus, investment process and investment techniques as they determine appropriate. The General Partners are permitted to pursue investments in different asset classes and outside of the industries and sectors in which the SPCA principals have previously made investments.
44. Season and Sell Transactions. Investors in the Offshore Feeder Funds will hold their interest through an applicable Offshore Fund that will elect to be taxed as a corporation for U.S. federal income tax purposes. From time to time a Fund would expect to enter into loan origination transactions through a "season and sell" structure. Under this structure, a Fund would (either directly or indirectly through an entity formed for such purpose) originate loans and, after those loans have been held for a seasoning period (e.g., 90 days), would offer to sell a pro rata portion of such loans to the applicable Offshore Fund (or an entity owned by both the applicable Fund and the applicable Offshore Fund) at the then-current fair market values of such loans. The applicable Offshore Fund will not share in origination and other similar fees received by the applicable selling Fund and the Management Fee reductions with respect to a limited partner in the Offshore Feeder Funds potentially will be less than the corresponding reductions in the Onshore Funds. Since (a) the decision by such Fund (or such originating entity) to originate the loans and (b) the decision by the applicable Offshore Fund (or such transferee entity) whether and at what price to acquire a portion of such loans would be made as separate, independent decisions, it is possible from time to time that certain loans originated by such Fund (or such originating entity) may not subsequently be transferred to the applicable Offshore Fund or such transferee entity. As a result, the applicable Fund and Offshore Fund may hold different investments in their respective loan portfolios, and such Fund would bear all of the risk of the loans during the seasoning period (and will benefit from any appreciation in value) and may be forced to retain a disproportionate amount of non-performing or other loans if such Offshore Fund or such transferee entity elected subsequently not to purchase them due to their status as non-performing or due to other market factors. This potential difference in investments held by such Fund and an Offshore Fund, together with the different prices at which the loans would be acquired and the fact that such Offshore Fund would not share in loan origination fees can raise potential conflicts of interest (particularly with respect to non-performing assets), and has the potential to cause a divergence in the economic returns between the applicable Fund and the applicable Offshore Feeder Fund.

In addition, to the extent an Offshore Feeder Fund and Offshore Fund are formed, the SPCA generally expects to utilize separate leverage facilities for the (i) Onshore Funds and (ii) the Offshore Feeder Fund and Offshore Funds. To the extent utilized, these leverage facilities are expected to be separately collateralized by the assets of the applicable borrower. Accordingly, lenders typically aim to negotiate the terms of the credit facilities separately, and such terms (including restrictions relating to concentration, diversification and underwriting requirements) can differ based on the expected available capital, amount of collateral and other similar factors applicable to the Onshore Fund, on the one hand, and the applicable Offshore Fund and Offshore Feeder Fund, on the other. In addition to the considerations described above, from time to time, the

terms and requirements of each leverage facility, to the extent they differ, are expected to affect determinations regarding whether the Onshore Fund and/or the applicable Offshore Fund/Offshore Feeder Fund participate in a given investment opportunity, and could also result in the Onshore Fund and applicable Offshore Fund and Offshore Feeder Fund holding different investments in their respective loan portfolios.

45. Material Non-Public Information. As a result of the operations of SPCA and its affiliates, as well as in connection with officerships or directorships of SPCA personnel, SPCA frequently comes into possession of confidential or material non-public information. Therefore, SPCA and its affiliates may have access to material non-public information that may be relevant to an investment decision to be made by a Fund. With limited exceptions, Summit Partners and SPCA do not establish information barriers between their internal investment teams. Trading by Summit Partners or SPCA on the basis of such information, or improperly disclosing such information, may be restricted pursuant to applicable law, contractual obligations and/or internal policies and procedures adopted to promote compliance with applicable law. Consequently, such Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or SPCA's internal policies and procedures. Due to these restrictions, such Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.
46. Anti-Money Laundering and Other Regulatory Restrictions. Anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent SPCA or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

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

47. Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. The SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of SPCA and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such

changes are expected to materially impact SPCA and its affiliates, the Funds and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds.

48. Public Health Emergencies. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of 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 may result in significant losses to the Funds.

New and ongoing public health crisis and/or emergencies could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' 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 may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and SPCA may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

49. Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

50. Competition. The Managers compete with numerous other public and private investment funds as well as other investors, many of which may have resources substantially greater than a Fund. No assurances can be given that the returns of each investment will be commensurate with the risk of an investment in a Fund. There can be no assurance that the returns of the Fund in future periods will reflect previous historical levels. This may be due in part to changes in market conditions affecting such clients' investments and strategies, as well as the proliferation of investment funds and other investors pursuing similar strategies (thereby making it difficult for one investor to outperform others).

51. Agreements with Certain Investors; Enhanced Liquidity; Fees. The Funds and/or the Managers have in the past and expect in the future to enter into “side letters” or similar agreements with certain investors pursuant to which the relevant Fund will give certain investors rights not granted to other investors, including, without limitation, variation of the Management Fees and/or performance allocations or fees, the right to withdraw or redeem all or a portion of their interest in the relevant Fund on shorter notice and as a result, certain investors may be able to withdraw or redeem their interests in the relevant Fund at times when other investors may not. In addition, the investors having such rights may request withdrawals or redemptions, and otherwise act, on the basis of additional information that other investors do not receive. Subject to applicable law, the Manager does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the investors that have entered into such agreements with the Fund or the Manager. The other investors will have no recourse against the relevant Fund, the Manager and/or any of their affiliates in the event that certain investors receive additional and/or different rights and/or terms as a result of such agreements.
52. Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. Moreover, SPCA, a Fund’s service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Fund and its investors, despite the efforts of SPCA and such Fund’s service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to such Fund and its investors. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company’s systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (a) customer data or payment information; (b) customer or portfolio company financial information; (c) portfolio company software, contact lists or other databases; (d) portfolio company proprietary information or trade secrets; or (e) other items. In certain events, a portfolio company’s failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or a Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In the event any portfolio company sustains such losses, they may be unable to meet debt service and the applicable Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. In addition, in the event that such a cyber-attack or other unauthorized access is directed at SPCA or one of its service providers holding its financial or investor data, SPCA, its affiliates or the Funds may also be at risk of loss. Such incidents could cause such Fund, SPCA or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.
53. Limited Access to Information. Limited partners’ rights to information regarding a Fund, the relevant General Partner or SPCA generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the applicable General Partner and its affiliates will obtain certain types of material information from or relating to a Fund’s

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

54. Disclosure of Information. Certain Limited Partners may be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding a Fund, its investments and its investors. It is also possible that after a limited partner has invested in a Fund the public disclosure laws or requirements applicable to that limited partner will be modified in a manner that requires the disclosure of additional information. There can be no assurance that confidential information will not be disclosed either publicly, or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which a Fund, General Partner, their affiliates, portfolio companies or service providers to any of them may be or become subject. While there are certain confidentiality provisions providing protection against requirements to publicly disclose such records and reports, and there currently is an exemption from the U.S. Freedom of Information Act available in respect of such records and reports, no assurance can be given that the mandated disclosure of records or reports to governmental entities will not have a significant negative impact on a Fund, General Partner, SPCA or any Limited Partner. Additionally, a Fund may incur expenses in connection with responding to such disclosure requests. Moreover, a General Partner is permitted to withhold confidential information or other information and materials from any Limited Partner or to such Limited Partner's affiliates, employees, representatives, agents or attorneys if the General Partner determines that such disclosure is not in the best interests of a Fund, any limited partner or any portfolio company or is not permitted by applicable law, statute, governmental rule, or regulation or judicial or governmental order, judgment or decree. In addition, due to the fact that potential investors in a Fund may have different diligence inquiries and/or request different information, SPCA may provide certain information to one or more prospective investors that it does not provide to all prospective investors.
55. Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "**Privacy Laws**") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of SPCA, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for SPCA, the General

Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

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

56. CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund’s performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners’ ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.
57. Environmental, Social and Governance (“ESG”) Matters. SPCA will generally consider material ESG factors in connection with its investment activities, consistent with and subject to any applicable legal, regulatory, fiduciary or contractual duties as well as the applicability of such ESG factors to a particular investment and/or a Fund’s investment strategy. However, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised by SPCA or a third-party ESG specialist will reflect the beliefs or values, internal policies or preferred practices of any particular Limited Partner or other asset managers or with market trends. Considering ESG factors when evaluating an investment in certain circumstances will, to the extent material economic risks associated with an investment are identified, cause SPCA 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 the General Partner expects to consider in making an investment and there is no guarantee that the considerations of such ESG factors will enhance long term value or financial returns. Additionally, due to the fact that ESG factors are integrated for risk management and financial performance purposes, SPCA does not intend to make investments in companies based solely on whether that company creates a positive ESG impact. Although as a lender, SPCA typically plays a more passive role in a portfolio company’s capital structure, SPCA seeks to structure loans to include financial maintenance covenants and affirmative and negative covenants – including those related to compliance with environmental, social or governance related guidance or regulation. Finally,

there is also growing regulatory interest, 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 define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. For example, on 25 May 2022, the SEC proposed amendments to rules and reporting forms concerning ESG factors, which rules are not in final form and therefore cannot be determined as to how they may affect the Funds or SPCA. There may also be an increase in related enforcement through efforts such as those of the SEC's Climate and ESG Enforcement Task Force, established in March 2021. SPCA could become subject to additional regulation in the future, and SPCA cannot guarantee that its current approach will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement.

58. Uncertain Geopolitical Events. International and/or local geopolitical events are likely to influence the issuers of, and markets for, instruments traded by the Fund. Geopolitical events, including, without limitation, national referenda, political elections, international violent and non-violent conflicts, war, political movements and reactions to national and international emergencies, can affect monetary policy, fiscal policy, international relations, currency valuations, legal systems and regulatory regimes, among numerous other things, in ways that could impact the Funds and/or their ability to operate and/or pursue their investment strategy. For example, the ongoing military conflict between Russia and Ukraine has caused disruption to global financial systems and markets. The impacts of such conflicts or those relating to other areas of geopolitical instability are impossible to predict. Any such events could have significant adverse impacts on global markets, sectors or industries of interest to the Fund, valuations of current or prospective portfolio companies and/or result in losses to the Funds or otherwise limit the ability of a Fund from fulfilling its investment objectives.
59. United Kingdom (“UK”) Exit from European Union (“EU”). On January 31, 2020, the UK formally withdrew from the EU (“Brexit”). After this, the UK entered into a transition period during which the majority of the existing EU rules continued to apply in the UK. Following the end of the transition period on December 31, 2020, EU rules ceased to apply in the UK.

Although the terms of the UK's future relationship with the EU were agreed to in a trade and cooperation agreement signed on December 30, 2020, this did not include an agreement on financial services. In the absence of a formal agreement on this issue, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or restrictions in relation to cross-border access). The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in

the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

60. *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 Funds 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 Fund (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 Fund, its General Partner, or SPCA 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 Fund. This creates potential incentives for SPCA to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.
61. *LIBOR and other Benchmark Rates.* To the extent that (i) a Fund's investments (whether made, acquired or otherwise) and/or (ii) a Fund's and/or its affiliates' credit arrangements or facilities, hedging activities, derivative- or other structures, in each case, are subject to, utilize or otherwise reference, whether directly or indirectly, a variable interest rate that is based on (or calculated with reference to) the London Interbank Offered Rate ("*LIBOR*", and together with the Euro Interbank Offered Rate, the Canadian Dollar Offered Rate, the Secured Overnight Financing Rate ("*SOFR*"), the Sterling Overnight Index Average ("*SONIA*"), or any other reference rate, benchmark or index, including in each case, any permutations thereof and any credit spread adjustments thereto, collectively, the "*Benchmark Rates*"), a Fund may be subject to certain material risks, some of which are described below.

LIBOR is an estimate of the rate at which a sub-set of traditional banks can borrow money from other banks and, together with other interbank offered rates (together with LIBOR, each an "*IBOR*"), widely used as a reference for interest rates on credit and other financial instruments and agreements globally. LIBOR has historically been and presently is, and other Benchmark Rates may presently be, and/or may in the future become, the subject of manipulation, regulatory scrutiny and/or reform, phase-out, permanent discontinuation, replacement, tremendous volatility, and other change(s) which may have resulted and/or may result in, among others (i) such Benchmark Rate being artificially lower (or higher) than it otherwise would have been; (ii) changes to the applicable calculation and/or valuation methodology; and/or (iii) market uncertainty as to the current and/or future status of any such Benchmark Rate.

In July 2017, the UK Financial Conduct Authority ("*FCA*") announced its intention to cease compelling panel banks to submit quotes for LIBOR and to phase-out the LIBOR Benchmark Rate by December 31, 2021. Regulators and market participants are working to establish adequate replacement rates and LIBOR replacement mechanisms. The forward-looking Term SOFR is widely expected to be the replacement Benchmark Rate for USD-LIBOR and many recent credit facilities and instruments have already transitioned to (or are issued with) Term SOFR. Nevertheless, credit markets (especially private credit) are still developing, with continuing concern as to liquidity and appropriate adjustments to any replacement Benchmark Rate in order to minimize lenders' economic value transfer at the time of transition. It is not yet clear when the remaining USD-LIBOR tenors will cease to be representative and, until discontinued, a Fund may

continue to hold and/or invest in instruments that use or reference LIBOR as a Benchmark Rate or that are valued using LIBOR or determine payment obligations by reference to LIBOR.

The transition from LIBOR may involve, among other things, increased volatility or illiquidity in markets for loans, instruments or securities that, either directly or indirectly use, or are based on or calculated with reference to LIBOR. In March 2022, Congress passed the Adjustable Interest Rate (LIBOR) Act (the “*LIBOR Act*”), to establish a uniform, federal solution to replace LIBOR as the applicable rate or reference for certain contracts, agreements, securities, instruments or other assets that use or reference USD-LIBOR and lack fallback provisions, or contain insufficient fallback provisions (i.e., identify neither a specific replacement Benchmark Rate nor a determining person with authority to determine such replacement) (the “*Covered Contracts*”). The LIBOR Act provides that, as of the first London banking day after June 30, 2023 (or such other date as the Federal Reserve Board determines that any LIBOR tenor will cease to be published or cease to be representative), the Benchmark Rate (including the applicable tenor spread adjustment) identified by the Federal Reserve Board will be the applicable replacement Benchmark Rate, and all conforming technical, administrative, operational, and other modifications necessary to implement such replacement will be effective automatically for such Covered Contracts. The LIBOR Act expressly supersedes any state-level LIBOR transition legislation and provides that the Federal Reserve Board will promulgate regulations to carry out the LIBOR Act within 180 days after its enactment. Even if one or more replacement Benchmark Rates (e.g., Term SOFR) is adopted across all public and private credit markets (including direct lending markets), the transition away from LIBOR is complex and could have a material adverse effect on a Fund’s investments, and/or a Fund’s business, financial condition and results of operations, including, without limitation, as a result of: (i) adverse changes in (a) pricing and/or availability of existing or prospective investments, (b) the value of a Fund’s investments, (c) the anticipated hold time of an investment prior to its repayment or refinancing, and/or (c) the ability to buy, sell, or otherwise transfer a Fund’s investments in secondary markets, (ii) costs and expenses incurred to negotiate and/or implement changes to, and/or implement a replacement Benchmark Rate with respect to, a Fund’s investments and/or a Fund’s own leverage and credit facilities, and, in each case, any disputes or litigation relating thereto, (iii) increased cost of borrowing to a Fund, or decrease to the interest rate (or anticipated interest rate) earned by a Fund as a holder of its investments for any number of reasons, including due to a replacement Benchmark Rate that is not reflective of the then-current (or anticipated) market interest rates during any one or more calculation periods, increased basis risk, or otherwise, (iv) reductions in the effectiveness of certain transactions, such as hedges, adverse changes in basis risk between investments and hedges, and/or basis risks within investments (e.g., securitizations), (v) changes to valuation measurements that use or reference LIBOR, whether directly or indirectly, (vi) increased operational complexities and related costs, including among others, costs of modifying Fund processes and systems (including IT, controls, monitoring, compliance, risk, and valuation models, systems, and processes, among others) associated with the transition to, or tracking/monitoring of, one or more Benchmark Rates and any adjustment or component thereof, and (vii) costs incurred by portfolio issuers to manage the transition away from LIBOR.

There are significant uncertainties regarding the implementation of any replacement Benchmark Rate and any related renegotiations between a Fund and its finance facility providers on the one hand, or a Fund and its portfolio issuers on the other, could result in increased costs for a Fund and/or its portfolio issuers. While some of these agreements or instruments already provide “fallback” provisions, the determination of the new Benchmark Rate and/or any adjustments thereto may require further negotiations and there can be no certainty that an agreement favorable to a Fund will be reached between the parties. The terms of a Fund’s credit facilities may also provide that, during certain periods, including transition periods, amounts available to be drawn under a

Fund's credit facilities may bear interest at a higher rate. In addition, the applicable lenders may have an unfettered ability to make certain changes to the terms of a Fund's credit facility to implement a new Benchmark Rate, which may not be favorable to a Fund, and over which a Fund may have no control.

To the extent swaps, hedges, and/or similar derivatives or instruments that use or reference, whether directly or indirectly, LIBOR or other similar Benchmark Rates, including swaps or contracts used to manage long-term interest rate risk related to assets and/or liabilities, are entered into, in addition to the potential need to renegotiate some of those instruments to address a transition away from LIBOR, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses. In addition, and as further described above, some of the standard conventions under consideration, including SOFR, are conceptually different than LIBOR and can behave differently from LIBOR in ways that cause greater payments or lesser payments under its derivatives or similar instruments, at least during certain market cycles. Some of these replacement rates may also be subject to compounding or similar adjustments that cause the amount of any payment referencing a replacement Benchmark Rate not to be determined until the end of the relevant calculation period, rather than at the beginning, which could lead to administrative challenges for a Fund and its portfolio issuers, and their respective affiliates and service providers.

SPCA does not have prior experience in investing during a period of Benchmark Rate transition and there can be no assurance that it will be able to manage a Fund's business or performance in a profitable manner before, during or after such transition.

To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

62. *Inflation and Deflation.* Inflation risk is the risk that the value of assets or income from a Fund's investments will be worth less in the future as inflation decreases the value of payments at future dates. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if a Fund purchases a five (5) year bond in which it can realize a coupon rate of five percent (5%), but the rate of inflation is six percent (6%), then the purchasing power of the cash flow has declined. As inflation increases, the real value of a Fund's investments could decline. Deflation risk is the risk that prices throughout the economy decline over time. Deflation may have an adverse effect on the creditworthiness of companies in which a Fund invests and may make defaults more likely, which may result in a decline in the value of a Fund's investments.

Many world governments, as well as inter-governmental institutions, have undertaken and in some cases may still be undertaking various and in some case unprecedented forms of fiscal stimulus,

including setting interest rates that are (and have been for extended periods) at historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the U.S. Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of a Fund's investments. In particular, as of the date hereof, interest rates have recently increased significantly in the United States and are expected to experience continued increases in the near- and medium-term. Such stimuli, unless successfully managed and scaled back and wound down at the appropriate time and in the appropriate amounts, together with the recent passing of U.S. legislation calling for historically significant amounts of government spending, run a severe risk of being inflationary. In particular, as of the date hereof, the United States has recently experienced significant levels on inflation that have not been seen in several decades, and the inflation trend is expected to continue at least in the near- and medium-term and possibly the long term. In addition, there is significant concern in macroeconomic terms about the general levels of indebtedness carried by certain governments. While bringing with it a range of issues, one of the consequences of an extended period of a higher-than-desired level of inflation is often to erode in real terms the value of government debt in a manner that reduces the economic cost in real terms of their payment obligations on such debt. This element of debt erosion may create an incentive for governments to be less robust in seeking to deal with inflation than might otherwise have been the case had the government concerned not suffered from a high level of indebtedness. If such inflation occurs, it would have the negative consequences for a Fund set out above.

Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.

63. *Secondaries and other GP-Led Transactions.* There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by SPCA following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where SPCA believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by the SPCA and its affiliates). However, certain of such transactions are expected to require a limited partner to invest additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company, and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of SPCA or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where SPCA or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling

Fund, SPCA, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances SPCA reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that SPCA will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, SPCA reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

64. *Financial Institution Risk: Distress Events.* An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "**Financial Institution**") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, SPCA, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("**FDIC**"), in the case of banks, or the Securities Investor Protection Corporation ("**SIPC**"), in the case of certain broker-dealers, amounts in excess of the relevant insurance 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 successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of SPCA to manage the Funds and their investments, and on the ability of SPCA, any Fund and/or 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 a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although SPCA expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that SPCA and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Custodian, which heightens the risks associated with a Distress Event with respect to such Custodians. Although SPCA seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, SPCA is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Conflicts of Interest

SPCA and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds with respect to portfolio companies and other investments. SPCA will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as are required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In addition, SPCA 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. To the extent an advisory opportunity is received that is unsuitable for a Fund, determined in SPCA's sole discretion, SPCA 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, and subject to SPCA's related policies, SPCA personnel are permitted to serve on boards or act in other roles unaffiliated with SPCA, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. In the ordinary course of SPCA conducting its activities, the interests of a Fund likely will conflict with the interests of SPCA, one or more other Funds or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, SPCA will determine all matters relating to structuring transactions, allocating investment opportunities and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to any required approvals by the advisory committees of the participating Funds.

At any given time, SPCA and its affiliates (including, for instance, Summit Partners) will typically manage several other Funds or separately managed accounts in addition to a given Fund, which are expected to include investments substantially similar to those in which such Fund will be investing or have investments in portfolio companies in the form of securities or other investments that are not the principal focus of such Fund. For example, Summit Partners, an affiliate of SPCA, sponsors and advises a number of funds focused on growth equity investments (the **"Equity Funds"**) or subordinated debt investments in those companies in which the Equity Funds invest. SPCA and its affiliates expect to direct certain relevant investment opportunities or resources to the Equity Funds. In the event the Equity Funds have made or will make investments in portfolio companies or other investments that a Fund may also be interested in, the Governing Documents of such Fund may prohibit investments in such portfolio companies by a Fund without consent of such Fund's advisory board and/or the advisory boards of the Equity Funds. If such consent is obtained, the applicable Fund and such other Equity Funds are authorized to invest together in such portfolio company and/or purchase different classes of debt and/or equity of the same portfolio company in accordance with the terms of the consent. In addition, in certain circumstances the Fund is authorized to invest concurrently with one or more Equity Funds. Such investments are generally subject to specific contractual restrictions as set forth in the applicable Governing Documents of a Fund and the relevant Equity Fund.

These and other investments have the potential to create conflicts of interest, particularly because SPCA and its affiliates from time to time expect to take certain actions for some Funds or affiliates with respect to one class of debt or equity that are adverse to another Fund or affiliates who hold other classes of debt or equity of the same portfolio company. For example, it is possible both an Equity Fund and a Fund are simultaneously invested in the same portfolio company that becomes financially distressed. In the event of a conflict of interest, each applicable General Partner and its affiliates will seek to act in a manner they believe in good faith to be fair to the applicable Funds and other Funds under the circumstances. Additionally, each applicable Fund's General Partner also reserves the right to make independent decisions about when to purchase and sell investments for the Funds. A General Partner reserves the right to invest the Funds in opportunities in which other private investment funds controlled by SPCA or Summit Partners are invested, and likewise, reserves the right to decline to invest the Funds in opportunities in which other private investment funds have invested.

In addition, each Fund's investments are expected to be privately negotiated transactions. SPCA is expected to have conflicts of interest in negotiating the terms and the type and amount of fees that SPCA and/or its affiliates receive and allocating investments among the Funds and other co-investors or syndicate participants in such transactions. For certain loans, SPCA will syndicate a portion of the loan to third-party lenders and in such instances, fees received by SPCA relating to amounts owed by third-party lenders third-party investments do not offset the Management Fee. SPCA could structure the terms of lending arrangements to provide SPCA with structuring, arrangement, administrative, agent and/or servicing fees from borrowers and/or the third-party lenders, which do not offset the Fund's Management Fee.

Structuring fees (sometimes also called arrangement fees) received by SPCA relate to loans or portions of loans funded by third-party lenders. Third-parties are expected to participate in a loan or credit facility where SPCA has identified a lending opportunity which, due to size, profile or other considerations, requires participation from additional lenders (*i.e.*, in addition to a Fund). Loans made by third-party lenders may be senior to the Funds, a different tranche of the same seniority as the Funds and/or the same tranche as the Funds. Structuring fees are expected to be paid on account of SPCA's time, effort and resources spent on identifying additional lending parties, working with such third-parties and structuring and negotiating the loan facilities for the participation and benefit of third-party lenders. SPCA determines whether a particular loan is appropriate for syndicating to third parties in its sole discretion, considering such factors discussed above. As permitted in the relevant Governing Documents, any such structuring, arrangement or similar fees received by SPCA or a General Partner will not offset the Management Fee.

SPCA has established certain affiliated administrative agents for the purpose of servicing certain loans. Administrative fees (also known as agent or servicing fees) received by SPCA or its affiliated administrative agents are paid by a borrower or other lenders in the syndicate for services that include, but are not limited to, acting as an agent on behalf of lenders for the holding or perfecting of collateral with respect to a secured loan, keeping records of beneficial ownership of the loans, processing assignment agreements with respect to transfers of the loan, serving as a conduit for the borrower's periodic informational reporting, making certain administrative decisions under loan documentation on behalf of the lender group, making certain administrative decision under loan documentation on behalf of the lender group, monitoring interest and principal payments on a monthly basis, invoicing the borrower for the same and ensuring such amounts are received and paid to the lenders. As permitted in the relevant Governing Documents, any such administrative, agent or servicing fees (or other similar fee) received by SPCA or the affiliated administrative agent will not offset the Management Fee.

Because a General Partner is permitted to retain certain Supplemental Fees and structuring, arranging, administrative, agent and/or servicing fees in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions that result in the payment of such fees and setting such compensation.

Additionally, SPCA's principals (the "**Principals**") expect to spend a portion of their business time and attention pursuing investment opportunities for other investment funds and other than on behalf of a given Fund. However, the Principals and the Managers' investment staff will continue to manage and monitor such Fund and its investments. The Managers believe that the significant investment of the Principals in a Fund, as well as the Principals' interest in the carried interest with respect to such Fund, operate to align, to some extent, the interest of the Principals with the interest of the Fund, although the Principals have economic interests in such other investment funds as well and receive Management Fees and carried interest therefrom. Such other investment funds that the Principals control or manage are expected to compete from time to time with a given Fund. At such time as a General Partner is permitted to raise a successor investment fund to a Fund, the Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in SPCA's sole discretion, SPCA and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity.

The Principals as well as SPCA employees and affiliates will have a significant investment in the Onshore Funds, and the relevant Onshore Fund is expected to offer loans originated by it or its affiliated funds to an Offshore Fund for purchase. The significant investment of such persons, employees and affiliates is expected to create a potential conflict of interest in selling such loans originated by the Onshore Funds or their affiliated funds. Any sale by an Onshore Fund of any participation or assignment to an Offshore Fund will, however, generally be subject to a predetermined waiting period, will generally be sold with a supporting third-party valuation and will generally require approval of the applicable loan advisory committee.

From time to time, SPCA expects to employ or engage personnel with pre-existing ownership interests in, or who were employed by portfolio companies owned by, the Funds or other investment funds sponsored by SPCA or Summit Partners, the General Partners or their respective affiliates. Conversely, former personnel or executives of SPCA are expected from time to time to serve in significant management roles at portfolio companies. Any compensation received by former personnel or executives from a portfolio company will not result in offsets to or reductions of the Management Fee. Any such individuals are not subject to the applicable restrictions on SPCA Principals under the Governing Documents, such as potential conflicts of interest, priority of transaction opportunities and formation of new investment funds. In addition, the Summit Employee Funds are for the benefit of employees of SPCA and its affiliates and certain others selected by the relevant General Partner that will generally invest in each investment opportunity generally.

Similarly, SPCA and/or its personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to SPCA, the General Partners, the Funds, other investment funds sponsored by SPCA or Summit Partners or their respective affiliates. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through SPCA entities, whether or not relating to financing SPCA personnel obligations to fund General Partner commitment obligations) to SPCA personnel and their estate planning vehicles. SPCA expects to have a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to a Fund or a portfolio company owned by a Fund if such recommendation, for example, is motivated by a belief that such service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the General Partner or its affiliates information about markets and industries in which SPCA operates (or is contemplating operations) or will provide other services that are beneficial to SPCA. SPCA also expects to have a potential conflict of interest in making such recommendations, in that SPCA

has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for a Fund and other applicable investment funds, while the products or services recommended may not necessarily be the best available to a Fund's portfolio companies.

From time to time, SPCA will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds, other investment vehicles operated by advisory affiliates of SPCA (e.g., Summit Partners) and/or a syndicate of third-party investors. In determining which investment vehicles should participate in such investment opportunities, SPCA and its affiliates are subject to conflicts of interest among such clients. Investments by more than one client of SPCA or its affiliates in a portfolio company also have the potential to raise the risk of using assets of a client of SPCA to support positions taken by other clients of SPCA or its affiliates.

When allocating potential investment opportunities, SPCA and its affiliates (e.g., Summit Partners) must first determine which Fund(s) will, or are required under the applicable Governing Documents to, participate in the relevant investment opportunity and where to invest and what proportion to invest in the capital structure. SPCA and its affiliates generally assess whether an investment opportunity is appropriate for a particular Fund or other client based on the nature of the investment opportunity (e.g., whether it is more suitable for a capital solution that can be provided by a Fund or an Equity Fund, which inherently involves matters of subjective judgment) and a Fund's Governing Documents, investment objectives, strategies, life-cycle and structure. SPCA will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount that would be appropriate for such Fund and SPCA reserves the right to offer any such excess to one or more potential co-investors, as determined by the Governing Documents, side letters and SPCA's procedures regarding allocation. SPCA's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that have the potential to arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; SPCA's perception of whether the investment opportunity is expected to subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair SPCA's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; existence of a formal or informal strategic relationship with the prospective co-investor; and whether SPCA believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or SPCA. Although SPCA reserves the right to consider a prospective co-investor's willingness to invest in future Funds, it generally will not be the sole determining factor considered by SPCA in identifying co-investors. As noted previously, where a credit facility is syndicated to third-party participants, SPCA generally participates in the selection of such participants, and some of the above applicable factors also are considered when appropriate syndicate participants.

Furthermore, SPCA 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. If co-investment opportunities are offered to SPCA investors, such opportunities typically will be offered to some and not to other SPCA 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 investment opportunity that theoretically could have been taken by the relevant Fund, and SPCA expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund

investors and third parties, (ii) to the extent co-investments made by Fund 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 Fund's Governing Documents. In order to facilitate the acquisition of a portfolio investment, a Fund 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 Fund 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 Fund'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 Fund 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, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) realize lower than expected returns from such investment. When and to the extent that the Summit Employee Funds and/or other related persons of SPCA and its affiliates make capital investments in or alongside certain Funds, Summit Partners and its affiliates are subject to potentially conflicting interests in connection with these investments. The allocation of co-investment opportunities among co-investors and in the manner discussed herein often will not result in proportional allocations among such co-investors, and such allocations will likely be more or less advantageous to some such co-investors relative to others. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another co-investor participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

SPCA'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 SPCA will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which SPCA expects to be subject, discussed herein, did not exist.

In certain cases, SPCA will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, SPCA will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors similar to those employed in selecting co-investors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds (or other funds advised by an affiliate of SPCA) invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or

restructuring are expected to raise potential conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds (or other funds advised by an affiliate of SPCA) generally are under no obligation to provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by SPCA in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, SPCA expects to face potential conflicts of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund (or a fund advised by an affiliate of SPCA), or if a Fund were to evaluate a potential opportunity that is in competition with an investment by another Fund (or a fund advised by an affiliate of SPCA). SPCA and/or its affiliates may from time-to-time express inconsistent views of investments held by multiple Funds (or one or more funds advised by an affiliate of SPCA) or of market conditions more generally. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to each Fund. In that regard, actions taken for one or more Funds (or funds advised by an affiliate of SPCA) have the potential to adversely affect other Funds. Where multiple Funds (or other funds advised by affiliates of SPCA) invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions.

SPCA and its personnel manage assets for advisory clients through separate accounts or similar arrangements employing investment strategies investing in parallel with, or substantially similar to, the strategy of the Funds. Such arrangements may afford those clients different terms than the limited partners of the Funds with respect to fees and expenses, subscription, withdrawal and redemption rights and the content and frequency of reports. Advisory clients that have been granted additional access to portfolio information or enhanced transparency would be able to make investment decisions based on information and at times not generally available to other investors, including any limited partners in the Funds. Any such investment decisions made by these advisory clients on the basis of such information, including substantial withdrawals or redemptions, could adversely affect the market value of a Fund's portfolio and therefore the value of limited partner interests in such Fund.

From time to time, there is a potential that certain fees and expenses incurred in connection with an investment opportunity or other Fund expense will pertain to multiple Funds (or funds advised by an affiliate of SPCA). Subject to any relevant restrictions or other limitations contained in the Governing Documents, SPCA will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, SPCA may be faced with a variety of potential conflicts of interest. For example, in the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of SPCA, ultimately is not consummated, the full amount of any fees and expenses or other liabilities or obligations relating to such proposed transaction (including, for the avoidance of doubt, any Broken Deal expenses) generally will be borne by the applicable Fund(s) and not by any potential co-investors that were to have participated in such transaction. As a general matter, Fund expenses typically will be allocated among relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by SPCA or its affiliates using their reasonable

judgment, considering such factors as they deem relevant, but in their sole discretion. Additionally, certain expenses (e.g., legal and other due diligence costs that become Broken Deal Expenses) are expected to be allocated to actively investing Funds on a shared basis; in some instances, due to the timing of the receipt of the applicable invoice, certain newly active Funds potentially will bear a portion of certain expenses or Broken Deal Expenses relating to services occurring prior to the date such Fund began investing. In each such case, the allocations of such expenses may not be proportional, and any such determinations pose potential conflicts of interest and involve inherent matters of discretion (e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or SPCA). The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

As a general matter, Fund expenses typically will be allocated among all relevant Funds (or funds advised by an affiliate of SPCA) or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by SPCA or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. SPCA expects that the allocations of such expenses will not always be proportional. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

SPCA and/or its affiliates generally exercise their discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) SPCA or a related person of SPCA; (ii) an entity with which SPCA or its affiliates or current or former members of their personnel has a relationship or from which SPCA or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint ventures or co-venturers, or relationships where SPCA personnel are seconded, or from which SPCA receives secondees; or (iii) certain limited partners or their affiliates. For example, SPCA expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or a related business. This subjects SPCA to conflicts of interest, because although SPCA selects service providers that it believes are aligned with its investment strategies and will enhance investment performance and, relatedly, returns of the relevant Fund, SPCA 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 SPCA, 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 Fund(s) or SPCA), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. SPCA will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although SPCA 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. Whether or not SPCA 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.

Additionally, a Fund typically will reimburse a Manager or service providers retained at a Manager's discretion for expenses (including travel expenses as permitted by the Governing Documents) incurred by such Manager or such service providers in connection with its performance of services. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements. A Manager determines the amount of these

reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices, and this discretion subjects SPCA and its affiliates to conflicts of interest. The amount of such reimbursements over time is expected to be substantial.

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

SPCA Information will be the sole intellectual property of SPCA and solely for the use of SPCA. SPCA reserves the right to use, share, license, sell or monetize SPCA Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

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

From time to time, SPCA reserves the right to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, one or more other investment funds sponsored by SPCA or its affiliates, or co-investors or co-investment vehicles. Such transactions typically arise in the context of rebalancing an investment among parallel investing entities or in the context of a portfolio investment owned by a Fund being acquired by the other investment funds sponsored by SPCA or its affiliates. Any such transactions raise potential conflicts of interest, including, but not limited to, the incentive for SPCA to take advantage of economic differences between the participating Fund and other investment fund sponsored by SPCA or its affiliates and there generally can be no assurance that the price at which such

transactions are entered into represent what would ultimately be the underlying investment's fair value. SPCA intends that any such transactions be conducted in a manner that SPCA believes to be fair and equitable to both the Fund and other investment fund sponsored by SPCA or its affiliates, including a consideration of the potential present and future benefits for such entities.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the 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 Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than SPCA deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that the value of such investments will decrease during their holding period, to the extent the value of the relevant investments increases following the Fund's disposition thereof, neither the relevant Fund 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 Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such investments 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 Fund or its limited partners.

Because a General Partner's carried interest is based on a percentage of realized profits of an applicable Fund, it creates an incentive for such General Partner to cause the applicable Fund to make riskier or more speculative investments than would otherwise be the case. However, the Managers believe that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align, to some extent, the interests of the Principals with that of the Funds.

The brokers, dealers and other counterparties utilized by the Funds will be selected by the Manager. In selecting brokers, dealers and counterparties, including those that will operate outside of the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended, SPCA reserves the right, subject to its overall duty to obtain "best execution" of Funds transactions, pay higher commissions in consideration of, among other things, certain additional services or benefits provided by such brokers than those commissions charged by brokers that do not provide such services or benefits.

Although not typical, the Managers, their personnel or others designated by the Managers expect from time to time receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied, SPCA and/or such other recipients will be permitted to retain such securities (including, to the extent applicable, as Supplemental Fees), and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or SPCA or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund). In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

SPCA reserves the right to enter into side letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing Documents), information rights, specialized reporting, priority

co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, and liquidity or transfer rights. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by the Governing Documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, SPCA, 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 SPCA to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other side letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund 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 Fund.

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 SPCA 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 Fund 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 Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

The Funds expect to hold securities and financial instruments that will not have readily available market quotes. In such instances, the General Partners generally will value such securities and financial instruments in good faith at fair value based on various factors, including, without limitation, external pricing sources (if any), recent trading activity (if any) or other information aimed at a relative value assessment process that incorporates, among other factors in the General Partners' sole discretion, current market conditions, position size, trends and prices. Such valuations are expected to vary from similar valuations performed by independent third parties for similar types of securities and financial instruments. Additionally, such valuations will directly correlate to the compensation paid or allocated by the Funds to the Managers and may, therefore, create conflicts of interest.

SPCA has instituted a program under which portfolio companies owned by the Funds are eligible to participate in purchasing, vendor or similar arrangements with SPCA, its affiliates and other portfolio companies. Program participants receive a group rate negotiated with various vendors and service providers. Participants participate in the program without cost. SPCA and its affiliates may also participate in the program, and receive similar benefits and discounts as the portfolio companies participating therein. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual

insured parties. SPCA believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies.

SPCA has incentives to use or to recommend products or services of one portfolio company (or a portfolio company held by a fund sponsored by an affiliate of SPCA) to another, which generally will involve fees substantively influenced by the relevant General Partner or its affiliates, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as SPCA has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements.

From time-to-time SPCA or its affiliates expect to be in possession of material, non-public information concerning the issuer of securities in which a Fund has invested, or in which it intends to invest. The possession of such information is expected to limit the ability of a Fund(s) to buy or sell such securities even if such information was obtained in the context of the investment activities of fund advised by an affiliate of SPCA, such as Summit Partners' other private funds.

The relevant liability standards under insurance coverage procured by SPCA 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 SPCA's insurance coverage are higher or lower than that set forth in the Governing Documents.

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

Section 6. Disciplinary Information

SPCA and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

Section 7. Other Financial Industry Activities and Affiliations

SPCA is affiliated with other SPCA investment advisers, including the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to SPCA's registration in accordance with applicable SEC guidance. The General Partners serve as general partners of the Funds and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

SPCA is also affiliated with Summit Partners, L.P., Summit Partners Public Asset Management, LLC and their related advisory entities, each of which is registered or deemed registered as an investment adviser

with the SEC under the Advisers Act. More information regarding Summit Partners, L.P., Summit Partners Public Asset Management, LLC and their affiliated investment advisers can be found on each firm's respective Form ADV Part 2A.

SPCA has adopted certain policies and procedures to minimize any conflicts of interest between the Funds advised by SPCA, Summit Partners, L.P., and Summit Partners Public Asset Management, LLC. The Funds advised by SPCA, Summit Partners, L.P., and Summit Partners Public Asset Management, LLC have substantially different investment programs. Each of SPCA, Summit Partners, L.P., and Summit Partners Public Asset Management, LLC's investment activities are generally performed independently; however, each may leverage Summit Partners' internal deal sourcing network and internal contacts when performing investment activities.

Summit Partners LLP, a UK FCA-authorized adviser, provides non-discretionary investment advisory services to Summit Partners, L.P. with respect to certain non-U.S. investments.

Summit Partners Paris SAS, a subsidiary of Summit Partners, L.P., provides certain non-discretionary advisory services to Summit Partners LLP and Summit Partners, L.P. with respect to certain non-U.S. investments pursuant to agreements between Summit Partners Paris SAS and each of Summit Partners LLP and Summit Partners, L.P.

Section 8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Managers have adopted the Summit Partners Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of the Managers' principals and employees and addresses conflicts that arise from personal trading. The Code requires the Managers' personnel to report their personal securities transactions and, subject to certain exceptions, prohibits the Managers' personnel's direct or indirect acquisition of beneficial ownership of securities without first obtaining approval from the Managers' Chief Compliance Officer. In addition, the Code requires the Managers' Principals and employees to comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any client or prospective client upon request to Erin H. White at 617-824-1000 or ewhite@summitpartners.com. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments. Generally, private investments must be pre-cleared and transactions in publicly traded securities are restricted to a limited number of securities.

The Managers and their affiliated persons from time to time expect to come into possession of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Managers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Managers. Accordingly, should the Managers or any of their affiliated persons come into possession of material non-public or other confidential information with respect to any public company, the Managers would be prohibited from communicating such information to clients, and the Managers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Summit Partners personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals, employees, senior advisors, and retired investment professionals of the Managers and their affiliates generally are expected to directly or indirectly own an interest in private investment funds, including the Funds or certain co-investment vehicles. Such vehicles are expected to invest in one or more of the same portfolio companies as the Funds. The Managers believe that such interests do not create a conflict of interest and instead operate to align the interests of Principals and employees of the Managers with the Funds.

Co-invest or loan syndication opportunities generally are also expected to be presented to certain affiliates of the Managers, as well as third-party investors and other persons, and such co-investments may be effected through co-investment vehicles. Additionally, the Funds and other Funds are authorized to invest together in the manner set forth in the Governing Documents. The Managers will determine allocation of investment opportunities in a manner that they believe is fair and equitable to their clients consistent with the Managers' fiduciary obligations and consistent with the Governing Documents. In the case of co-invests or loan syndication, the Managers reserve the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments or syndication or otherwise to have priority in co-investment or syndication opportunities.

The Managers and their affiliates, principals and employees expect from time to time to carry on investment activities for their own accounts, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in the Funds, as well as give advice and recommend securities to other accounts or Funds which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain funds sponsored by Summit Partners (the "**Referenced Funds**") generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of the Funds in issuers held by such Referenced Funds or give priority with respect to investments to such Referenced Funds. Some of these restrictions could be waived by investors (or their representatives) in such Referenced Funds or be subject to limitations (e.g., by time or percentage of capital deployed). However, the Managers and their affiliates may or may not, in their sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained.

The Managers expect from time to time to recommend the purchase or sale of securities for Funds in which one or more of their partners, members, officers, directors, employees (and members of their families) or affiliates ("**affiliated persons**"), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. The Managers expect that such transactions generally also will include trading in securities in a manner that differs from or is inconsistent with the advice given to the clients of the Managers or the Funds. Certain of these transactions may require the consent of the applicable clients or Funds.

From time to time, a General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, SPCA or an affiliate from time to time is expected to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

In borrowing on behalf of a Fund, SPCA is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital

contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

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

Section 9. Brokerage Practices

The Managers focus on loan origination and generally purchase and sell such loans through privately negotiated transactions in which the services of a broker-dealer are unlikely to be retained. However, SPCA reserves the right to distribute securities to investors in the Funds or sell such securities, including through the use of a broker-dealer, such as where a public trading market exists. Although SPCA does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

The Managers reserve the right to appoint one or more brokers to effect securities transactions for accounts managed by the Managers. The duties of any broker may include clearance and settlement of trades, margin financing, stock lending and borrowing, non-U.S. exchange facilities, effecting certain transactions on behalf of the Funds from time to time, and maintaining any custody accounts for assets custodied with such brokers. It is expected that any broker will be paid customary fees for its services as negotiated by the Managers from time to time.

The Managers select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Managers may consider a variety of factors, including: (i) execution capabilities; (ii) price; (iii) reputation; (iv) infrastructure; (v) reliability; (vi) financial resources; (vii) quality of research products or services; and (viii) other value-added services.

The Managers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Managers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent.

Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

As noted above, SPCA does not commonly engage in public securities transactions on behalf of its clients; however, an affiliate of SPCA, Summit Partners Public Asset Management, LLC, advises clients in accordance with public equity strategies and frequently engages in public securities transactions on behalf of the clients it advises. Accordingly, Summit Partners Public Asset Management, LLC maintains trading infrastructure and experience that supplement the capacities of SPCA. From time to time, SPCA expects to utilize its affiliate, Summit Partners Public Asset Management, LLC (including the trading personnel thereof), to sell publicly-traded securities through its order management systems. For more information on the brokerage and trading practices of Summit Partners Public Asset Management, LLC, please refer to its Form ADV Part 2A.

Consistent with the Managers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Managers generally do not make use of such services at the current time and have not made use of such services in their history. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Managers' Funds.

However, each and every research service may not be used for the benefit of each and every Fund managed by the Managers, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Funds. Research services may be shared between the Managers and their affiliates.

The Managers will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, the Managers reserve the right, in their discretion, to cause the Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Managers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Managers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Managers will periodically determine which brokers have provided research that has been helpful in the management of Funds. To the extent consistent with the Managers' goal to obtain best execution for their clients, the Managers reserve the right to seek to place a portion of the trades that they direct with the brokers who are identified through this process.

To the extent that the Managers allocate brokerage business on the basis of research services, they expect to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on their Funds' interest in receiving most favorable execution.

To the extent that the Managers engage in public securities transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Managers are also permitted to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Managers expect, but are not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Managers is favored over any other Fund. When an aggregated

order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a pro rata basis to each Fund participating in such buy or sell order in accordance with total commitments of each participating Fund.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to pro rata allocations are permissible provided they are fair and equitable to Funds over time.

Section 10. Review of Accounts

The Managers intend to implement a process whereby members of the Funds' investment committee will meet at the beginning of each week and periodically throughout the week in order to review the Funds' investments, review market developments and discuss investment opportunities.

The Funds generally provide to their limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return and (iii) quarterly reports describing the status of each investment in the Fund's portfolio (including the applicable General Partner's estimate of the fair value of each investment determined as set forth in the Governing Documents).

Section 11. Client Referrals and Other Compensation

As discussed in Section 2, "Fees and Compensation," the Managers and/or their affiliates expect to receive certain Supplemental Fees from a Fund's portfolio companies or other investments. As described in the Governing Documents, this compensation may, in certain circumstances, offset a portion of the Management Fees paid by the Funds. However, in other circumstances, these Supplemental Fees would be in addition to Management Fees.

From time to time, SPCA may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. The fees payable to such placement agents, if any as applicable, generally will be borne by SPCA directly or indirectly through an offset against the applicable Management Fee under the Governing Documents, although related expenses incurred pursuant to the placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Funds.

Section 12. Custody

SPCA generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2) (the "**Custody Rule**") of funds or securities held in the Funds' names, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the qualified custodians listed below:

- Bank of America, N.A., located at 100 North Tryon Street, Charlotte, NC 28255
- Silicon Valley Bank, located at 3003 Tasmann Drive, Santa Clara, CA 95054
- First Republic Bank, located at 111 Pine Street, San Francisco, CA 94111

- Merrill Lynch, Pierce, Fenner & Smith Incorporated, located at 600 California Street, 8th Floor, San Francisco, CA 94108

Additionally, SPCA has established certain affiliated administrative agents to service certain loans. For certain investments made by the Funds, an affiliate of SPCA will act as administrative agent on behalf of the loan syndicate pursuant to the terms set forth in the applicable credit agreement for the investment. Typically, each lender, including the Funds, in the loan syndicate will appoint the administrative agent to take action on its behalf pursuant to the credit agreement, including facilitating the movement of cash to and from the lenders in the syndicate, including the Funds, and the borrower, as applicable. When acting as agent to a syndicate, SPCA's affiliated agents maintain, for the purposes of facilitating cash movements, a custody account in the name of the affiliated administrative agent. All cash movements for all syndicate members are processed through this account in accordance with the terms of the applicable credit agreement. Assets held in the name of the affiliated administrative agents are with the qualified custodian listed below:

- Bank of America, N.A., located at 100 North Tryon Street, Charlotte, NC 28255

Section 13. Investment Discretion

The Managers have discretionary authority to manage investments on behalf of the Funds. As a general policy, the Managers do not allow clients to place limitations on this authority, provided that the Governing Documents may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the Governing Documents, however, the Managers have entered, and expect to enter, into "side letter" or other similar arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in the Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons. The applicable Manager assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of the Funds.

Section 14. Voting Client Securities

In accordance with SEC requirements, the Managers have adopted Proxy Voting Policies and Procedures (the "**Policy**") to address how any Manager will vote proxies, as applicable, for the Funds' portfolio investments. The Policy seeks to ensure that the Managers vote proxies (or similar instruments) in the best interest of the Funds, including when the Managers believe there may be material conflicts of interest in voting proxies. The Managers generally believe their interests are aligned with the Funds' investors through the Principals' beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event, however, there is a potential conflict of interest between the Managers and the Funds in voting proxies, the Policy provides that the Managers are authorized to address the conflict using several alternatives, including by seeking the approval or concurrence of the advisory board on the proposed proxy vote or through other alternatives set forth in the Policy. The Managers do not consider service on portfolio company boards by the Managers' personnel or the Principals or the Managers' receipt of management or other fees from portfolio companies or other investments to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Policy sets forth certain specific proxy voting guidelines the Managers follow when voting proxies on behalf of the Funds. A copy of the Policy or information regarding how the Managers voted proxies for particular portfolio companies will be provided to clients or prospective clients at no charge upon request to Erin H. White at 617-824-1000 or ewhite@summitpartners.com.

Section 15. Financial Information

SPCA does not require or solicit prepayment of management fees more than six months in advance and does not have any other events requiring disclosure under this item of the Brochure.