

Tailwind Management LP

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Tailwind Management LP (“**Tailwind**”). For more information on the disclosure requirements required for Part 2A see the “General Instructions for Part 2 of Form ADV” by visiting www.sec.gov/rules/final/2010/ia-3060.pdf. If you have any questions about the contents of this brochure, please contact Tailwind at (212) 271-3800.

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

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

Item 2 Material Changes

Since our last filing on March 31, 2022, there have been no material changes at Tailwind. This brochure contains routine annual updates to the prior brochure, as well as certain other updates to disclosures regarding personnel, fees and expenses, co-investors, risk factors and conflicts of interest.

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Item 4 Advisory Business

Tailwind is a private equity firm formed under Delaware law as a limited partnership. Headquartered in New York City, the firm is led by its twelve partners, including managing partners Lawrence Sorrel and Jeffrey Calhoun. The partners collectively average two decades of private equity experience. Tailwind was established in 2007.

Tailwind serves as an investment manager and provides investment advisory services to private investment partnerships. Currently, this includes Tailwind Capital Partners II, L.P. and its parallel funds (the “**Tailwind II Funds**”) and Tailwind Capital Partners III, L.P., its parallel and feeder funds and an alternative investment vehicle (the “**Tailwind III Funds**”) and together with the Tailwind II Funds, the Tailwind III Funds and certain Co-Investment Funds (defined below) referred to below, each a “**Fund**” and collectively the “**Funds**”). Tailwind intends to serve as an investment manager and provide investment advisory services to Tailwind Capital Partners IV, L.P. and any of its parallel funds, feeder funds and alternative investment vehicles (the “**Tailwind IV Funds**”) upon their closing.

The Tailwind II Funds and the Tailwind III Funds primarily make control investments in North American based, lower middle-market companies with a focus on subsectors within the Infrastructure Services, Supply Chain and IT Services industries. It is expected that the Tailwind IV Funds will have an investment strategy that is substantially similar to the foregoing. Within these subsectors, the Funds generally target companies that have an asset-light, services business model with the potential to be transformed through Tailwind’s operationally intensive value creation process. Typically, Tailwind acquires companies that have enterprise values between \$100 and \$300 million that require equity investments between \$50 million and \$150 million, although certain transactions may be below or exceed these amounts.

Tailwind pursues a Buy and Build investment strategy, which is designed to build platforms that actively acquire and integrate smaller businesses. To accomplish this, Tailwind invests in in-house corporate development resources, portfolio leadership, technology infrastructure and other foundational processes which are designed to enable a more rapid scaling and integration of smaller accretive add-ons. Tailwind believes this Buy and Build strategy has two key benefits: (i) blending down the platform entry multiple and (ii) enabling companies to accelerate growth and scale faster than possible through organic growth alone. To support its Buy and Build investment strategy, Tailwind prioritizes four distinct value creation levers: (i) Foundational, (ii) Talent, (iii) Technology and (iv) M&A. Tailwind seeks to transform these businesses into larger companies with sufficient scale to be desirable acquisition targets for both corporate and financial buyers.

Tailwind had previously pursued investments in healthcare companies, and Tailwind Capital Partners, L.P. (which is now dissolved) had ancillary strategies of investing in development stage companies and transactions involving complex carveouts, which included healthcare companies, along with companies in the financial services and emerging telecom sectors, but has ceased making new platform investments in these strategies (collective, the “**Discontinued Strategies**”). For further information about Tailwind’s investment strategy, including a description of how Tailwind seeks to transform the Funds’ portfolio companies, see “*Methods of Analysis, Investment Strategies and Risk of Loss*” below.

Tailwind has established several co-investment vehicles (each, a “**Co-Investment Fund**” and collectively, the “**Co-Investment Funds**”), which are, to the extent available and at the discretion of Tailwind, offered co-investment opportunities alongside the Funds. The existence of such multiple vehicles and accounts creates potential conflicts of interest. See “*Methods of Analysis, Investment Strategies and Risk of Loss*” below.

Tailwind Capital Partners II (GP) LP serves as the general partner of the Tailwind II Funds and Tailwind Capital Partners III (GP) LP serves as the general partner of the Tailwind III Funds. Tailwind Capital Partners II (GP) LP, Tailwind Capital Partners III (GP) LP, Tailwind Co-Invest (GP) LLC and Tailwind Co-Invest III (GP) LLC (collectively, the “**Related Advisors**”) are affiliated advisers of Tailwind and each entity relies upon Tailwind’s registration with the SEC. This brochure also describes the business practices of the Related Advisors, which operate as a single advisory business together with Tailwind, and, as such, references herein to Tailwind shall, as the context requires, include the applicable Related Advisors. For further information regarding these entities, see “*Other Financial Industry Activities and Affiliations*” below.

As of December 31, 2022, Tailwind and its Related Advisors managed approximately \$3.7 billion on a discretionary basis on behalf of the Funds.

In providing services to the Funds, Tailwind executes the investment objective for each Fund, directs and manages the investment of each Fund’s assets and provides periodic reports to investors in each Fund. Investment advice is provided directly to each Fund and not individually to the Funds’ investors. Tailwind manages the assets of each Fund in accordance with the terms of the governing documents applicable to each Fund, which are generally established at the time of the formation of a Fund. The investors cannot direct investments by the Funds and, except in limited circumstances, investors are not permitted to withdraw from a Fund prior to completion of the Fund’s windingup.

Tailwind, together with its affiliated entities, raised capital through a minority passive investment from Investcorp’s Strategic Capital Group. The capital raised will be used to support Tailwind’s continued growth and to increase Tailwind’s general partner commitment in future funds.

Limited partner interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore jurisdictions.

Item 5 Fees and Compensation

Management Fees

Tailwind receives an investment management fee from the Funds (other than certain Co-Investment Funds) payable quarterly in advance. Such fees are pro-rated for any period that is less than a full quarter period. The Funds are charged an annual management fee at the rates and for the periods set forth in the confidential private placement memorandum and other governing documents of the Funds, which provide for a standard fee of 2.0% of capital commitments during the Funds’ commitment

period, and 1.50% of invested capital thereafter until the end of the term of such Fund or the final liquidating distribution of such Fund, as applicable, provided that certain investors are entitled to invest on a reduced or otherwise more favorable management fee. For further information, please see “*Arrangements with Certain Investors*” below.

The management fee payable by a Fund is subject to reduction by the amount borne by the Fund in respect of the excess organizational expenses and placement fees and expenses described under “Expenses” below.

The management fee payable by a Fund is reduced by capital contributions made to the Fund by its investors in satisfaction of capital contributions that would otherwise have been funded by the Fund’s general partner.

The management fee, if any, payable by a Fund will also be reduced by Transaction Fees (as defined below) received by Tailwind and/or its affiliates as set forth in “Transaction Fees” below. Depending upon the timing of receipt and the amount of such Transaction Fees required to be offset against future management fees, Fund investors who elect not to receive any fee income that may remain after all management fees have been reduced will not receive the full benefit of the fee income offset. In addition, under such circumstances, Tailwind will be entitled to retain the unapplied fee income attributable to the Fund investors who made such election.

Carried Interest Allocations

Carried interest is a share of the net profits derived from investments that is allocated to a Fund’s general partner as an incentive for Tailwind to maximize the performance of the Fund. The Funds (other than certain Co-Investment Funds) are typically subject to a carried interest of 20% of net profits from investments, subject to an annualized effective internal rate of return of 8% (provided that certain investors are entitled to reduced or otherwise more favorable carried interest, as described further in “*Arrangements with Certain Investors*” below and in greater detail in the confidential private placement memorandum and other governing documents of the Funds.

Arrangements with Certain Investors

Tailwind, in its sole discretion, permits investors who are employees or otherwise related to Tailwind personnel to invest in a Fund without being subject to the management fee or the carried interest. In addition, certain investors are entitled to invest on a reduced or otherwise more favorable management fee and/or carried interest basis pursuant to certain Side Letters (as defined in “*Types of Clients*” below) entered into by the applicable Related Advisor with such investors.

The Co-Investment Funds are not typically charged any management fees or carried interest, although certain Co-Investment Funds could be subject to management, administrative or other similar fees and/or carried interest in the future.

Transaction Fees

As set forth in greater detail in the applicable Fund’s governing documents, Tailwind and/or its affiliates are generally authorized to and expect to earn certain fees in connection with portfolio investments and un consummated transactions. A percentage of Transaction Fees received by Tailwind and/or its affiliates, net of certain expenses, in each case as set forth in the confidential

private placement memorandum and other governing documents of the relevant Fund, will be applied to reduce the future management fees payable by the Fund. The scope of “**Transaction Fees**” varies by Fund, but typically includes (i) any fees or amounts paid to Tailwind or any of its affiliates or a Fund by any party in connection with the acquisition, termination, cancellation or abandonment of any Fund investment or proposed Fund investment that is ultimately not consummated, including any transaction, closing, advisory, financing, “break-up” or “topping” fees or (ii) any fees paid by a portfolio company or any affiliate of a portfolio company to Tailwind in connection with any Fund investment, proposed Fund investment that is ultimately not consummated, or add-on acquisition, sale or other transaction entered into by such portfolio company, including any advisory fees, director’s fees, consultant fees or monitoring fees (including, without limitation, assisting a portfolio company in connection with (A) analyzing its historical financial performance and evaluating future prospects and strategies, (B) with respect to potential acquisitions, divestitures, financings or refinancing (equity or debt), mergers, tender offers, exchange offers, recapitalizations, restructurings or other similar transactions (however structured), (C) providing analysis, advice and other support in connection with the portfolio company’s operations and (D) providing such other services as Tailwind or the portfolio company may from time to time agree); provided that “Transaction Fees” does not include Other Fees (as defined below) or, with respect to any person that is a former affiliate of Tailwind and/or its affiliates, fees received thereby from and after the date such person ceases to be affiliated with Tailwind and/or its affiliates.

Transaction Fees will not include: (i) any amounts paid as reimbursement for fees, costs or expenses incurred in connection with the relevant Fund investment or potential Fund investment, including those arising under indemnification, contribution or other similar provisions or agreements in connection with any Fund investment or potential Fund investment; (ii) Service Provider Compensation (as defined below); (iii) any Operating Executive Compensation (as defined below); (iv) any Co-Investment Economics (as defined in the relevant partnership agreement); (v) any fees received by a person or entity other than a Fund, the Fund’s general partner or any affiliate thereof, including fees received, directly or indirectly, by a co-Investor or other investor participating in the equity or other securities, assets or other property of any portfolio company, irrespective of whether (A) such person or entity participates directly or indirectly through a Fund, (B) such person or entity is also a limited partner of a Fund, Operating Executive, service provider or other third party or an affiliate of any of the foregoing, (C) such person or entity is providing (or is not providing) services in consideration of its receipt of such fees to, for or otherwise with respect to such portfolio company and (D) the payment of such fees to (or the receipt of such fees by) such person or entity was arranged, organized, sponsored, negotiated by or for, permitted, consented to, approved or otherwise facilitated by Tailwind; or (vi) any other fees payable to Tailwind and/or its affiliates contemplated by or otherwise permitted under the partnership agreement of the relevant Fund (collectively, “**Other Fees**”).

With respect to the implementation of certain arrangements described above, such as an advisory, transaction or monitoring agreement with a portfolio company, there is no independent third party involved in negotiating such arrangements on behalf of the portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other terms, such as the reimbursement of expenses incurred by Tailwind and its affiliates, in such arrangements involving a portfolio company.

The fee structures described herein can be modified from time to time. Detailed information regarding Transaction Fees and the amount of, and manner in which, Transaction Fees are applied to reduce management fees payable by a Fund is provided in such Fund's confidential private placement memorandum and other governing documents.

Expenses

In addition to the fees and carried interest described above, Fund investors will bear the expenses charged to the Funds. Those expenses will vary by Fund, but typically will include, without limitation:

- fees, costs and expenses incurred in connection with sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring or otherwise disposing of any Fund investment or any potential Fund investment and all other similar transaction-based fees, costs and expenses incurred in connection with any of the foregoing, including: (i) fees, costs and expenses incurred in connection with deal initiation, business development (including attending industry events), investment banking, brokerage, underwriter (whether in the form of commissions or discounts), syndication, hedging, valuation, appraisal, due diligence, custodial, trustee, record keeping, lending, legal, attorney, accounting, auditing, administrator, tax, advisory, compliance and consulting (including Operating Executive Compensation) services, including Service Provider Compensation; (ii) fees, costs and expenses incurred in connection with attending industry conferences and obtaining research, data, analytics, business intelligence (including any "expert networks"), modeling, structuring, pricing and execution services, including the fees, costs and expenses of any subscriptions and any computer terminals for the delivery of such services and the Service Provider Compensation of related service providers; (iii) fees, costs and expenses of any hedging transactions intended to hedge currency exposure or manage interest rate exposure; (iv) fees, costs and expenses (other than Blocker Taxes (as defined in the applicable partnership agreement)) incurred in connection with forming, managing, maintaining and disposing of any subsidiary vehicle or Blocker Corporation (as defined in the applicable partnership agreement) (including Blocker Expenses (as defined in the applicable partnership agreement), entity-level taxes, ERISA obligations and the fees, costs and expenses of an ERISA bond); (v) indemnification, reimbursement or similar obligations incurred in connection with any Fund investment or potential Fund investment; (vi) any obligation to pay the principal amount of, interest on, guaranteed amounts under, and any others fees, costs and expenses incurred in connection with any credit facility ("**Borrowing Costs**"); and (vii) Travel and Related Expenses (as defined below);
- any and all fees, costs or expenses of the type described herein incurred in connection with any potential Fund investment that is not ultimately made, including any fees (including commitment, termination and break fees, as well as "reverse" termination and break fees), or any deposits or working capital payments, that are payable or forfeited by the Fund in connection with any potential Fund investment that is not ultimately made ("**Broken Deal Expenses**");
- management fees;

- other fees, costs and expenses incurred in connection with the operation, administration or carrying on of the activities or operations of the Fund, including: (i) fees, costs and expenses of legal, attorney, accounting, auditing, administrative, tax, advisory, compliance and consulting (including Operating Executive Compensation) services, including the Service Provider Compensation of related service providers (including certain local intermediaries); (ii) fees, costs and expenses incurred in connection with maintaining the books and records of the Fund (including the fees, costs and expenses of portfolio accounting systems licenses and related services, as well as the Service Provider Compensation of related service providers) and maintaining the Fund in good standing with respect to local, state and similar registrations, including any registrations with any non-U.S. governmental or regulatory authority; (iii) fees, costs and expenses incurred in connection with the preparation and distribution of the Fund's financial statements, reports, tax returns and Schedules K-1 (or additional or similar tax-related schedules) and any other tax reports or tax-related compliance activities (including the fees, costs and expenses incurred in connection with the purchase, implementation, maintenance and upgrade of computer software and hardware for use in preparing and distributing the Fund's financial statements, reports, tax returns and Schedules K-1 (or additional or similar tax-related schedules) and any other tax reports, as well as fees, costs and expenses incurred in connection with providing online or electronic access to information and reporting (including any upgrades or customizations incurred in connection therewith)); (iv) fees, costs and expenses incurred in connection with the registration, qualification, exemption under, and/or legal and regulatory compliance with, any applicable U.S. federal, state, local, non-U.S. law, rule or regulation relating to the Fund (including the preparation and submission of filings with the SEC (including Form PF, Form ID, Form D, Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, and Schedule 13G filings), U.S. Commodity Futures Trading Commission, the National Futures Association, the U.S. Treasury, the U.S. Internal Revenue Service and any other federal, state, provincial or local governmental body; (v) fees, costs and expenses incurred in connection with compliance with the U.S. Hart-Scott-Rodino Antitrust Improvements Act, as amended, and other antitrust laws, rules or regulations; (vi) fees, costs and expenses incurred in connection with compliance with the AIFMD or the laws, rules or regulations implemented or promulgated in any applicable jurisdiction in relation thereto (or similar marketing-related regulations in other jurisdictions), including the fees, costs and expenses of any depositary required in connection therewith; (vii) fees, costs and expenses incurred in connection with compliance with FATCA (as defined in the relevant partnership agreement) and the fees, costs and expenses incurred in connection with compliance with any associated or similar law, rule, regulation, legislation or guidance); (viii) fees, costs and expenses incurred in connection with compliance with applicable laws, rules and regulations, including anti-money laundering, know-your-customer, anti-bribery, anti-corruption, privacy (including all data protection laws) and cybersecurity laws, rules and regulations (including the fees, costs and expenses incurred in connection with the implementation and compliance with any policies and procedures intended to provide for compliance with such laws, rules or regulations and Service Provider Compensation incurred in connection with the engagement of service providers to assist or advise with such compliance); (ix) fees, costs and expenses incurred in connection with any legal inquiries and examinations, including regulatory "sweeps" with respect to the Fund; (x) fees, costs and expenses incurred in connection with the

implementation, operation and maintenance of information systems, software and related technology; (xi) fees, costs and expenses incurred in connection with obtaining data feeds, subscriptions, reports and similar research, data, analytic, and business intelligence information; (xii) other operational and administration fees, costs and expenses of the Fund not otherwise expressly set forth herein; (xiii) Borrowing Costs; and (xiv) Travel and Related Expenses;

- litigation-related and indemnification fees, costs and expenses incurred in connection with any action, claim, suit, mediation, arbitration, investigation or other proceeding involving the Fund or the indemnification obligations of the Fund, including the Fund's indemnification obligations and the amounts of any judgments or settlements paid in connection with such proceedings or indemnification; indemnification payments paid to any placement agent; fees, costs and expenses of any insurance policies for the benefit, directly or indirectly, of any Indemnified Person, including directors' and officers' (or other similar) liability insurance, errors and omissions insurance, cyber insurance, representation and warranty insurance or other insurance policies, or fidelity bonds (including commissions, premiums, deductibles, escrow fees and seller's representative fees, costs and expenses incurred in connection with any of the foregoing);
- fees, costs and expenses (other than Blocker Taxes) incurred in connection with forming, managing, maintaining and disposing of any subsidiary vehicle or Blocker Corporation and that are not described above (including Blocker Expenses, entity-level taxes, ERISA obligations, including any fees, costs and expenses of an ERISA bond);
- taxes (including interest, penalties and other fees, costs and expenses incurred in connection with tax (including any fees, costs and expenses incurred in connection with any tax proceeding)) and other governmental body charges, in each case, other than any Investor Taxes (as defined in the applicable partnership agreement);
- fees, costs and expenses incurred in connection with the valuation or appraisal of any Fund investment, portfolio company or any other securities, assets or other property of the Fund;
- fees, costs and expenses incurred in connection with distributions of cash or, to the extent contemplated hereby, securities, assets or other property to one or more investors in the Fund, including fees, costs and expenses incurred in connection with the preparation, initiation and processing of wire transfers and checks;
- fees, costs and expenses incurred in connection with communications with, one or more investors in the Fund, including fees, costs and expenses incurred in connection with responding to requests, requirements or inquiries from one or more such investors, including reporting requests, requirements or inquiries from one or more such investors or due diligence questionnaires (including fees, costs and expenses incurred in connection with obtaining industry or market data for purposes of benchmarking the investment performance history of Tailwind or producing Institutional Limited Partners Association reporting templates or complying with similar reporting standards), irrespective of whether such communications or responses to such requests are mandated or contemplated by Side Letters or their equivalents with respect to any other Fund investor;

- fees, costs and expenses incurred by the Fund or Tailwind in connection with drafting, negotiating and entering into, and complying with, Side Letters, including any fees, costs and expenses incurred by the Fund or Tailwind in connection with any related “most favored nations” provision election process (“**Side Letter Expenses**”);
- fees, costs and expenses incurred in connection with compliance with environmental, social and governance (i.e., “ESG”) standards or policies, if any, applicable to the Fund or Tailwind or to which they subscribe to now or in the future, including investigation, training, monitoring, tracking, engagement, reporting and preparation of any documentation with respect thereto;
- fees, costs and expenses related to holding meetings with one or more Fund investors, including annual or special meetings of the Fund (which fees, costs and expenses will include Travel and Related Expenses incurred by (i) representatives of Tailwind or portfolio company or (ii) other attendees of any such meetings, and the fees, costs and expenses incurred in connection with the procurement and distribution of any products or gifts provided to attendees of such meetings, or the preparation and presentation of any media prepared in connection with such meetings, including speaker, entertainment, appearance and related fees, costs and expenses);
- fees, costs and expenses incurred in connection with any defaults by a Fund investor in respect of its available capital commitment;
- fees, costs and expenses incurred in connection with (i) complying or monitoring compliance with the terms and provisions of the Fund partnership agreement, any subscription agreement, any Side Letter, the Fund’s management agreement and (ii) obtaining or soliciting votes, consents, approvals or waivers under, or effecting amendments, restatements, modifications, changes, or any other revisions to, the terms or provisions of any such agreement;
- fees, costs and expenses incurred in connection with transfers of interests in the Fund (including any transfer that is not ultimately consummated) that are not otherwise borne by the applicable transferor or transferee;
- fees, costs and expenses incurred by LP Advisory Committee members in connection with the performance of their responsibilities as LP Advisory Committee members, including any meetings of the LP Advisory Committee and the preparation of any materials related thereto, Travel and Related Expenses and the Service Provider Compensation of any professional advisors appointed to assist the LP Advisory Committee;
- fees, costs and expenses incurred in connection with dissolving, liquidating, winding-up and terminating the Fund;
- fees, costs and expenses incurred in connection with sourcing, investigating, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring or otherwise disposing of temporary investments;

- fees, costs and expenses of any hedging transactions that are not incurred in connection with any Fund investment;
- organizational expenses of the Fund, up to a specified cap;
- fees and expenses of placement agents (“**Placement Fees**”); and
- the Fund’s share (as determined by the General Partner in good faith) of any fees, costs and expenses of the types described herein incurred in connection with forming, managing, maintaining and disposing of any co-investment vehicle, including fees, costs and expenses that the Fund would otherwise not have borne but for the participation of the co-investors (by way of example only and without limitation, the incremental aggregator-level auditing and reporting, tax, accounting and other administrative expenses).

“**Service Provider Compensation**” means compensation paid or provided to any service provider to the Fund, which compensation could be performance or success-based or not performance or success-based and which, for any period, could be fixed (regardless of the amount of work performed by the service provider during such period), variable (depending on the amount of work performance by the service provider during such period) and which forms of compensation can include salary, bonus, securities or other instruments (including direct or indirect interests in carried interest, management fees, Transaction Fees or Other Fees), one-time or periodic fees (including retainer fees, success-based fees, board or finder’s fees), expense reimbursements (including reimbursement of Travel and Related Expenses), indemnification payments, co-investment rights with respect to one or more Fund investments and employee benefits or other similar forms of compensation, whether paid in cash or in kind.

“**Travel and Related Expenses**” means fees, costs and expenses incurred in connection with: (i) travel by way of private or non-commercial aircraft, (ii) travel by way of commercial, first, business or any other class travel, (iii) use of livery or other automotive (i.e., car) services, including reimbursement of mileage, (iv) lodging and accommodations, (v) personal and business meals; and (vi) business entertainment (in each case, irrespective of whether such fees, costs and expense are incurred in connection with Fund investment-related matters or the operation, administration or carrying on of the activities and operations of the Fund, including business development); provided that in the case of travel by way of private or non-commercial aircraft, the cost charged to the Fund will not exceed the cost, as reasonably determined by Tailwind, of first class travel to the relevant or closest destination.

With respect to the limited partnerships that comprise the Tailwind II Funds and Tailwind III Funds, all expenses will generally be allocated among each limited partnership in such fund complex pro rata in accordance with the aggregate capital commitments of such limited partnerships; provided that any expenses attributable to a particular investment held by the Tailwind II Funds or the Tailwind III Funds will generally be allocated among each limited partnership in such fund complex pro rata in accordance with the aggregate invested capital of such limited partnership in such investment. As set forth in each Fund’s governing documents, each general partner of a Fund also has the right in its discretion to allocate, and at times has allocated, an expense in a different manner.

As noted above, the Tailwind II Funds or the Tailwind III Funds allocate the purchase of portfolio

company interests to each limited partnership in such fund complex on a pro rata basis and on equivalent economic terms. Investments in portfolio companies are made directly or through a holding company or other special purpose aggregator entity organized to hold the underlying portfolio company securities, and the initial and ongoing expenses associated with these entities are reflected in the fair value of such underlying portfolio company securities.

All costs of organizing a Fund in excess of a specified amount and all placement fees and expenses borne by a Fund reduce management fees payable by the Fund on a dollar-for-dollar basis.

If a proposed transaction is not completed, it is possible that the full amount of Broken Deal Expenses will be borne by the Funds that expected to participate in such transaction even though there are other co-investors that would also have participated had such transaction reached completion. This is because co-investors typically will not agree to bear any Broken Deal Expenses with respect to a potential investment until such co-investors are contractually committed to invest in such investment. Furthermore, in circumstances where Tailwind offers a co-investment opportunity after a transaction has been completed, a co-investor is making its investment at a time when the risk of a “broken deal” no longer exists.

It is expected that the Tailwind IV Funds will charge expenses consistent with the foregoing categories of expenses and allocation methodologies.

Investors should review each Fund’s confidential private placement memorandum and other governing documents to understand in greater detail the types of expenses that can be charged to the Funds and, indirectly, their investors. For more information regarding expenses related to Tailwind’s Operating Executives and senior advisors, please see the description of Operating Executive and senior advisor activities, and related expenses, under the heading of “*Methods of Analysis, Investment Strategies and Risk of Loss*” below.

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

As described above, the general partners of the Funds, which are affiliates of Tailwind, generally receive a carried interest of 20% of net profits from certain Funds, subject to a preferred return, which calculation is based on the profits derived from investments, provided that certain investors are entitled to reduced or otherwise more favorable carried interest (see “*Arrangements with Certain Investors*” above). The carried interest may create an incentive for the general partner of a Fund to make more speculative investments and to make different decisions regarding the timing and manner of the realization of such investments than would be the case if such carried interest were not allocated to the general partner.

Non-corporate U.S. persons (including the owners of the general partners of the Funds) are subject to U.S. federal income tax on long-term capital gain at rates that are substantially lower than the rates applicable to ordinary income or short-term capital gain. In general, gain from the disposition of an investment of the Funds held for more than one year will be treated as long-term capital gain. However, gain that is allocated to the general partners of the Funds in respect of carried interest will

be treated as short-term capital gain unless the Fund's holding period in the relevant investment is more than three years. This special rule does not apply to allocations to the general partners of qualified dividend income in respect of carried interest and, therefore these allocations will continue to qualify for the preferential tax rate for non-corporate persons. As a consequence, conflicts of interest will arise between the interests of the general partners of the Funds and the interests of the investors of the Funds in connection with the general partners' investment-related determinations. Such determinations include, but are not limited to, decisions with respect to sourcing, evaluating, making, holding, monitoring, maintaining, refinancing, pledging, selling, refinancing or pledging of the Funds' investments.

Item 7 Types of Clients

Tailwind provides investment advisory services to the Funds. The minimum commitment for an investor in a Fund is outlined in each Fund's confidential private placement memorandum and other governing documents; however, Tailwind maintains discretion to accept and has accepted less than the minimum commitment threshold. In addition, from time to time a Fund's general partner enters into letter agreements or other similar arrangements with certain investors without the approval of any other Fund investor that have the effect of establishing rights under, or altering or supplementing the terms of, the governing documents of the Fund as they apply to a particular Fund investor (each such letter agreement or other similar arrangement, a "**Side Letter**"). As a result of such Side Letters, certain investors receive additional benefits that other investors will not receive, including, without limitation, better economic terms such as a reduced or otherwise more favorable management fee and/or carried interest, certain co-investment rights, information rights, excuse rights and transfer rights. The other investors will have no recourse against the Funds, Tailwind or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters (see "*Agreements with Certain Investors*" above).

Investors are required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth in Rule 501(a) of Regulation D promulgated under the Securities Act. Also, investors will be required to make certain representations when investing in a Fund, including, but not limited to, representations that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and (iii) they have the ability to bear the economic risk of an investment in the Fund. Details concerning applicable investor suitability criteria are set forth in the respective Fund's confidential private placement memorandum and subscription materials, which are furnished to each prospective investor.

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

The Tailwind II Funds and the Tailwind III Funds primarily make control investments in North American based, lower middle-market companies with a focus on subsectors within the Infrastructure Services, Supply Chain and IT Services industries. It is expected that the Tailwind IV Funds will have an investment strategy that is substantially similar to the foregoing. Within these subsectors, the Funds generally target companies that have an asset-light, services business model with the potential to be transformed through Tailwind's operationally intensive value creation process. Typically, Tailwind acquires companies that have enterprise values between \$100 and \$300 million that require equity investments between \$50 million and \$150 million, although certain transactions may be below or

exceed these amounts.

Tailwind pursues a Buy and Build investment strategy, which is designed to build platforms that actively acquire and integrate smaller businesses. To accomplish this, Tailwind invests in in-house corporate development resources, portfolio leadership, technology infrastructure and other foundational processes which are designed to enable a more rapid scaling and integration of smaller accretive add-ons. Tailwind believes this Buy and Build strategy has two key benefits: (i) blending down the platform entry multiple and (ii) enabling companies to accelerate growth and scale faster than possible through organic growth alone. To support its Buy and Build investment strategy, Tailwind prioritizes four distinct value creation levers: (i) Foundational, (ii) Talent, (iii) Technology and (iv) M&A. Tailwind seeks to transform these businesses into larger companies with sufficient scale to be desirable acquisition targets for both corporate and financial buyers.

To accomplish this, Tailwind invests in in-house corporate development resources, portfolio leadership, technology infrastructure and other foundational processes which are designed to enable a more rapid scaling and integration of smaller accretive add-ons. To execute this strategy, Tailwind works closely with management teams, Operating Executives and senior advisors. Tailwind's organic growth strategies include expanding geographic reach, broadening product or service offerings, assisting and augmenting management and adding sales and marketing resources. Tailwind also invests in upgrading information systems, financial resources, and controls to support portfolio companies' accelerated growth. Tailwind's add-on acquisition strategy is aimed at materially increasing a platform's size, geographic reach, customer base, product or service offerings and, ultimately, its growth rate. Tailwind seeks to identify add-on acquisitions that can be acquired at accretive multiples and efficiently integrated. While such add-on acquisition targets are typically smaller companies, acquisition targets may be larger than the acquiring company. It is expected that the Tailwind IV Funds will have an investment strategy that is substantially similar to the foregoing.

The investment activities of the Funds are directed by an investment committee comprised of Tailwind's partners and its managing directors who focus on deal-related activity. The investment committee is supported by the investment professionals of Tailwind and, as described further below, the Operating Executives and senior advisors. Tailwind has a disciplined investment process, which includes targeted sourcing of platform and add-on investments, consistent due diligence, a well-defined decision-making process and deal structuring designed to mitigate risk and properly align incentives with management.

The execution of the Tailwind investment process is driven by Tailwind's partners with support from other investment professionals, as well as a dedicated business development and sourcing team, and investor relations, legal and diligence resources. After sourcing a potential investment, Tailwind follows a clearly defined, multi-step investment process. This process is designed to prioritize actionable opportunities, identify threshold issues early and solicit investment committee feedback during multiple stages of due diligence. Once diligence has been completed and terms have been negotiated, the deal team presents the opportunity to the investment committee for final approval. The subsequent portfolio company monitoring processes, which are designed to support the timely and successful execution of each portfolio company's business plan, involve periodic reviews of valuation parameters, investment performance, and disposition opportunities.

As described in greater detail in each Fund's confidential private placement memorandum and governing documents, Tailwind also engages and retains Operating Executives and senior advisors who are neither partners nor employees of Tailwind or its affiliates but rather consultants engaged by Tailwind, the Funds or their portfolio companies, to provide advisory and key value-added services to, or with respect to, potential and existing investments. For potential investments for the Funds, they may assist in identifying investment opportunities, providing industry-specific insights, conducting due diligence, facilitating financing and providing resources through, and introductions to, industry contacts. After a Fund investment is made, they may also work closely with management of the portfolio company to provide industry expertise and experience to implement the value-creation plan constructed for the business and/or assist with exit transactions. In some cases, Operating Executives or senior advisors take on more extensive roles with portfolio companies, such as serving in a senior executive capacity or serving on the portfolio company's board of directors. To the extent they serve as directors, advisors or consultants of, or otherwise provide services to, a portfolio company or serve as consultants of, or otherwise provide services to, a Fund, expenses associated with engaging these individuals will generally be borne by such portfolio company or Fund. In certain circumstances where Operating Executives or senior advisors serve as directors, advisors or consultants of, or otherwise provide services to, both a portfolio company and a Fund at the same time, they could receive compensation from such portfolio company and the Fund simultaneously. These expenses include the allocable portion of any cash compensation (including, retainer payments, consulting fees, directors' fees and/or, in some circumstances, bonuses), overhead allocation payments and expense reimbursement payments due to an Operating Executive or senior advisor, as well as the costs of compensatory equity in portfolio companies awarded to an Operating Executive or senior advisor. Any fees or other compensation received by such individuals will not be considered Transaction Fees that are applied to reduce the future management fees payable by a Fund.

Prospective investors should be aware that investing in a Fund involves a high degree of risk. An investment in a Fund is highly speculative and is not intended as a complete investment program. Such an investment is suitable only for sophisticated investors and an investor must have the financial ability to understand and the willingness to accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in a Fund. There can be no assurance that a Fund's investment objectives will be achieved or that investors will receive a return of or a profit from their capital. The possibility of partial or total loss of capital will exist and prospective investors must be prepared to bear capital losses that could result from a Fund's investments. The descriptions contained below are a brief overview of different market risks related to Tailwind's investment strategy and potential conflicts of interest that may arise in connection with the activities of Tailwind and its affiliates, on the one hand, and the Funds, on the other hand; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise.

Tailwind previously pursued investments in the Discontinued Strategies (as described in Item 4 "*Advisory Business*" above) but does not intend to pursue future platform investments in these strategies.

No Assurance of Investment Returns

Tailwind cannot provide assurance that it will be able to identify, choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that a Fund will be able to generate returns for its investors or that returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There will be little or no near-term cash flow available to the investors from a Fund, and there can be no assurance that a Fund will make any distribution to its investors. Partial or complete sales, transfers or other dispositions of investments which result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. Furthermore, the risks of the Funds' investments are not limited to the initial size of invested capital. For example, to the extent that a Fund investment gives rise to litigation, such investment could ultimately lead to a net loss, investment losses and litigation costs are taken into account. An investment in the Funds should only be considered by prospective investors who can afford a loss of their entire investment. There can be no assurance that projected or target returns for the Funds will be achieved.

Risk of Limited Number of Investments

Because each Fund could only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single portfolio company could severely affect the total returns to a Fund's investors. Other than as set forth in the governing documents applicable to each Fund, investors have no assurance as to the degree of diversification of such Fund's investments, either by geographic region, asset type or sector. To the extent a Fund concentrates its investments in a particular issuer, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate return of a Fund could be adversely affected by the unfavorable performance of one or a small number of its investments. There are no assurances that all of a Fund's investments will perform well or even return capital. Accordingly, for a Fund to achieve above-average returns, one or more of its investments must perform very well. There are no assurances that this will be the case.

Hedging Policies/Risks

In connection with the financing of certain investments, a Fund could employ hedging techniques in connection with the acquisition, holding, financing, refinancing or disposition of its investments and a Fund's portfolio companies could also utilize hedging techniques in order to protect or enhance returns. While such transactions can reduce certain risks, such transactions themselves will entail certain other risks, such as counterparty default, bankruptcy or insolvency, convergence and other risks all related with derivative instruments. Thus, while a Fund can benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, commodity prices, currency exchange rates and/or other events relating to such hedging transactions could result in a poorer overall performance for such Fund than if it or the portfolio companies in which it invests had not entered into such hedging transactions.

Failure to Make Capital Contributions

If an investor fails to pay when due installments of its capital commitment to a Fund, and the

contributions made by non-defaulting investors and borrowings by such Fund are inadequate to cover the defaulted capital contribution, it is possible the Fund will be unable to pay its obligations when due. As a result, a Fund could be subjected to significant penalties that could limit opportunities for investment diversification and materially adversely affect the returns to their investors (including non-defaulting investors). In addition to all legal remedies available to a Fund, failure by an investor to make capital contributions when due could result in, among other things, the forfeiture of distributions to be made to such defaulting investor, the removal of such defaulting investor's entitlement to vote on, consent to or otherwise approve of certain matters, and/or the requirement that such defaulting investor participate in a forced sale of its limited partnership interest in a Fund at a potentially deeply discounted price. If an investor in a Fund defaults on a capital contribution, the other investors will likely be required to make capital contributions that are greater than those they would be required to make if there had been no default. As a result of any of the foregoing, non-defaulting investors could have an increased concentration of interests in one or more Fund investments. Any defaulting investor will generally be expected to pay all fees, costs and expenses incurred by a Fund in the enforcement of any default remedies.

Indemnification; Absence of Recourse

Each Fund has agreed to indemnify and hold harmless its general partner, Tailwind, any other affiliate of the general partner, all officers, directors, members, employees, stockholders, partners, agents, managers, advisors and representatives of the general partner, Tailwind and any other affiliate of the general partner, the members of the investor advisory committee (or the investors such members represent) and the Operating Executives and senior advisors for liabilities arising from, related to, or in connection with the Fund's governing document or affairs. Such liabilities are likely to be material and have an adverse effect on the returns to the investors. For example, in their capacity as directors of portfolio companies, the direct or indirect members or partners of the Funds' general partners, or of Tailwind or its affiliates could be subject to derivative or other similar claims brought by shareholders of such companies.

Any indemnification obligations of a Fund would be payable from the assets of such Fund, including the unfunded capital commitments of the investors. If the assets of a Fund are insufficient, the general partner is permitted to recall certain distributions previously made to the investors of such Fund (subject to certain limitations). It should be noted that the general partner of each Fund could cause the Funds to purchase insurance to provide coverage with respect to losses, claims, damages, liabilities and expenses that would otherwise be indemnification obligations.

Reliance on the Principals of Tailwind

The successful investment of a Fund's assets will depend upon, among other things, the skill and expertise of the Tailwind professionals. There can be no assurance that the Tailwind professionals will continue to be associated with a Fund throughout the life of such Fund. The loss of the services of one or more Tailwind professionals could have an adverse effect on a Fund's ability to realize its investment objectives. There can be no assurance that any particular Tailwind professional will continue to be associated with Tailwind or a Fund's general partner throughout the term of such Fund or that Tailwind will be able to attract and retain replacements or additional persons when needed.

No Right to Control a Fund's Operations

Investors will generally have no opportunity to control the operations of a Fund, including, without limitation, its investment and disposition decisions and decisions regarding the selection of third-party service providers and the operation of the portfolio companies. Investors will also have no opportunity to evaluate any economic, financial, and other information that will be utilized by Tailwind in its selection of portfolio investments. In addition, to the extent that an investor is not represented on a Fund's investor advisory committee, such investor will have no influence over matters submitted to such Fund's investor advisory committee for review or approval.

Portfolio Company Management Team

The day-to-day operations of each portfolio company in which a Fund invests will be the responsibility of such company's management team. Although Tailwind and the Funds' general partners will be responsible for monitoring the performance of the Funds' investments and intend to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor management team, will be able to operate the portfolio company in accordance with the Funds' investment objectives.

Bridge Financings

From time to time, each Fund could provide interim financing or could "underwrite" co-investment capital in order to facilitate a Fund investment, typically on a short-term basis in anticipation of a repayment, refinancing or disposition, or a "sell down" to co-investors, including a future issuance of equity or long-term debt securities (a "**Bridge Financing**"). For reasons not always in the Funds' control (e.g., long-term debt securities are not issued or sell downs to co-investors are not consummated, and such Bridge Financings remain outstanding), if such Bridge Financings are not repaid, refinanced or disposed of, or not "sold down" to co-investors, a Fund's exposure to the applicable Fund investment will be larger than originally intended or desired. Furthermore, in such event, the interest rate on loans will not adequately reflect the risk associated with the unsecured position taken by such Fund.

Risks Arising from Provision of Managerial Assistance

A Fund may from time to time designate directors to serve on the boards of directors or similar governing bodies of portfolio companies. Moreover, in its efforts to avoid having the assets of such Fund constitute "plan assets" of any plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended, a Fund's general partner could, in this regard, elect to operate the Fund as a "venture capital operating company" (a "**VCOC**"). Operating as a VCOC would require that a Fund obtain rights to participate substantially in or influence the conduct of the management of a number of portfolio companies that represent a majority of such Fund's investment. The designation of directors or similar persons and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure to supervise management, violation of government regulations and other types of liability. If these liabilities were to occur, then the Fund would suffer significant losses in its investments. While Tailwind intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful

claims cannot be precluded.

Although such board positions in certain circumstances will be important to a Fund's investment strategy and are intended to enhance Tailwind's ability to manage investments, they could also have the effect of impairing ability of such Fund's general partner to sell the related securities when, and upon the terms, it otherwise desires and could subject Tailwind, the general partner and the Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify Tailwind from such claims.

Enhanced Scrutiny and Regulations of the Private Funds and Financial Services Industries

The growth of the private funds industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, has prompted governmental and public attention to the private funds industry and its practices over the past fifteen years. In particular, on July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). This comprehensive reform of the United States' financial regulatory system, among other things, requires registration with the SEC of advisers to private funds whose assets under management exceed \$150 million (with certain limited exceptions) and imposes reporting and record-keeping obligations with respect to the private funds they advise. The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity and hedge funds and other provisions that affect the private funds industry, either directly or indirectly.

In addition, as alternative asset managers have become influential participants in the U.S. and global financial markets and economy generally, the private funds industry has been subject to criticism by some politicians, regulators and market commentators. In Germany, for example, U.S. and U.K. private equity firms are perceived by some as having been responsible for certain high profile bankruptcies as well as high levels of domestic unemployment. There have been similar concerns expressed in other European countries. Various federal, state and local agencies have examined the role of placement agents, finders and other similar private funds service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions have targeted private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on Tailwind, the Funds or any of their respective affiliates, or otherwise impede the Funds' activities.

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

With respect to interpretation and enforcement in the United States, the SEC stated publicly in recent years that its Division of Examinations (f/k/a Office of Compliance Inspections and Examination) intensified efforts to examine private fund advisers, with a focus on issues of concern identified in the course of presence exams of newly registered advisers that occurred shortly after the enactment of the Dodd-Frank Act. Such issues included, among others, the disclosure and allocation of fees, costs and expenses; marketing practices; portfolio management; conflicts of interest; safety of client assets; and valuation. Consistent with such efforts, the SEC dramatically increased its pursuit of enforcement actions against private fund managers. Such actions alleged a variety of conduct, including undisclosed or unapproved related-party and affiliate transactions, as well as undisclosed fees, costs and expenses and other undisclosed conflicts of interests. Industry observers generally agree that the increasing enforcement trend is likely to continue.

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

The SEC has also proposed amendments to rules and disclosure forms (the “**Proposed ESG Rules and Forms**”) to increase disclosure obligations regarding certain funds’ and advisers’ incorporation of environmental, social and governance factors in their investment process and a new oversight rule and rule amendments under the Advisers Act (the “**Proposed Outsourcing Rules**”) that would prohibit registered investment advisers from outsourcing certain services and functions without conducting due diligence and monitoring of the service providers. Finally, the SEC has also proposed new rules and amendments to Rule 206(4)-2 under the Advisers Act (the “**Proposed Custody Rule Changes**”) and, together with the Proposed Private Funds Rules, the Proposed Form PF Amendments, the Proposed ESG Rules and Forms and the Proposed Outsourcing Rules, the “**Proposed Rules**”), which would expand the current custody rule to cover a broader array of client

assets and advisory activities and impose new custodial protections on client assets held under the Advisers Act.

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

There can be no assurance that a Fund, a general partner of a Fund, Tailwind or any of their respective affiliates will avoid regulatory examination and possibly enforcement actions. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including undisclosed fee sharing arrangements with co-investors; the undisclosed disproportionate allocations of fees, costs and expenses to managed funds for services that benefited the applicable adviser but without cost to the adviser; the undisclosed allocation of transaction fees to co-investors to reduce the magnitude of management fee offsets; engagement in unregistered broker-dealer activities; the undisclosed allocation of the fees, costs and expenses related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses); undisclosed legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser; and the undisclosed acceleration of monitoring fees. Although Tailwind believes the foregoing practices were or have been common historically amongst private fund advisers within the U.S. private funds industry, if the SEC or any other governmental authority, regulatory agency or similar body takes issue with the practices of any Fund or the general partner of a Fund, Tailwind or any of their respective affiliates as they pertain to any of the foregoing or any other activities, such Fund, general partner of a Fund, Tailwind or any of their respective affiliates will be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against Tailwind was small in monetary amount, the Funds, the general partners of the Funds, Tailwind or any of their respective affiliates could be subject to adverse publicity relating to the investigation, proceeding or imposition of any such sanction.

There is also a risk that regulatory agencies in the United States and beyond will continue to adopt new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations.

In summary, regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, whether in the United States or abroad, could increase the cost of acquiring, holding or divesting investments of a Fund, lower the profitability of such enterprises and raise the cost of operating a Fund. Additional regulation could

also increase the risk of third-party litigation. The transactional nature of the business of the Funds exposes the Funds, the general partners of the Funds, Tailwind and any of their respective affiliates generally to the risks of third-party litigation.

Enhanced Scrutiny of the Private Equity Industry Specifically

The regulatory environment for private equity funds is evolving, and changes in regulations that impact private equity funds could adversely affect the value of investments held by a Fund and the ability of a Fund to pursue its investment strategy. In light of the heightened regulatory environment in which the Funds and Tailwind operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Funds, Tailwind and their affiliates to comply with applicable regulatory obligations. The Funds could also be adversely affected by changes in the enforcement or interpretation of existing laws, rules and regulations, including tax laws, by federal, state and non-U.S. agencies, courts, authorities or regulators. The effect of any future regulatory changes on the Funds or Tailwind could be substantial and potentially adverse.

Recently proposed legislation in the United States would impose a number of highly significant restrictions and burdens on private fund managers, the funds that they sponsor and their investors. These proposals would, among other things (a) remove the limited liability status of investors in a private fund that acquires 20% or more of the voting securities of a portfolio company (a “**Controlling Interest**”) and hold the investors jointly and severally liable for debts and obligations of such portfolio company, (b) prohibit indemnification by a portfolio company of a private fund that holds a Controlling Interest in the portfolio company, as well as indemnification of the private fund’s manager, its affiliates and their respective employees and (c) prohibit any dividend recapitalization within 24 months of the date that a private fund acquires a Controlling Interest in a portfolio company. If these proposals were to be enacted, even if only in part, they would materially and adversely affect the ability of a Fund, the general partner of a Fund, Tailwind and any of their respective affiliates to engage in the investment activities and other operations that they are intended and expected to engage in. This could result in a Fund being unable to meet its investment objectives, or could require a Fund to make, hold, manage and exit investments and otherwise operate in a manner that involves greater potential liability, risk and expense with lower potential returns for investors, including due to the use of parallel funds, feeder funds and alternative investment vehicles.

In that regard, prospective investors should note that the outcome of the 2024 U.S. presidential and other elections creates uncertainty with respect to legal, tax and regulatory regimes in which the Funds and their portfolio companies, as well as the general partners of the Funds, Tailwind and any of their respective affiliates will operate. In addition to the proposed legislation described above, any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs during the terms of the Funds could have a material adverse impact on the Funds and their investments.

Fund, General Partner and Manager Registration

None of the Funds are registered under the Investment Company Act. The Investment Company Act provides certain protection to investors and imposes certain restrictions on registered

investment companies (including, for example, limitations on the ability of registered investment companies to incur leverage), none of which will be applicable to the Funds. Tailwind is not registered as a broker-dealer under the Securities and Exchange Act of 1934, as amended (the “**Exchange Act**”), or with the Financial Industry Regulatory Authority, Inc. (“**FINRA**”) and, consequently, is not subject to the record-keeping and specific business practice provisions of the Exchange Act or the rules of FINRA.

Tailwind is registered as an investment adviser under the Advisers Act. Registered advisers are subject to substantial regulatory reporting and record-keeping requirements regarding their investment advisory businesses. Compliance with these reporting and record-keeping requirements will require the expenditure of Tailwind’s resources and the attention of certain of its personnel who also have responsibilities on behalf of the Funds.

In addition to the foregoing, as a registered investment adviser under the Advisers Act, Tailwind will be obligated to periodically file Form PF with the SEC. Form PF requires Tailwind to report on matters such as exposures by asset class, geographical concentration, turnover and, in certain cases, leverage, risk profile and liquidity. Form PF filing requirements can be burdensome and can consume significant time and resources from both Tailwind and the Funds.

The Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) also provides certain protection to investors by imposing certain disclosure, reporting and recordkeeping obligations on Commodity Pool Operators (“**CPOs**”) and Commodity Trading Advisors (“**CTAs**”). However, pursuant to an exemption from the Commodity Futures Trading Commission (the “**CFTC**”) regulations, Tailwind does not expect that it will be required to register, and will not be registered, with the CFTC as a CPO with respect to any Fund. In addition, Tailwind relies on an exemption from registration as a CTA pursuant to Section 4m(3) of the Commodity Exchange Act. If Tailwind is not able to meet the requirements with respect to the exemptions from registration described above and if there are no other exemptions available, then Tailwind could be required to register with the CFTC as a CPO or CTA.

Cybersecurity

Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of the internet and telecommunications technologies to conduct financial transactions; the increased dependence of portfolio companies on internet-connected technologies that are susceptible to disruption from cybersecurity threats; the degree to which investment managers collect and maintain personal data, proprietary data, nonpublic data, and data compilations; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state and state-supported actors. Accordingly, Tailwind, the Funds and their portfolio companies face cybersecurity threats to gain unauthorized access to sensitive information and systems, including, without limitation, information regarding the Funds’ investors and the Funds’ investment activities, or to render data or systems unusable, which could result in significant losses. If such events materialize, they could lead to losses of sensitive information (including the personal data of the Funds’ investors) or capabilities essential to Tailwind’s, the Funds’ and their portfolio companies’ operations, could have a material adverse effect on their reputations, financial positions, results of operations or cash flows, and could lead to financial losses from remedial actions, loss of business, potential liability, or the disclosure of investors’

personal information. Tailwind, the Funds and their portfolio companies may need to make significant investments to fix or replace any inoperable or compromised systems or to modify or enhance their cybersecurity controls, procedures and measures. Similarly, the public perception that Tailwind, the Funds or their investments have been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat.

Cybersecurity threats and attacks are continuously evolving in nature and may include, but are not limited to, computer viruses, malicious or destructive code, spamming and phishing attacks, ransomware attacks, social engineering, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or vendors or other security breaches (by physical or electronic means) that could, among other things, lead to: disruptions in network access or business operations; unauthorized collection, monitoring, use or release of confidential or otherwise protected information; or loss, destruction or corruption of data. Tailwind's or a portfolio company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems, which may be difficult to detect for long periods of time, could arise in both Tailwind's or a portfolio company's internally developed systems and the systems of third-party service providers, upon which Tailwind or a portfolio company rely. Cybersecurity incidents have arisen in the past with respect to certain portfolio companies of investment funds, accounts or other advisory clients of certain affiliates of Tailwind. If a third-party service provider fails to adopt or adhere to adequate cybersecurity procedures, or if despite such procedures its networks or systems are breached, information relating to investor transactions and/or personal information of investors may be lost or improperly accessed, used or disclosed. Tailwind, the Funds and their portfolio companies, do not control the cybersecurity measures put in place by third-party service providers, and such third-party service providers could have limited indemnification obligations to Tailwind, the Funds and their portfolio companies, each of whom could be negatively impacted as a result. Given the variety and potential severity of cybersecurity threats, Tailwind, the portfolio companies and the third-party service providers upon which they rely may not have adequate insurance coverage to compensate against all losses.

Data Privacy and Security Laws and Regulations

Data protection, and compliance with laws and regulations related to privacy, data protection and information security, can require a significant expenditure of time and money, and a failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of Tailwind, the Funds, and/or a portfolio company.

Tailwind, the Funds and portfolio companies are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs could increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, the General Data Protection Regulation (EU 2016/679) (the “**GDPR**”) came into effect on May 25, 2018, replacing the Data Protection Directive (Directive 95/46/EC). The GDPR attempts to harmonize national data protection laws across the European Union (the “**EU**”) and modernize European privacy law to address new technological developments. The GDPR is binding

on data controllers and data processors in all EU member states, without the need for implementation in each member state. The GDPR notably has extra-territorial reach, such that it applies to data controllers and data processors either with an establishment in the EU or which offer goods or services to EU data subjects or monitor EU data subjects' behavior within the EU. The GDPR includes stringent operational privacy and security requirements on both data controllers and data processors (including a requirement for data controllers to provide certain disclosures to EU residents about their data processing practices), provides EU residents with certain individual privacy rights, and imposes significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the violation. In addition, following Brexit, the U.K. General Data Protection Regulation (i.e., a version of the GDPR as implemented into U.K. law) went into effect, which exposes Tailwind, the Funds and portfolio companies to burdens and risks comparable to those of the GDPR.

In the United States, at the federal level, Tailwind, the Funds and portfolio companies are subject to various rules and regulations, including those promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices (including with respect to data privacy and protection). Additionally, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, storage, use, disclosure and processing of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. The United States Congress also is considering, and may in the future consider, various proposals for data privacy and protection legislation.

At the state level, the California Consumer Privacy Act (the “CCPA”) provides California residents with certain individual privacy rights and imposes privacy and security obligations on covered companies. The CCPA requires covered companies to provide certain disclosures to California residents about such companies' data collection, use, sharing and other processing practices and to provide California residents consumers with ways to opt-out of certain sales or transfers of their personal information, and provides California residents with certain additional causes of action. As currently written, the CCPA may impact the policies of Tailwind, its affiliates, the Funds and their portfolio companies with respect to the processing of personal information. Additionally, the California Privacy Rights Act (“CPRA”), which became effective in most material respects starting on January 1, 2023, will significantly modify the CCPA, including by expanding California residents' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency which will be vested with authority to implement and enforce the CCPA and the CPRA. A number of other states have enacted, or are considering enacting, their own comprehensive data privacy laws. In addition, Tailwind, the Funds and portfolio companies are subject to data privacy and protection laws passed by many states, and by certain countries outside the U.S., that require enhanced levels of cybersecurity and notification to users and/or regulators when there is a security breach of personal information, including the New York SHIELD Act.

Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data, and some of our current and

planned business activities. Any failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as cause significant reputational harm.

Compliance Failures

Tailwind is a regulated entity, and any compliance failures or other inappropriate behavior by Tailwind and its affiliates are likely to have a material adverse effect on the Funds. The provision of investment management services is regulated in most relevant jurisdictions, and Tailwind must maintain its regulatory authorizations to continue to be involved both in the management of the Funds' investments and to continue Tailwind's businesses generally. Tailwind's ability to source and execute investment transactions for the Funds, and investor sentiment with respect to the Funds, will be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior by certain affiliates of Tailwind.

Use of Credit Facilities

The Funds are permitted to, and do, finance or refinance any Fund investment with debt (including any "back-leverage", asset-based or similar financing of or with respect to one or more investments), or incur other debt that is not used to finance or refinance the acquisition of investments, in each case, in accordance with the Funds' applicable governing documents, or guarantee any obligation or otherwise become contingently liable with respect to the indebtedness or other obligations of a subsidiary vehicle of a Fund or any portfolio company or any affiliate of any portfolio company. If a Fund enters into a credit facility with a lender or syndicate of lenders to borrow funds, such borrowing can be secured by, among other things, the aggregate commitments of such Fund's investors, such investors' obligations to make capital contributions and a collateral account of the Fund into which the payment by the investors of their available capital commitments are to be made. This will limit a Fund's investors' ability to use their interests in such Fund as collateral for other indebtedness. In addition, the inability of a Fund to repay such borrowings could enable a lender to take action against any investor to the extent of its then unfunded capital commitment in such Fund.

Because the Funds intend to use such borrowings or financings to fund investments, expenses and management fees in advance of calling capital from investors, (i) the internal rate of return experienced by an investor will differ from what it would have been had such borrowings or financings not been used and (ii) to the extent such internal rate of return is calculated based on the actual dates of capital contributions from, and distributions to, an investor, the use of borrowing and financings in lieu of calling capital will cause the date of contribution to be later in time resulting in a higher rate of return. Accordingly, the general partners of the Funds will have an incentive to fund the acquisition of investments and the ongoing capital needs of the Funds with the proceeds of borrowings or other financings in lieu of drawing down unfunded capital commitments.

Highly Competitive Market for Investment Opportunities

Over the past several years, an ever-increasing number of private equity funds with objectives similar to those of the Funds have been formed. Additional funds with similar investment objectives are likely to be formed in the future by other parties. Some of these competitors could have more relevant experience, greater financial resources and more personnel than Tailwind, the Funds and

certain of their respective affiliates. It is possible that competition for appropriate investment opportunities will increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made by the Funds.

Based on the foregoing, there can be no assurance that Tailwind will be able to identify or consummate investments satisfying a Fund's investment objectives. The success of a Fund will depend on Tailwind's ability to identify investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of its investments. Likewise, there can be no assurance that a Fund will be able to realize the values of its investments or that it will be able to invest its capital commitments. To the extent that a Fund encounters competition for investments, returns to its investors are likely to decrease.

Availability of Suitable Investments

While Tailwind believes that many attractive investments of the type in which the Funds invest are currently available, there can be no assurance that such investments will continue to be available or that available investments will continue to meet the Funds' investment criteria. Furthermore, a Fund could be unable to find a sufficient number of attractive investment opportunities to meet its investment objectives. Past performance is not necessarily indicative of future performance. Furthermore, to the extent the investment strategy of a Fund relies upon the recovery, stabilization or improvement of market and economic conditions and such events do not occur for an extended period of time, such Fund may not be able to invest a significant portion of its capital commitments during the Funds' commitment period.

Risks in Effecting Operating Improvements

The success of a Fund's investment strategy depends, in part, on the ability of Tailwind to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such improvements.

Litigation Risks

Tailwind, its affiliates and the Funds' portfolio companies to engage in a broad variety of activities. These activities have subjected and could in the future subject Tailwind and its affiliates to risks of becoming involved in litigation by third parties or could subject Tailwind, its affiliates, Tailwind investment professionals and the Operating Executives and senior advisors to investigations or proceedings initiated by governmental authorities. It is difficult to determine what impact, if any, such litigation could have on a Fund or on Tailwind and/or its affiliates. As a result, there can be no assurance that the foregoing will not have an adverse impact on Tailwind, its affiliates, Tailwind investment professionals and the Operating Executives and senior advisors or otherwise impede a Fund's ability to effectively achieve its objectives.

Follow-On Investments

A Fund could be called upon to make follow-on investments for, among other reasons, the funding of add-on acquisitions or repayment of indebtedness by a portfolio company or other obligations, contingences or liabilities, to satisfy working capital requirements or capital expenditures or in furtherance of a portfolio company's or any of its subsidiaries' or affiliates' strategies. The

amount of additional capital needed will depend upon a Fund's maturity and objectives and the particular portfolio company. Each such round of financing (whether from a Fund or other investors) is typically intended to provide a company with enough capital to reach its next major corporate milestone. If the funds provided are not sufficient, a company could have to raise additional capital at a price unfavorable to its existing investors, including the Funds. In addition, a Fund could make additional debt and equity investments for purposes of, for example, exercising its preemptive rights or warrants or options or converting convertible securities that were issued in connection with an existing investment in such portfolio company in order to, among other things, preserve such Fund's proportionate ownership when a subsequent equity or debt financing is planned, to protect the Fund's investments when, for example, such portfolio company's performance does not meet expectations, to enhance the value of an existing investment or in anticipation of disposition, refinancing, recapitalization or other transactions.

The availability of capital is generally a function of capital market conditions that are beyond the control of the Funds or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately future capital requirements necessary for success or that additional funds will be available from any source. A Fund could be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in such a portfolio company. There can be no assurance that the Funds will make follow-on investments or that it will have sufficient funds or the ability to do so. Any decision by a Fund not to make a follow-on investment or its inability to make such an investment could have a substantial negative impact on a portfolio company in need of such an investment or could diminish such Fund's ability to influence the portfolio company's future development.

ESG Considerations

Tailwind could take into account environmental, social and governance (“**ESG**”) factors in the sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring and disposing of Fund investments. Although compliance with such factors could result in higher ESG compliance fees, expenses or costs or the forgoing of certain opportunities, Tailwind believes that responsible ESG investing enhances the long-term value of portfolio companies and is an important element of responsible investing. There are no universally accepted ESG standards and not all investors agree on the appropriate ESG standards to apply in a particular situation. ESG integration and responsible investing practices as a whole are evolving rapidly, and different frameworks, methodologies, and tracking tools are being implemented by other asset managers. Therefore, Tailwind's approach to ESG integration may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. Tailwind will apply ESG standards and considerations in its sole discretion. In either case, an adverse impact on the results of the Funds' investments cannot be excluded.

Finally, there is also growing regulatory interest, particularly in the United States, the United Kingdom (“**UK**”) and EEA (which could be looked to as models in growth markets), in improving transparency around how asset managers, amongst others, define, measure and disclose impact of ESG factors on the performance of their clients and accounts. If the ESG policies become subject to additional regulation in the future, Tailwind cannot guarantee that its current approach will meet future regulatory requirements.

Long-Term Investments

It is anticipated that a significant portion of a Fund's portfolio will typically consist of investments that are likely to take several years from the date of initial investment by a Fund to reach a state of maturity when realization of the investment can be achieved. Although a Fund's investments could occasionally generate some current income, private investment transaction structures typically will not provide for liquidity of such Fund's investment prior to that time. The return of capital and the realization of gains, if any, from investments by a Fund will generally occur only upon the partial or complete disposition or refinancing of such investments.

It is unlikely that a public market will exist for any securities held by the Funds at the time of their acquisition. A Fund generally will not be able to sell securities held by it publicly unless the issuer has consummated a public offering of its securities and such offered securities are registered under applicable securities laws, unless an exemption from such registration requirements is available. In addition, in some cases, a Fund could be prohibited by contract from selling certain securities held by it for a period of time and, as a result, will not be permitted to sell a Fund investment at a time it might otherwise desire to do so. Further, disposition of such Fund investments are likely to require a lengthy time period or could result in distributions in kind to investors.

Projections

The general partners of the Funds will rely upon projections developed by Tailwind or a portfolio company concerning such portfolio company's future performance and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of Tailwind and such portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements, and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values and cash flow.

Investments Longer than Term

Investments of a Fund may not be advantageously disposed of (or disposed of at all) prior to the date that such Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Tailwind expects that investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Funds could be required to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Middle Market Companies

The Funds will generally pursue high-quality, asset-light services companies in the U.S. middle market and will generally target platform companies with enterprise values between \$100 - \$300 million that require \$50 - \$150 million of equity. Although investments in middle market companies can present greater opportunities for growth, such investments also entail larger risks than are customarily associated with investments in larger companies. Middle market companies tend to have relatively limited product lines, markets, and financial and other resources. As a result, such companies tend to be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth could be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of securities in smaller, private companies, which tends to make realizations

of investments in such companies more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle market companies, could make it difficult for a Fund to react quickly to negative economic or political developments.

Financial and Other Fraud

Instances of fraud and other deceptive practices committed by senior management or owners of portfolio companies in which a Fund invests will undermine Tailwind's due diligence efforts with respect to such companies and, if such fraud is discovered, negatively affect the valuation of such Fund's investments. In addition, when discovered, financial fraud could contribute to overall market volatility that can negatively impact a Fund's investment program. In the event of fraud by any portfolio company in which a Fund invests, such Fund could suffer a partial or total loss of capital invested in that company, and investors must be prepared to bear such capital losses.

Debt Investments

To the extent a Fund acquires debt investments, such debt investments could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bearing floating interest rates. Under the common-law doctrine of equitable subordination, to the extent a Fund acquires debt investments in its portfolio companies or other affiliated entities, such Fund's rights with regard to such investments would be subordinated to those of unaffiliated creditors. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for debt investments. Other factors could materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Debt investments will also entail normal credit risks (i.e., the risk of non-payment of interest and principal). Moreover, a debt investment bearing "paid-in-kind" interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing. In addition, a debt investment could be subject to redemption at the option of the issuer. If a debt investment held by a Fund is called for redemption, such Fund will be required to permit the issuer to redeem such investment, which could have an adverse effect on the Fund's ability to achieve its investment objective.

Leveraged Portfolio Companies

The portfolio companies and/or holding entities in which a Fund will invest are likely to be highly leveraged, thereby increasing the degree of credit risk inherent in each Fund investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and could impair 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. Furthermore, and as noted above, a Fund's debt investments could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bear floating interest rates. In the event any

portfolio company cannot generate adequate cash flow to meet debt service, a Fund could suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, the companies and securities in which a Fund will invest generally will not be rated by a credit rating agency.

Expedited Transactions

In many cases, investment analyses and decisions by Tailwind, the Funds and certain of their respective affiliates will be undertaken on an expedited basis in order for the Funds to compete effectively for available investment opportunities or meet deadlines established by selling shareholders. In such cases, the information available to Tailwind, the Funds and certain of their respective affiliates at the time of an investment decision will be limited, and Tailwind, the Funds and such affiliates are unlikely to have access to the detailed information necessary for a full evaluation of the investment opportunity. Further, a Fund is likely to conduct its due diligence activities in a very brief period (with limited or incomplete information) and would therefore assume the risks of obtaining certain consents or waivers under contractual obligations.

Market Conditions

A Fund's strategy with respect to certain investments may be based, in part, on the premise that appropriate businesses and assets will be available for purchase by such Fund at prices that Tailwind considers favorable. Further, the investment strategy of a Fund may rely, in part, on the existence of market conditions conducive to generating favorable prices during the term of such Fund. No assurance can be given, however, that appropriate businesses and assets can be acquired or disposed at favorable prices as this will depend, in part, on events and factors outside Tailwind's control.

Force Majeure Events

The Funds' investments could be subject to catastrophic events and other force majeure events. These events could include fires, floods, pandemics, earthquakes, adverse weather conditions, assertion of eminent domain, strikes, wars, riots, terrorist acts, "acts of God" and similar risks. These events could result in the partial or total loss of a Fund investment or significant down time resulting in lost revenues, among other potentially detrimental effects, and investors must be prepared to bear such losses. Some force majeure risks are generally uninsurable and, in some cases, investment agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period.

Fluctuations in Financial Markets

In recent years, various sectors of the global financial markets experienced an extended period of adverse conditions. During this period, market uncertainty increased dramatically, particularly in the United States and Europe, and adverse market conditions expanded to other markets.

These conditions resulted in periods of reduced liquidity, greater volatility, general widening of credit spreads, a contraction in the availability of credit and a lack of price transparency. These difficult global credit market conditions adversely affected the market values of equity, fixed-income and other securities and the availability of attractive debt financing. It is possible that such

circumstances could return. The long-term impact of such events would be uncertain, but they have had and in the future they could have an adverse effect on general economic conditions, consumer and business confidence and market liquidity.

An outbreak of disease or similar public health threat, or fear of such an event, could have a material adverse impact on the Funds, portfolio companies, businesses, financial conditions and operating results. As discussed below under “*Pandemics and Other Public Health Crises; General Economic and Market Conditions*,” the extent of the impact of a novel coronavirus (“**COVID-19**”) on such companies will depend on future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19, which are highly uncertain and cannot be predicted.

While Tailwind expects that the current environment will yield attractive investment opportunities for the Funds, the investments to be acquired by the Funds could be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could adversely affect the access to capital, ability to utilize leverage or overall performance of a Fund or one or more of the portfolio companies in which it invests, and these or similar events could affect the ability of such Fund to execute its investment strategy. Moreover, general fluctuations in the market prices of securities and interest rates could adversely affect the value of Fund investments and/or increase the risks associated with an investment in a Fund. There can be no assurances that conditions in the global financial markets will not deteriorate.

Banking Industry

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

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

amounts thereunder.

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

Although deposits with an FDIC-insured bank are insured to applicable limits, which are generally \$250,000 per depositor and per ownership category, and securities and cash held by certain broker-dealers are insured by Securities Investor Protection Corporation (“**SIPC**”), amounts in excess of the relevant insurance limit are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be attempted, and if it is, there can be no assurance that it will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets. It is also possible that there will be further involvement of governmental and other regulatory authorities in financial markets in the United States and/or around the world. The economic circumstances described above could continue or worsen in the future, and changes in general economic conditions are likely to affect a Fund’s activities, as well as those of its portfolio companies. For example, a Distress Event could have a potentially adverse effect on the ability of Tailwind to manage a Fund and its investments, and on the ability of Tailwind, a Fund and/or its 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 bearing additional fees and expenses in the event such Fund is not able to close a transaction (whether due to the inability to draw capital on a subscription facility provided by a Financial Institution experiencing a Distress Event, the inability or unwillingness of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to fund working capital needs (e.g., payroll), fulfill obligations or maintain operations.

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

Inflation

Companies in which a Fund invests could be sensitive to general downward swings in the global economy, including periods of sustained, elevated inflation such as the inflation in the United States and Europe, which has risen to levels not experienced in recent decades. While it is not possible to determine whether these inflationary factors are transitory or should be expected to continue over a medium or long term, inflation and rapid fluctuations in inflation rates have had and could continue to have negative effects on the economies and securities markets (both public and private) of certain countries in which a Fund may make investments. High rates of inflation could have an adverse impact on the Funds and their investments.

In addition, many world governments, as well as intergovernmental institutions and organizations, have undertaken and, in certain cases, continue to undertake various forms of fiscal stimulus, including setting interest rates that are (and have been for extended periods) at historic lows. On the other hand, the U.S. Federal Reserve has recently raised certain benchmark interest rates in an effort to combat inflation, and may continue to do so. 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 should be expected to have a significant effect on interest rates and on the U.S. and world economies generally, which in turn could affect the performance of the Funds' investments. Such stimuli, unless successfully managed and scaled back and wound down at the appropriate time and in the appropriate amounts, together with the passing of U.S. legislation calling for historically significant amounts of government spending, run a severe risk of being inflationary. 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 will 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 the Funds and their respective investments set out above.

Further financial crises could 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.

Financial Leverage

It is expected that the Funds will maintain financial leverage within certain of their portfolio companies and could re-leverage their investments in order to achieve this goal. Such leverage could be substantial, thereby increasing the degree of credit risk inherent in such investment. Utilization of leverage will result in fees, costs and expenses, including interest expense, to the Funds or their portfolio companies. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and could impair a Fund's ability to finance future operations and capital needs or to pay principal and interest on its investments when due. If a Fund is unable to refinance a portfolio company in order to maintain the desired amount of financial leverage, such Fund could realize lower than expected returns from the relevant Fund investment and could hold a larger than expected equity investment in such investment. Although Tailwind will seek to use financial leverage in a manner that it believes to be appropriate, the leveraged capital structure of such portfolio companies and Fund investments could significantly increase their exposure to adverse economic factors, such as rising interest rates, downturns in the economy, competitive pressures or deterioration in the condition of such portfolio companies or Fund investments or their respective industries. If a portfolio company cannot generate adequate cash flow to meet debt obligations, for example, then a Fund could suffer a partial or total loss of capital invested in the portfolio company, and investors must be prepared to bear such capital losses.

Changes in Credit Markets

A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) could impair, potentially materially, the ability of the Funds to consummate or profit from these transactions. More specifically, the ability of any portfolio company to finance or refinance its debt securities could depend on its ability to sell new securities in the high-yield debt or bank financing markets. Adverse changes in economic or financial market conditions similar to those that occurred in past years, such as the failure of certain U.S. financial services companies and a significant rise in market perception of counterparty default risk, could lead to the deterioration of the global credit markets (particularly the U.S. credit markets) and would make it difficult for sponsors to obtain favorable financing for investments. The recurrence of such marketplace events would significantly reduce investor demand and liquidity for investment grade, high yield and senior bank debt, which in turn would lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on relatively unfavorable terms. In addition, to the extent such marketplace events reoccur, they would have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies.

In addition, the recurrence of an economic downturn could adversely affect the financial resources of a Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund could lose both invested capital in and anticipated profits from the affected Fund investment. Such a marketplace would likely impair the ability of the Funds to consummate certain transactions or cause the Funds to enter into certain transactions on less attractive terms. The Funds' ability to generate attractive investment returns for their respective investors could be adversely affected to the extent its portfolio companies are unable to obtain favorable financing terms for their investments.

Investments in Restructurings or Underperforming Companies

The Funds could make investments in portfolio companies that are experiencing or are expected to experience financial difficulties, from which such companies never recover. Such investments could, in certain circumstances, subject a Fund to additional potential liabilities, which could exceed the value of such Fund's original investment therein. Such investments of the Funds could also be subject to U.S. federal bankruptcy law and U.S. state fraudulent transfer laws, which vary from state to state, if the securities relating to such Fund investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such Fund investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of the securities was a fraudulent transfer or conveyance, the court could void the payment obligations under the securities, further subordinate the securities to other existing and future indebtedness of the issuer or require a Fund to repay any amounts received by it with respect to the securities. In the event of a finding that a fraudulent transfer or conveyance occurred, the affected Fund would be unlikely to receive any repayment on the securities.

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

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment in a portfolio company, a Fund will generally be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of any business and therefore could be responsible for the content of disclosure documents. Such Fund could also be required to indemnify the purchasers of such investment or underwriters regarding certain matters, including the accuracy of any such representations or disclosure documents. These arrangements could result in the incurrence of contingent liabilities, which would be borne by the applicable Fund and for which such Fund could establish reserves or escrow accounts.

Non-Control Investments and/or Investments with Third Parties in Joint Ventures and Other Entities

If a Fund holds non-controlling interests in certain portfolio companies, it will primarily be the

responsibility of management teams and boards of directors of such companies, which could include representation by other investors whose interests could conflict with the interests of such Fund, to operate such portfolio companies on a day-to-day basis. Under such circumstances, there is the possibility that the entity in which a Fund's investments are made could have economic or business interests or goals that are inconsistent with those of such Fund, and the Fund may not be in a position to limit or otherwise protect the value of its investment in the entity. Although the Funds will generally seek board representation in connection with their investments, there is no assurance that such representation, if sought, will be obtained. Accordingly, the Funds will have a limited ability to protect their investments in such portfolio companies. Further, the Funds may have no right to appoint a director and a limited ability to protect its interests in such companies and to influence such companies' management. Such circumstances would also further limit a Fund's ability to choose the timing, manner or price of such Fund's ultimate exit from such investment, more so than would be the case if the Fund had more control over the portfolio company.

In addition, a Fund could co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain portfolio companies. In such cases, the applicable Fund will be significantly reliant on such third parties, the existing management and the board of directors of such companies, which would include representation of other financial investors with whom such Fund is not affiliated and whose interests could conflict with the interests of such Fund.

Moreover, in the case where a Fund co-invests, such investments will involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-venturer could have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Fund, or could be in a position to take action contrary to (or block action favorable to) the Fund's interests or goals. In addition, a Fund could in certain circumstances be liable for the actions of its third party partners or co-venturers. Fund investments made with third parties in joint ventures or other entities also could involve carried interests, incentive allocation and/or other fees or compensation payable to such third party partners or co-venturers. Although a Fund may not have control over these investments and, therefore, could have a limited ability to protect its position therein, Tailwind generally expects that appropriate minority investor rights will be obtained to protect such Fund's interests to the extent possible. There can be no assurance, however, that such minority investor rights will be available or that such rights will provide sufficient protection of a Fund's interests or that such rights will be controlled by a Fund.

Control Position Risk

Although non-control investments could also be made, it is expected that the Funds will make investments that allow the Funds to acquire control or exercise influence over management and the strategic direction of a Fund investment. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure to supervise management and other types of liability in which the limited liability characteristic of business operations could be ignored. The exercise of control over a Fund investment could expose the assets of a Fund to claims by the portfolio companies underlying such investments, its security holders and its creditors. While it is intended that the Funds will be managed to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Political Uncertainty and Rise of Populist Political Parties

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

Pandemics and Other Public Health Crises; General Economic and Market Conditions

Pandemics and other widespread public health emergencies have resulted and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could result in significant losses to the Funds.

An ongoing outbreak of COVID-19 has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, took severely restrictive measures, including instituting local and regional quarantines, restricting travel and movement (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of a large number of offices, businesses, schools, and other public venues. As a result, COVID-19 significantly diminished global economic production and activity of all kinds and contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments resulted in material reductions in demand across most categories of consumer and business activities, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, political protests, discourse and turmoil over mitigation efforts, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment. Certain of these issues are ongoing, and it is unknown whether those that appear to have been remediated will resurface. While vaccines for COVID-19 have been developed and widely distributed, there is no guarantee that any such vaccine will be durable and effective consistent with current expectations. Moreover, while circumstances related to COVID-19 have improved in many parts of the world, there is no guarantee that such conditions will continue and, in other parts of the world, COVID-19 continues to spread. New strains of the coronavirus, which could be more transmissible and/or more lethal, may give rise to future surges of COVID-19.

The ultimate impact of COVID-19, and the resulting precipitous decline in economic and commercial activity across nearly all of the world’s largest economies, on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects are possible, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive

countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which have and are continuing to evolve rapidly and could have unpredictable results. Even as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to a Fund or one or more of its portfolio companies. The extent of the impact on a Fund and its portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact could include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors could limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions could constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy such Fund intends to pursue, all of which could adversely affect such Fund’s ability to fulfill its investment objectives. They could also impair the ability of a Fund’s 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 including partial or total loss of value of a Fund’s portfolio investment. In addition, the operations of Tailwind, the Funds and their portfolio companies could 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 could also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

The success of the Funds’ activities will also be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds’ portfolio investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Funds’ portfolio investments, including, without limitation, common equity and related equity derivative instruments, high-yield securities, convertible securities and derivatives, including futures and option prices, which can be highly volatile. During periods of limited liquidity and higher price volatility, whether due to the continued spread and impact of COVID-19 or other economic causes, a Fund’s ability to acquire or dispose of its investments at a price and time that such Fund deems advantageous may be impaired. There is no guarantee that the Funds will be able to achieve their respective investment objectives or provide any return on invested

capital. For example, during the global financial crisis of 2007 to 2008, various sectors of the global financial markets experienced an extended period of adverse conditions featuring market uncertainty, reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. To the extent that marketplace conditions deteriorate, these conditions may have an adverse impact on the Funds and their investments.

Uncertain Economic, Social and Political Environment

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

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

Political tensions between the United States and China

Political tensions between the United States and the People's Republic of China ("PRC") have escalated since the COVID-19 outbreak, the PRC National People's Congress' passage of Hong Kong national security legislation, the executive orders issued by former U.S. President Trump in August 2020 that prohibit certain transactions with ByteDance Ltd., Tencent Holdings Ltd. and the respective subsidiaries of such companies, and the executive order issued by former U.S. President Trump in November 2020 that prohibits U.S. persons from transacting publicly traded securities of certain "Communist Chinese military companies" named in such executive order. Furthermore, in January

2021, the Chinese government announced sanctions against former secretary of state Mike Pompeo and other high-ranking officials under former U.S. President Trump. Tensions continued to rise when, in May 2022, U.S. President Biden said that the United States would intervene militarily to defend Taiwan if China invades Taiwan by force, when in August 2022, the PRC responded to the visit by former Speaker of the United States House of Representatives Nancy Pelosi to Taiwan by taking various actions including canceling dialogue with the U.S. on military issues, climate change and other topics and launching military exercises off the coast of Taiwan, and when in September 2022, the Biden administration announced a \$1.09 billion arms sale to Taiwan. Rising political tensions could reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on securities prices and the liquidity of a Fund's investments.

Discontinuation of LIBOR

Following announcements by the Financial Conduct Authority (“FCA”), which regulates the London Interbank Offered Rate (“LIBOR”), and ICE Benchmark Administration Limited, the administrator of LIBOR, the publication of most non-U.S. dollar LIBOR settings ceased as of the end of December 2021. While certain U.S. dollar LIBOR settings are expected to continue to be published until June 30, 2023, U.S. and other regulators issued guidance instructing banks to cease entering into new contracts referencing U.S. dollar LIBOR no later than December 31, 2021. The Federal Reserve Bank of New York currently publishes the Secured Overnight Financing Rate (“SOFR”) based on overnight U.S. Treasury repurchase agreement transactions, which has been recommended as the alternative to U.S. dollar LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve Board and the Federal Reserve Bank of New York. As of the date hereof, it is unknown whether SOFR will attain market acceptance in the loan market as a replacement for LIBOR and, because SOFR differs fundamentally from LIBOR, there is no assurance that SOFR will perform in the same way as LIBOR would have performed at any time. If SOFR does not prove to be a viable alternative to LIBOR in the loan market and no other viable alternative is adopted, it could cause a disruption in the credit markets generally. Such disruptions related to loans in the marketplace could have a material adverse effect on a Fund's ability to make investments in the future and which may have a material adverse effect on the investment returns of such Fund.

Any transition away from LIBOR to one or more alternative benchmark rates is complex and could have a material adverse effect on the value of the Funds' portfolio investments, including as a result of changes in the (i) business, financial condition and results of operations of the businesses that issue the Funds' portfolio investments, (ii) pricing and/or availability of investments and/or (iii) negotiations and/or changes to the documentation for certain of the Funds' portfolio investments and/or prospective investments, as well as the pace of such changes, disputes and other actions regarding the interpretation of current and prospective loan documentation, basis risks between investments and hedges, basis risks within investments (e.g., securitizations), costs of modifications to processes and systems, and/or costs of administrative services and operations, including monitoring of recommended conventions and benchmark rates, or any component of or adjustment to the foregoing.

Suitability of Investments

Investments in the Funds are not suitable for all investors. Such investments are suitable only for sophisticated investors and an investor must have the financial ability to understand and the willingness to accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in a Fund. Prospective investors with any doubts as to the suitability of an investment in a Fund should consult with their own advisors to assist them in performing their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in such Fund in light of their own circumstances and financial condition.

No Market for Limited Fund Interests

The limited partnership interests of the Funds will not be readily marketable, are not redeemable and are not transferable without the prior written consent of the applicable Fund's general partner, which it is permitted to withhold in its sole discretion. The interests in the Funds have not been and will not be registered under the Securities Act, or any state securities laws or the laws of any other jurisdiction. It is not contemplated that registration of such interests will ever occur. There will be no public market for the Funds' interests and none is expected to develop. Accordingly, it could be difficult to obtain reliable information about the value of such interests.

The Funds' interests are subject to restrictions on transferability and resale and cannot be transferred or resold except as permitted under the Securities Act and applicable state or other jurisdiction's securities laws pursuant to registration or exemption therefrom. In addition, such Interests may not be sold, exchanged, transferred, assigned, conveyed, pledged, mortgaged, encumbered, hypothecated, swapped, disposed of, severed or otherwise alienated at any time, in whole or in part, except as provided in the governing documents of the Funds. Each investor in the Funds will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its interests in the applicable Fund for investment purposes and not with a view to resale or distribution. Each investor in the Funds must also represent that, with the prior written consent of the general partner of the applicable Fund, it will only sell or transfer its interest in such Fund to a qualified investor under applicable securities laws or in a manner permitted by the applicable governing documents of such Fund and consistent with those laws. Except in limited circumstances, voluntary withdrawals from the Funds will not be permitted.

Accordingly, prospective investors should be aware that they will be required to bear the financial risks of an investment in an interest in a Fund for an indefinite period of time. There will be no public market for the interests of the Funds, and there is no obligation on the part of any person to register such interests under the Securities Act or any state or other jurisdiction's securities laws.

Transaction Fees

Tailwind or its affiliates receive Transaction Fees (as defined in "*Fees and Compensation*" above). While the governing documents of the Funds generally provide that a percentage of Other Fees will be used to offset or reduce the management fees payable by a Fund, there are circumstances where Fund investors will receive no benefit from such fees. Expenses that are reimbursed by a portfolio company include certain expenses that would not constitute Fund expenses, but instead would be borne by a Fund's general partner or Tailwind absent such reimbursement (as described in

a Fund's governing documents). The payment of such fees and expenses by a portfolio company could also be viewed as reducing the value of such portfolio company and accordingly the value of the applicable Fund's investment in such portfolio company.

When a fee is paid to Tailwind or its affiliates arising from a transaction where the Tailwind III Funds have invested, or propose to invest, alongside other co-investors and/or co-investment vehicles, aggregators and/or other similar vehicles established to co-invest alongside the Tailwind III Funds in connection with such Tailwind III Funds investment, only the portion that is allocable to the Tailwind III Funds' investment (based on the Tailwind III Funds' ownership percentage of the related portfolio company, as determined by Tailwind (which may be based on fully diluted ownership)) will reduce the obligations of the investors of the Tailwind III Funds to make capital contributions in respect of the management fee payable by the Tailwind III Funds to Tailwind. Accordingly, unless otherwise agreed by the general partner of a Tailwind III Fund or such affiliates with such other parties, Tailwind or such affiliates will be entitled to receive or retain the fees that are allocable to the investments made by such other parties alongside a Tailwind III Fund, and the amount of such fees will not reduce the obligations of the Tailwind III Fund investors to make capital contributions in respect of such management fee.

While it is generally not Tailwind's practice, the terms of a monitoring agreement could, in certain instances, provide for an acceleration of fees paid to Tailwind or its affiliates upon termination of such agreement following certain milestones (such as an initial public offering or sale); in such instances, Tailwind or its affiliates would be entitled to a lump-sum termination fee with respect to such agreement. As noted above, the governing documents of the Funds generally provide that any accelerated monitoring fees will be used to offset or reduce the management fees payable to a Fund, although there could be circumstances where Fund investors will receive no benefit from such fees and expenses in connection with their investment in a Fund.

It is expected that arrangements substantially similar to the foregoing will also apply to the Tailwind IV Funds, as well as any successor funds to the Tailwind IV Funds.

Diverse Membership

The investors of the Funds will have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual investors of the Funds could relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of Fund investments and the timing of disposition of investments. As a consequence, conflicts of interest will arise in connection with decisions made Tailwind, including decisions regarding the nature or structuring of investments that will be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, Tailwind will consider the investment and tax objectives of the Funds and the investors as a whole, and not the investment, tax or other objectives of any Fund investor individually.

Other Investment Activities and Relationships

In addition to responsibilities with respect to the management and investment activities of the Funds, Tailwind, the key persons of a Fund and their affiliates will have similar responsibilities with

respect to various other existing and future pooled investment vehicles and client accounts (collectively, the “**Other Tailwind Clients**”). The existence of such multiple vehicles and accounts necessarily creates a number of potential conflicts of interest.

Certain Tailwind professionals and Operating Executives and senior advisors, through their activities in the Related Advisors and their respective affiliates, provide management and advisory services and devote time to Other Tailwind Clients and their investments, including the Funds and any successor fund thereto (if applicable), for fees and certain performance-related payments. Conflicts of interest will arise in connection with management services and the allocation of management resources rendered to Tailwind Clients and the activities of Tailwind professionals on behalf of the Funds, including, without limitation, in connection with disposition decisions of the Funds’ investments in their portfolio companies (including in respect of timing, structuring and terms of the disposition thereof).

In addition to the foregoing, the activities of one or several Funds may not be the sole focus of Tailwind personnel and one or more of such persons have (and are expected to continue to have) required time commitments to Other Tailwind Clients, including future Other Tailwind Clients and each of their portfolio companies. Moreover, certain Tailwind personnel serve as members of the boards of directors, advisory boards and/or investment committees (or similar governing bodies) of various companies, venture capital firms, real estate private equity firms and other similar entities, and participate in other activities outside of the Funds, the Other Tailwind Clients and Tailwind and its affiliates. Tailwind personnel also reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to those arrangements. Conflicts will arise as a result of such activities and in the allocation of management resources. The possibility exists that the companies with which any such person or entity is involved could engage in transactions which would be suitable for a Fund, but in which such Fund might be unable to or in any event does not invest.

Conflicts due to Investment Activities of Other Tailwind Clients; Capital Structure Conflicts; Conflicts with Pre-Existing Investments

From the perspective of any of the Funds (the “**Applicable Fund**”), Tailwind will have ongoing interests, including economic interests, in Other Tailwind Clients and other investment vehicles or companies (collectively, “**Other Businesses**”). Such Other Business could be invested in or could otherwise have an economic interest in one or more of the Applicable Fund’s portfolio companies, in competitors of such portfolio companies or vendors, advisors or customers of such portfolio companies. The performance and operation of such Other Businesses could conflict with and adversely affect the performance and operation of the Applicable Fund or its portfolio companies and could adversely affect the prices and availability of business opportunities or transactions available to the Applicable Fund or its portfolio companies. There could also be conflicts between a portfolio company of the Applicable Fund and a portfolio company of an Other Tailwind Client. For example, a portfolio company of an Other Tailwind Client could be a competitor, customer or supplier of one of the Applicable Fund’s portfolio companies.

Accordingly, such entities and persons will experience a variety of conflicts of interest to the extent that the interests of such Other Businesses would be adversely affected by investment decisions that

would otherwise be in the best interest of the Applicable Fund or any of its portfolio companies. Similarly, if such entities or persons are faced with investment decisions for such Other Businesses that would be in the best interest of such Other Businesses but would otherwise adversely impact the Applicable Fund or any of its portfolio companies, they will nevertheless be incentivized to make such decisions for the benefit of such vehicles or businesses to the detriment of the Applicable Fund or any such portfolio company if they are economically or otherwise incentivized to do so (e.g., due to the prospect of earning more carried interest, management fee or other fees).

Such conflicts will be exacerbated when the Applicable Fund and an Other Tailwind Client invest in different parts of the capital structure of a particular portfolio company. In those circumstances, questions will arise as to whether payment obligations or covenants of such portfolio company should be enforced, modified or waived, or whether debt or other similar instruments should be refinanced or restructured. Decisions about what actions should be taken in circumstances of financial distress, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest (see more on financial distress below). In the event that the Fund has a controlling or significantly influential position in a portfolio company (which is expected to be the case with respect to most of the Applicable Fund's investments), it will have the ability to elect some or all of the members of the board of directors (or comparable governing body) of such portfolio companies, thereby controlling their policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, the Applicable Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of the portfolio company. Such management and operational decisions could, at times, be in direct conflict with the interests of Other Tailwind Clients that have invested in the same portfolio company that do not have the same level of control or influence. The presence of such investments by such Other Tailwind Clients could result in Tailwind exercising the Applicable Fund's position in such portfolio company (or electing not to exercise such position) in a manner that benefits such Other Tailwind Clients to the detriment of the Applicable Fund (or otherwise in a manner that is not otherwise in the Applicable Fund's best interest).

In addition, the involvement of Funds at multiple levels of equity and debt of the same portfolio company could inhibit strategic information exchanges among fellow creditors. In certain circumstances, such Funds could be prohibited from exercising voting or other rights, and could be subject to claims by creditors with respect to the subordination of their interest. Because of the different legal rights associated with debt and equity of the same portfolio company, Tailwind will face a conflict of interest in respect of the advice they give to, and the actions they take 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). Such persons or entities could express inconsistent views on commonly held investments or of market conditions more generally.

Furthermore, investments by more than one Fund in the same portfolio company also raise the risk of assets of one Fund being used to support positions taken by other Funds, or that a Fund remains passive in a situation in which it is entitled to vote. For example, if additional capital is necessary as a

result of financial or other difficulties, or to finance growth or other opportunities, in a portfolio company, the Other Tailwind Clients invested in the applicable portfolio company may or may not provide such additional capital in circumstances where the Applicable Fund is compelled, if not obligated, to make a follow-on investment (or vice versa). Further, in the event a portfolio company of the Applicable Fund experiences financial distress, the Applicable Fund should be expected to provide emergency debt or equity financing to the portfolio company without necessarily requiring co-investors to provide any portion of such financing. Conversely, if the Applicable Fund does not have sufficient funds, is otherwise limited in its ability to make or simply elects not to make a follow-on investment, Tailwind can organize another investment vehicle (including an Other Tailwind Client), or direct an existing Other Tailwind Client, or permit co-investors, to provide all or a portion of the necessary capital. Such Other Tailwind Client could have features substantially similar to or otherwise analogous to a co-investment vehicle and, in any event, such transaction could be effected on terms and conditions substantially similar to or otherwise analogous to those of a co-investment along-side the Fund, including Co-Investment Economics.

Such follow-on investments where there is differing participation as between the Applicable Fund, on the one hand, and an Other Tailwind Client or co-investor, on the other hand could give rise to, among other things, conflicts of interest in connection with valuing the securities or interests being issued or acquired in connection with such investment (to the extent that certain valuations are more likely than not to benefit the Other Tailwind Client or co-investor over the Applicable Fund or vice versa). There can also be differences in the timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, or existing portfolio or liquidity needs. These variations in timing could be detrimental to the Applicable Fund. In addition, if the Applicable Fund does not participate in a follow-on investment, this could result in a substantial dilution of the Applicable Fund's investment in the portfolio company and/or less favorable terms for the Fund in connection with its investment in the portfolio company as compared to the Other Tailwind Client or co-investor participating in the follow-on investment. Tailwind will also be incentivized to offer follow-on investment opportunities to any Other Tailwind Client or Co-Investor that provides the most favorable economics to the Manager. In any event, the application of the applicable partnership agreement and Tailwind's policies and procedures, if any, are expected to vary based on the particular facts and circumstances surrounding each investment by the Applicable Fund and any Other Tailwind Client or co-investor in different parts of a portfolio company's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there is likely to be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed. Although Tailwind will endeavor to resolve such conflicts of interest in a manner they determine to be fair and reasonable under the circumstances, and in the collective best interests of all of the relevant Funds under the circumstances, and over time, there can be no assurance that such conflicts will be resolved in a manner that is favorable to the Applicable Fund and its investors.

In the event a portfolio company of the Applicable Fund experiences financial distress, it could be in the best interest of an Other Tailwind Client to aggressively pursue the portfolio company's assets to fully satisfy its obligations or indebtedness to the Other Tailwind Client. In fact, any Other Tailwind Client holding securities or instruments that are more senior than those held by the Applicable Fund, or in circumstances where such Other Tailwind Client otherwise serves as a creditor (or in a similar capacity) to such company, is more likely to have a greater incentive to see those obligations or

indebtedness satisfied. As a result, the Applicable Fund is unlikely to have access to sufficient assets of the portfolio company to completely satisfy its bankruptcy claims, if any, against the portfolio company or to otherwise recover all or a portion of its investment in such portfolio company and, as a result, could suffer a loss. Because of the potential harm to the Applicable Fund's holdings, Tailwind should be disinclined to pursue the portfolio company's assets (or to pursue them as aggressively as might otherwise be the case) as a result of their conflicting interests with the Applicable Fund. There can be no assurance, however, that such persons or entities will be so disinclined. Conversely, although Tailwind should be incentivized under such circumstances to make riskier or more speculative investment decisions on behalf of the Applicable Fund with the hopes of extracting value from its junior securities or instruments that are otherwise significantly impaired, given how such decisions could be detrimental to the holdings of any such Other Tailwind Client, Tailwind is likely to elect to forego such investment decisions. This incentive to forego such investment decisions will be more pronounced if the Applicable Fund also holds securities or instruments similar to (or even more senior than) those held by (or if the Applicable Fund has otherwise co-invested alongside) such Other Tailwind Client, in addition to its more junior securities or instruments. Moreover, in a bankruptcy proceeding, the Applicable Fund's interest could be subordinated or otherwise adversely affected by virtue of any such Other Tailwind Client's involvement and actions relating to its debt or similar investment. This could result in a loss or substantial dilution of the Applicable Fund's investment, while the Other Tailwind Client recovers all or a portion of its investment.

In addition to the foregoing, any investment by the Applicable Fund in an entity in which an Other Tailwind Client has a pre-existing investment (or vice versa) could be viewed, particularly in hindsight, to have been made on the basis of a non-arm's-length valuation. Similarly, an Other Tailwind Client could later invest in entities in which the Applicable Fund has invested, which could have an effect (either positive or negative) on the market price of the Applicable Fund's investments. In addition, the Applicable Fund could participate in re-leveraging or recapitalization transactions involving portfolio companies in which Other Tailwind Clients hold a pre-existing investment (or vice versa) or in which they are contemplating an investment. Recapitalization transactions themselves present conflicts of interest, including determinations of whether existing investors are being "cashed out" at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than prevailing market terms.

In circumstances in which the Applicable Fund makes an investment in an entity in which an Other Tailwind Client holds a pre-existing investment, it should be expected that such Other Tailwind Client will make business decisions relating to such investment (such as, for example, financing or hedging interest rate, currency or credit risk) independently of the analogous decisions made with respect to such investment by the Applicable Fund. This could result in situations where the Fund chooses not to hedge certain risks that the Other Tailwind Client elects to hedge (or vice versa), or the possibility that the Applicable Fund is exposed to risks of financing on an investment when the Other Tailwind Client is not (or vice versa).

Accordingly, prospective investors in a Fund should expect that conflicts of interests will arise when one or more Other Tailwind Clients invest in a portfolio company in which the Applicable Fund holds an interest or when the Applicable Fund invests in a portfolio company in which one or more

Other Tailwind Clients hold an interest. As alluded to above, a Fund may or may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated fees, costs or expenses between or among the participating Funds. Further, there can be no assurance that the relevant Fund and the other Fund(s) with which it co-invests will exit such investment at the same time or on the same terms. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Moreover, in some instances, a Fund could have the opportunity to invest in a portfolio company with respect to which another Fund has decided not to exercise its tag rights under the applicable governing documents in connection with the exit of a third-party co-investor from such portfolio company. In such instance, conflicts of interest will exist in that the newly investing Fund will have an incentive to achieve the lowest purchase price, which could impact the valuation for the existing Fund, the Funds could have different exit objectives with respect to the portfolio company. In addition, the transaction could impact the management fee basis in the existing Fund (e.g., by reducing management fee basis as a result of the sale) and/or the newly investing Fund (e.g., by potential increasing management fee basis in the future). Further, the Manager could be incentivized to move an investment from one Fund to another Fund in order to maximize its carried interest or to reduce a potential carried interest clawback. The Applicable Fund could be any of the Funds in any of these scenarios. Given the nature of the relevant conflicts discussed above, there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds can adversely affect other Funds.

To the extent the circumstances go beyond what is expressly contemplated above, Tailwind will endeavor to resolve such conflicts of interest in a manner they determine to be fair and reasonable under the circumstances, or in the collective best interests of all of the relevant Funds under the circumstances, and over time.

Nevertheless, there can be no assurance that any such conflicts of interest will be resolved in a manner that is fair and equitable to the Applicable Fund or any of its portfolio companies. In fact, prospective investors in a Fund should not assume that such conflicts between or among such Funds (e.g., conflicts pertaining to the allocation of investment opportunities or expenses) will necessarily be resolved in a manner that favors the Applicable Fund as compared to the Other Tailwind Clients. Prospective investors should also not assume that such conflicts are more likely to be resolved in a manner that favors the Applicable Fund if the Applicable Fund also holds securities or instruments similar to (or even more senior than) those held by (or if the Applicable Fund has otherwise co-invested alongside) such Other Tailwind Client, in addition to its more junior securities or instruments.

Transactions Between and Amongst Funds and Portfolio Companies

From time to time, one or more Funds will acquire, sell or otherwise transact with investments or portfolio companies held by other Funds. To the extent any such acquisition, sale or other transaction is not exposed to market forces, such transactions create conflicts of interest because there is no assurance that any of the Funds involved will receive the best price possible, or that the applicable general partner, investment manager or any of their respective affiliates will not have an incentive to

improve the performance of one Fund even if at the expense of another Fund, including by selling underperforming assets to another Fund in order to, for example, avoid losses in the selling Fund or to increase the fees payable by the acquiring Fund. Additionally, in connection with such transactions, Tailwind and its officers, directors, managers, partners, members, shareholders, employees, agents, advisors, and personnel will, from time to time, have significant investments, or intentions to invest, in the Fund that is selling and/or acquiring such investments or otherwise have a direct or indirect interest in any such investment (such as through certain other participations in the investment). Tailwind could receive management fees or other fees in connection with their management of the relevant Funds involved in such transaction, and will also be entitled to share in the investment profits of (i.e., carried interest from) the relevant Funds.

Accordingly, as they relate to the Applicable Fund, such transactions result in conflicts of interest for Tailwind by giving rise to conflicting economic or other incentives or interests on different sides of such transactions. However, such transactions will generally be permitted where Tailwind determines in good faith that their terms are arm's-length and in the best interest of all the Tailwind Clients involved. Such determination could be reached in a number of ways, including, but not limited to, (i) pricing such transactions based on Tailwind's valuation policies and procedures, (ii) review and consultation with (but not necessarily in all cases, approval by) their respective limited partner advisory committees, (iii) the presence of or participation by unaffiliated third parties to help validate the terms thereof, (iv) employing separate investment teams, separated by "fire walls", or advised by separate legal counsel or financial advisors to represent the applicable Fund and to advise their respective general partners, (v) obtaining a fairness or similar opinion from a third-party valuation firm or investment banker with respect to the terms and conditions of such transaction, including the price, or (vi) running an auction process.

For example, in connection with (or subsequent to) a transaction involving the sale of an investment by one or more Funds to one or more third parties, one or more of the Funds (including a newly formed Fund or Funds) could acquire a portion of the investment being sold through a cross-trade (a "Tailwind Cross Transaction"). Such portion could represent a material portion of the investment being sold. Such Tailwind Cross Transactions resulting in differing participation as between the Applicable Fund, on the one hand, and an Other Tailwind Client, on the other hand could give rise to, among other things, conflicts of interest in connection with valuing the securities or interests being issued or acquired in connection with such transaction (to the extent that certain valuations are more likely than not to benefit the Other Tailwind Client over the Applicable Fund or vice versa). For instance, Tailwind is incentivized to negotiate for the highest price possible from the perspective of the selling Fund and the lowest price possible from the perspective of the acquiring Fund. In addition, when there is an opportunity to "roll over" equity in the investment, Tailwind could face a conflict in determining whether it will permit the selling Fund to itself "roll over" a portion of its equity in the investment or whether Tailwind will offer any such "roll over" opportunity to another Fund. Any acquisition by the Applicable Fund in a Tailwind Cross Transaction would be based on terms, including price, that Tailwind determines in good faith to be no less favorable than the arm's-length terms negotiated between the Fund selling the interest and the acquiring third party or third parties (assuming that the cross-trade does not otherwise occur on such terms). Similarly, any sale by the Applicable Fund to another Fund in such Tailwind Cross Transaction would be based on terms, including price, that Tailwind determines in good faith to be no less favorable than the arm's-length

terms negotiated between the Applicable Fund and the acquiring third party or third parties (again, assuming that the cross-trade does not otherwise occur on such terms). Notwithstanding the foregoing, it is possible in any such Tailwind Cross Transaction that an individual term (e.g., governance with respect to the portfolio company) granted to the acquiring third party or third parties will be more favorable than the corresponding term granted to the acquiring Fund. In any event, the application of the relevant partnership agreement and Tailwind's policies and procedures, if any, are expected to vary based on the particular facts and circumstances surrounding each investment by the Applicable Fund and any Other Tailwind Client and, as such, there is likely to be a degree of variation and potential inconsistencies, in the manner in which such potential or actual conflicts are addressed. In addition, all of the Funds participating in a cross transaction, including, for the avoidance of doubt, the Fund selling the investment, could be required to disclose the terms of such transaction to, or obtain the consent from, their respective advisory committees.

Without limiting the generality of the foregoing, if the Applicable Fund invests in the portfolio company of any Other Tailwind Client in a transaction that results in a disposition of all or any portion of such Other Tailwind Client's (such as a predecessor fund's) interests in such portfolio company (by way of example only, through a redemption or other similar transaction), or conversely, if all or any portion of the Applicable Fund's interests in a portfolio company is disposed of as a result of an investment by an Other Tailwind Client (such as a successor fund) in such portfolio company, then similar conflicts of interests as those described above in the context of a sale or acquisition between or amongst Funds will also apply and will be resolved in an analogous manner (although the conflicts of interests present in the context of any such transaction that is effected on terms and conditions that were generally pre-determined in advance of the applicable subsequent investment will be deemed to have been sufficiently mitigated). Notwithstanding the foregoing, where such a transaction includes parties other than Funds and funds flow between a non-Fund party and a Fund such that no funds actually flow directly or indirectly between two Funds, no actual cross-trade between Funds will be deemed to have occurred.

Finally, and similar to the foregoing, it is possible that the Applicable Fund or one or more of its portfolio companies could sell or acquire assets, securities, services or other property to or from, provide goods or services to, or otherwise transact with, Other Tailwind Clients or their portfolio companies, the Applicable Fund's other portfolio companies, or Tailwind. Tailwind expects that any such sales, acquisitions, provisions and transactions will occur in the ordinary course of operations (or otherwise in connection with the good faith and reasonable operations) of such Funds or such portfolio companies (including, but not limited to, in connection with the strategic or organic growth initiatives of such portfolio companies). Tailwind further expects that such transactions will occur on arms' length terms, but there will be instances in which any such determination will be subjective and reasonable people will disagree, especially if Tailwind is unable to collect sufficient evidence to support any such determination, including as a result of no sufficiently comparable transaction having been identified.

Co-Investment Opportunities

As described herein, Tailwind will in its discretion make available certain opportunities to co-invest with the Tailwind II Funds or the Tailwind III Funds or any successor funds to one or more investors of such Funds and other third-party investors. The allocation of any such co-investment

opportunity may or may not be in proportion to the commitments of such investors to a Fund and are likely to involve different terms and fee structures. In these cases, while Tailwind will seek to act in the best interest of the Fund, a party could argue that the Fund received a smaller allocation in the particular investment than it otherwise would have received if Tailwind had not provided the third party with the co-investment opportunity.

In addition, the governing documents of the Tailwind III Funds permit Tailwind to specify a percentage for purposes of additional co-investment for any calendar year by the Tailwind partners, other professionals, employees, and advisors (including the Operating Executives and senior advisors) of Tailwind, and family members or family investment vehicles of any person described above (any such person or entity, a “**Tailwind Person**”), the Fund’s general partner or their respective affiliates. If such a percentage is specified, the Fund’s general partner, the Tailwind Persons or their respective affiliates will make an additional investment on a side-by-side basis with the Fund in an amount equal to such specified percentage, not to exceed, 2% of the total amount available for investment by the Fund in each investment opportunity. Tailwind expects the Fund IV governing documents to contain a similar provision.

Any expenses attributable to a particular investment held by a Fund and any co-investment vehicle and/or committed co-investment fund, in each case established and managed by Tailwind or its affiliates, will generally be allocated among the Fund and such co-investment vehicle and/or committed co-investment fund pro rata in accordance with their respective aggregate invested capital in such investment. Any expenses associated with any proposed Fund investment that is ultimately not consummated (including any expenses that would have been allocable to co-investors had such proposed investments been consummated) will generally be borne by the applicable Fund (see “*Fees and Compensation*” above). In addition, such co-investment vehicles do not bear certain fees and expenses that are borne by the Funds, such as fees and expenses of third-party data feeds, subscriptions and reports, but indirectly benefit from such services.

Investor Advisory Committee

In certain situations, a Fund’s general partner is permitted to seek the approval of the members of a Fund’s investor advisory committee with respect to conflict of interest situations. Although a Fund’s investor advisory committee is intended to act as the representative of such Fund’s investors, the interests of the members of the investor advisory committee will not necessarily be aligned with the interests of other investors. Furthermore, a Fund’s investor advisory committee cannot be expected to be expert in private equity investing, and certain of its determinations could, in fact, adversely affect the performance of such Fund

The general partner is also permitted to choose to seek the approval of a Fund’s investors with respect to such situations. Such approval could be sought from investors having a majority of the aggregate investor commitments in a Fund, or from those having a majority of the capital invested in a particular investment, depending upon the circumstances. Any such approval by the investor advisory committee or Fund investors will be binding upon the applicable Fund and its investors.

Management of the Funds

Except as otherwise described in the confidential private placement memorandum and governing documents of the Funds, employees, officers, directors, principals, members and affiliates of a Fund’s

general partner are not obligated to devote their full time to such Fund, but will devote such time as a Fund's general partner in its sole discretion deems necessary to effectively carry out the operations of such Fund.

Conflicts with Portfolio Companies

Tailwind investment professionals, the Operating Executives and certain other senior advisors serve as directors of, or in similar governance roles for, certain portfolio companies of the Funds. In those instances where a Fund is not the sole shareholder of the applicable portfolio company, in addition to any duties such persons owe to the applicable Fund, if any, as directors of or in similar governance roles for portfolio companies, such persons could owe fiduciary duties to the other shareholders of the portfolio companies, which could be Other Tailwind Clients, and to persons other than the applicable Fund and Other Tailwind Clients. In general, such positions are often important to a Fund and such Other Tailwind Clients' investment strategies and could have the effect of enhancing Tailwind's ability to manage investments. However, such positions could also have the effect of impairing Tailwind's ability to cause a Fund and such Other Tailwind Clients to sell the related securities when, and upon the terms, it otherwise desires. In addition, such positions could place Tailwind investment professionals, the Operating Executives and certain other senior advisors in a position where they must make a decision that is either not in the best interests of a Fund or not in the best interests of the shareholders of the portfolio company—for example, in situations involving bankruptcy or the near-insolvency of a portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of a Fund, and *vice versa*. Should such personnel make a decision that is not in the best interest of the shareholders of a portfolio company, such decision could subject Tailwind and the Funds to claims that they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In addition, because of the potential conflicting duties, Tailwind could be restricted in choosing portfolio investments, which could negatively impact returns received by the Funds. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as a Tailwind investment professional or senior advisor or an Operating Executive and such individual's duties as a director of the portfolio company.

Operating Executives

Each Fund and each portfolio company is generally permitted, in its sole discretion, to retain the services of one or more business executives or other professionals who, in the good faith determination of Tailwind and/or such portfolio company, possess relevant experience or expertise to serve as consultants or senior advisors to the applicable Fund, Tailwind or such portfolio company (each such person, an **"Operating Executive"**). Operating Executives could be former, current or prospective executives of former, current or prospective portfolio companies of a Fund, industry executives or advisors, research consultants, financial experts, sourcing consultants, members of expert networks, operating executives, senior advisors, former employees or partners of Tailwind, subject matter, industry or regulatory experts or other individuals acting in a similar capacity, and the scope of the services to be provided by any Operating Executive could include advice with respect to existing investments and/or potential investments of the Fund. Furthermore, the Fund, Tailwind and each portfolio company is permitted to engage, retain or employ Operating Executives in any manner it deems reasonable or desirable under the circumstances, including either as independent contractors or employees for U.S. federal income tax, labor or other purposes, and such

engagements, retainers or employment can be with the Fund, Tailwind or with any portfolio company (an “**Operating Executive Employer**”). An Operating Executive Employer of an Operating Executive is permitted, unless agreed to otherwise, to terminate the engagement, retainer or employment of such Operating Executive at any time and for any reason, in its sole and absolute discretion. The Operating Executive Employer is also permitted to determine the nature, form and amount of compensation of any such Operating Executive, the nature of which could include any form of Service Provider Compensation (“**Operating Executive Compensation**”). Unless otherwise determined by the applicable Operating Executive Employer in its sole discretion, all Operating Executive Compensation will be borne by the applicable Fund or by the portfolio companies to which the Operating Executives provide services, as applicable, and not by Tailwind. For the avoidance of doubt, unless otherwise determined as described in the preceding sentence, the Fund or the applicable portfolio company will reimburse Tailwind for the amount of any Operating Executive Compensation paid by Tailwind.

Because Operating Executive Compensation is not borne by Tailwind (except as otherwise determined as described in the preceding paragraph), Tailwind has an incentive to engage a prospective employee of Tailwind as an Operating Executive, rather than as an employee of Tailwind. This incentive is heightened by the flexibility afforded to Tailwind in connection with how to structure any such engagement, retainer or employment, which will include permitting such executive to exhibit indicia similar or comparable to that of an employee of Tailwind (by way of example only, but without limitation, by virtue of possession of business cards containing the name or logo of Tailwind; possession or use of computer hardware, a mobile device, a dedicated telephone number (or extension), or an electronic mail address similar to one used by other such employees of Tailwind; access to (and use of) Tailwind’s office space or office files (including electronic files); access to (and use of) a dedicated workspace in Tailwind’s office; attendance at regular or periodic employee meetings of Tailwind (such as weekly transaction “pipeline” meetings); and attendance before or at Tailwind’s investment committee meetings). Such indicia will have no bearing on such Operating Executive’s treatment as an Operating Executive and not as a Tailwind Employee for purposes of the partnership agreement of the applicable Fund.

Although Tailwind intends to make all Operating Executive engagement, retainer or employment decisions in good faith and only to the extent that any such Operating Executive possesses substantial, significant or otherwise relevant experience or expertise to serve in the capacities for which she, he or it is (or they are) engaged, it will not always be readily apparent that such decisions were necessarily made in such fashion and reasonable people will disagree.

Material, Non-Public Information

By reason of their responsibilities in connection with their other activities, certain Tailwind personnel will acquire confidential or material non-public information or could be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Such restrictions could adversely impact the Funds and their investors.

As a result of Tailwind’s activities, Tailwind and certain Tailwind personnel could acquire confidential or material non-public information and therefore be restricted from initiating

transactions in certain securities. Tailwind does not intend to operate the investment activities of the Funds with ethical screens or information barriers that other investment management firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks arising from the foregoing, Tailwind's Chief Compliance Officer maintains a list of restricted securities with respect to which Tailwind could have access to material non-public information and in which neither the Funds nor any Other Tailwind Clients will be permitted to trade. In the event that employees of Tailwind obtain such material non-public information, Tailwind could be restricted in acquiring or disposing investments on behalf of the Funds and Other Tailwind Clients, which could impact the returns generated therefor.

Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in Tailwind or certain of its affiliates, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on Tailwind's reputation, result in the imposition of regulatory or financial sanctions and, as a consequence, negatively impact Tailwind's ability to provide its investment management services to the Funds and Other Tailwind Clients. In addition, while Tailwind currently intends to operate without information barriers, it could be required by certain regulations, or decide that it is advisable, to establish information barriers.

Side Letters

A Fund's general partner is permitted, from time to time, to enter into Side Letters or other similar arrangements with one or more investors without the consent of any other Fund investor that have the effect of establishing rights under, or altering or supplementing the terms of, the governing documents of the applicable Fund as they apply to a particular Fund investor (including with respect to carried interest, management fees and other fees, costs and expenses). As a result of such Side Letters, certain investors receive additional benefits that other investors will not receive (or terms that are more favorable than the terms given to other investors), including, without limitation, (i) "most favored nations" treatment with respect to terms granted in other Side Letters; (ii) the right to appoint a voting or non-voting member to the Fund's investor advisory committee and any rights or procedures relating to such appointment; (iii) terms that relate to the tax, legal or regulatory situation, internal policies or practices, structural attributes, operational or contractual requirements, administrative controls, principal place of business, jurisdiction of formation, sovereign status or domicile or organizational form of the applicable investor; (iv) waivers of the confidentiality obligation under a Fund's governing documents or other rights relating to the confidential information of a Fund or such investor; (v) the right to be excused from the obligation to make a capital contribution with respect to a Fund investment as a result of a statute, rule, order or legal, regulatory, policy-based or other similar restriction or limitation applicable to the investor; (vi) representations and covenants from a Fund or its general partner addressing the payment of placement fees or similar payments made with respect to the admission (or continued investment) of certain investors, including provisions intended to address the requirements of anti-"pay-to-play" or similar laws, rules, regulations or policies; (vii) consents to or rights with respect to the direct or indirect sale, exchange, transfer, assignment, pledge, hypothecation, swap or other disposition of the applicable investor's interest in a Fund; (viii) rights with respect to the reporting obligations of

Tailwind, a Fund or any affiliate, director or officer of any of the foregoing, including the reporting or notice of or access to information not otherwise contemplated by a Fund's governing documents; (ix) terms clarifying or limiting the scope of any power of attorney set forth in a Fund's governing documents; (x) waivers, discounts or other reductions to the management fee or carried interest (including deferrals of carried interest distributions) or other economic benefits, including limitations on the applicable investor's pro rata share of any general or specific category of fees, costs or expenses of a Fund, or other limitations on expenses; (xi) any modification to any representation, warranty or indemnity by any investor or any covenant or agreement, set forth in an investor's subscription agreement; (xii) any agreement with regard to the documentation or information to be provided by (or not provided by) an investor in connection with any guarantees, loans, borrowings, financings or other extensions of credit by a Fund, or any other rights or entitlements related thereto; (xiii) rights or entitlements to participate as, or to be offered opportunities to participate as, a co-investor with respect to one or more Fund investments; (xiv) any agreement with respect to the confidentiality or disclosure of the identity of an investor (or one or more of its affiliates, beneficial owners or other related parties); and (xv) any agreement with respect to jurisdiction, trial by jury, choice of law or venture applicable to an investor. The other investors will have no recourse against the Funds, Tailwind or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters.

Investcorp Private Equity Fund Transaction

In December 2021 and March 2022, Investcorp's Strategic Capital Group (together with its related investment entities, "**Investcorp**") made a passive minority investment in certain of Tailwind's existing and future related general partner and management company entities. Investcorp has no authority over the day to day operations or investment decisions of Tailwind or the Funds as a result of such investment. Investcorp has certain informational and other minority protections consistent with passive investments in investment advisory firms. Although it intends to maintain operations, strategy and investment decisions separate from Investcorp, Tailwind generally will have incentives to conduct operations in a manner that benefits Tailwind and its affiliates and Investcorp.

Service Providers

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants (including Operating Executives and senior advisors) and investment or commercial banking firms), to the Funds could also provide goods or services to, or have business, personal, financial or other relationships with, Tailwind and its affiliates. Such advisors and service providers could be investors in a Fund, affiliates of Tailwind, sources of investment opportunities or co-investors or commercial counterparties. Additionally, certain employees of Tailwind could have family members or relatives employed by such advisors and service providers. These relationships could influence Tailwind in deciding whether to select or recommend such a service provider to perform services for a Fund or Tailwind. Notwithstanding the foregoing, transactions relating to a Fund, Tailwind or its affiliates that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which will take into account various considerations. In certain circumstances, advisors and service providers, or their affiliates, could charge different rates or have different arrangements for services provided to Tailwind or their affiliates as compared to services provided to a Fund, which in certain circumstances could result in more favorable rates or arrangements than those payable by a Fund.

Tailwind addresses these conflicts of interest by using reasonable diligence to ascertain whether each such advisor and service provider (including law firms) provides its service on a “best execution” basis, taking into account factors such as reputation, past experiences with the service provider, expertise, operational and regulatory controls, availability and quality of service and the competitiveness of compensation rates in comparison with other advisors and service providers satisfying Tailwind’s service provider selection criteria. Tailwind could recommend to a Fund or one of its portfolio companies that it contract for services with such advisors or service providers. The receipt of services with respect to non-Fund matters will influence or have the appearance of influencing Tailwind’s decisions whether to select such advisor or service provider for a Fund or whether to recommend such advisor or service provider to a portfolio company of a Fund. Furthermore, to the extent such advisor or service provider relies or depends on Tailwind for such recommendations or selection, such advisor or service provider will be conflicted in the course of work that otherwise requires independence or impartiality. In certain circumstances, advisors or service providers charge rates or establish other terms in respect of advice and services provided to Tailwind and its affiliates or to Other Tailwind Clients that are different and more favorable (including in terms of pricing) than those established in respect of advice and services provided to the Funds and their portfolio companies.

Prospective investors of the Funds should assume that Tailwind and its affiliates and Other Tailwind Clients will be permitted to receive discounts or be the beneficiary of discounts, “caps” or “write-offs” with respect to services that are similar or related to those also provided to the Funds or their portfolio companies, without such discounts, “caps” or “write-offs” benefiting or being available to the Funds or such portfolio companies (it being understood that a portfolio company will generally not enjoy such discounts, “caps” or “write-offs” in any event because they will engage advisors or service providers on their own behalf and on independent terms). Such discounted, “capped” or “write-off” fee arrangements should be expected and the possibility of complex conflicts of interest cannot be foreclosed.

Lastly, Tailwind’s employees and certain of its affiliates and/or strategic partners, including supervised persons of Tailwind, are permitted to choose to participate as purchasers of certain products and services of the portfolio companies of Other Tailwind Clients at standard rates or at the Manager’s negotiated rate, on the same terms and conditions as Tailwind or the Other Tailwind Clients, and thus are beneficiaries of such arrangement(s) to the extent utilized and accordingly pay their share of these costs and expenses. Each person or entity that purchases products and services at the negotiated rate either contracts directly with the provider for those products and services and is billed separately for the products and services it purchase, or reimburses Tailwind for their share of actual costs, and is liable for the cost of those products and services. In addition, the Tailwind Persons and certain of their affiliates and/or strategic partners could receive products or services of the portfolio companies of Other Tailwind Clients at cost or below cost, or at a discount. These practices will present a conflict of interest as it will provide such persons an incentive to recommend certain products and services based on the benefits received. Tailwind has a code of ethics, among other compliance policies, in place to address such potential conflicts of interest.

Item 9 Disciplinary Information

Tailwind and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel. In connection with litigation filed against portfolio companies, certain Tailwind investment professionals could be named as co-defendants in their capacity as directors of such portfolio companies.

Item 10 Other Financial Industry Activities and Affiliations

Tailwind is affiliated with the Related Advisors, which serve as the general partner to their respective Funds and rely upon Tailwind's registration with the SEC.

Tailwind or a Related Advisor will be responsible for all decisions regarding portfolio transactions of the Funds and has full discretion over the management of the Funds' investment activities. All of the Related Advisors' investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the Related Advisors are subject to the supervision and control of Tailwind. Thus, the Related Advisors, all of their employees and the persons acting on their behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act against the Related Advisors. Operating Executives and senior advisors are generally not subject to the supervision and control of Tailwind and are not considered "persons associated with" Tailwind.

Employees of Tailwind and Operating Executives and senior advisors will, at times, serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of a Fund invested in such portfolio company, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individuals' duties as an employee of Tailwind, an Operating Executive, or senior advisor and such individuals' duties as a director or officer of such portfolio company.

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

Tailwind has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that is predicated on the principle that Tailwind owes a fiduciary duty to the Funds. Accordingly, employees of Tailwind must disclose or avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interest of the Funds. Tailwind will provide a copy of Tailwind's Code of Ethics to clients, prospective clients, investors and prospective investors upon request.

Tailwind's employees and certain non-employees such as Operating Executives, senior Advisors and other consultants that are deemed to be Access Persons, as defined by Rule 204A-1, must have written pre-clearance for all transactions involving initial public offerings, private placements and certain publicly traded securities before executing the transactions. Tailwind may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper. Tailwind also endeavors to maintain current and accurate records of all personal securities

accounts of its Access Persons in an effort to monitor all such activity.

Tailwind, its employees or a related entity will have an investment in each Fund. For example, the general partner for each Fund is owned in part by Tailwind's partners. In addition, Tailwind and its general partners will participate in the Funds' investment programs by agreeing to commit a certain percentage of the Funds' total capital commitments or a certain amount as defined in the Funds' governing documents. Therefore, Tailwind, its employees or a related entity will indirectly participate in transactions effected for the Funds.

Item 12 Brokerage Practices

Tailwind focuses on making investments in private securities, thus it does not ordinarily pay commissions to broker-dealers in connection with such investments. To the limited extent that Tailwind transacts in public securities, it intends to select brokers based upon the broker's ability to provide best execution for the Funds. Tailwind is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for the Funds, Tailwind will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices; (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counterparty; and (iv) the competitiveness of commission rates in comparison with other broker-dealers. Although Tailwind will generally seek competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions could involve specialized services on the part of a broker-dealer, which could justify higher commissions and equivalents than would be the case for more routine services.

Tailwind does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to Tailwind's own research effort. Outside of routinely available research, Tailwind's policy is to bear the cost of research it receives and does not direct trading activity in lieu of payments for research or other services.

Item 13 Review of Accounts

Tailwind focuses on making private equity investments in companies in the middle-market. All investments are carefully reviewed and approved by the investment committee. Investment committee approval also requires the approval of Tailwind's Managing Partners. The portfolio companies are reviewed on a regular basis and Tailwind's investment professionals meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

Tailwind provides Fund investors with quarterly written reports and capital account statements, capital call/distribution notices, periodic press releases and annual tax information necessary to complete any applicable tax returns. Fund investors also receive annual audited financial statements. In addition, Tailwind holds annual meetings with the investors of the Funds as well as with the relevant Fund investor advisory committees (which may be conducted via video conference).

Tailwind will, at its discretion, agree to provide certain Fund investors with more frequent meetings, updates or certain other reports than those described above due to legal, regulatory or internal policy constraints faced by such Fund investors or as a result of the specific needs of such Fund investors. Expenses incurred in connection with such meetings or reports are expected to be borne by the Fund.

Item 14 Client Referrals and Other Compensation

During a fundraising cycle, Tailwind may compensate placement agents who introduce new investors that commit capital to a Fund. Any fees and expense reimbursements payable to any such placement agents are generally borne by Tailwind through an offset against management fees payable by the relevant Fund. Such fees and expense reimbursements may be paid over a several year period that extends beyond the end of the fundraising cycle.

Please see the discussion regarding Transaction Fees in “*Fees and Compensation*” above.

Item 15 Custody

Cash, cash equivalents and, generally, certificated securities of clients are held in custody by unaffiliated broker/dealers or banks; however, Tailwind has access to client accounts since an affiliate serves as the general partner of each Fund. Fund investors will not receive statements from the custodian. Instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of each Fund’s fiscal year end.

Item 16 Investment Discretion

The general partner of each Fund has discretionary authority to determine, without obtaining specific consent from the Fund or its investors, the securities and amount to be bought or sold. Any limitations on authority are included in the Fund’s confidential private placement memorandum and other governing documents, including Side Letters with particular Fund investors.

Where appropriate, Tailwind intends to provide co-investment opportunities to certain Co-Investment Funds, certain Fund investors and other third-party investors. These co-investment opportunities could be offered to the Co-Investment Funds or as interests in other limited partnerships or other similar entities formed for each investment. Tailwind will allocate the available investments among the Funds, such co-investment entity and any third parties, including strategic investors, lenders, Operating Executives and senior advisors of Tailwind, Fund investors and/or other investors, as it may in its sole discretion determine. In addition, the governing documents of the Tailwind III Funds permit Tailwind to specify a percentage for purposes of additional co-investment for any calendar year by Tailwind Persons, the Fund’s general partner or their respective affiliates. See

“Methods of Analysis, Investment Strategies and Risk of Loss—Co-Investment Opportunities” above.

Item 17 Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Tailwind has adopted and implemented written policies and procedures governing the voting of client securities.

Most of the portfolio companies in which the Funds invest are private companies which typically do not issue proxies. However, in the event proxies have to be voted, Tailwind has adopted proxy voting policies and procedures, and will be responsible for voting proxies on behalf of the Funds. Tailwind will vote client proxies in a way that it believes will maximize shareholder value. Tailwind’s investment professionals are generally responsible for making voting decisions with respect to proxies received.

In exercising its voting discretion, Tailwind and its employees will seek to avoid any direct or indirect conflict of interest raised by such voting decision. All conflicts of interest will be resolved in the interests of Tailwind’s Funds. Resolutions are reached after such conflicts are presented to the Chief Compliance Officer (“CCO”) or Tailwind’s Managing Partners. In situations where the CCO or Managing Partners perceive a material conflict of interest, the perceived conflict of interest could be reviewed with the respective Fund’s investor advisory committee. The committee will reach a consensus and make a recommendation regarding the proxy vote. The CCO or Deputy Chief Compliance Officer will record the recommendation and vote the proxy according to the committee’s recommendation.

Certain investment professionals of Tailwind serve as board members for the Funds’ portfolio companies. In situations where Tailwind votes the proxy for a company in which an employee of Tailwind serves on the board of directors, Tailwind has determined that it does not inherently present a conflict of interest as the purpose for serving on the board is to maximize the return on the Funds’ investment and to ensure that the Funds’ interests are protected.

A record of all proxy votes cast on behalf of the Funds will be maintained and available for review. Fund investors should contact the CCO for a copy of the proxy voting policy or information with respect to a specific proxy vote.

Item 18 Financial Information

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