

Lightyear Capital LLC

Part 2A of Form ADV: Firm Brochure

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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Lightyear Capital LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Doug Chiciak, at (212) 328-0509 or Doug.Chiciak@lycap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

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

Item 2: Material Changes

There have been no material updates since the issuance of the last annual brochure dated March 29, 2022; however, this brochure includes updates to certain disclosures in relation to our business and operations, particularly in Item 8, and updated regulatory assets under management as of December 31, 2022.

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Item 4: Advisory Business

Lightyear Capital LLC (collectively with any affiliates, as the context may require, “**Lightyear**”), a Delaware limited liability company founded in 2000, is a registered investment adviser located in New York, NY. Lightyear and its subsidiaries, Lightyear Capital II, LLC, Lightyear Capital III, LLC, Lightyear Capital IV, LLC, and Lightyear Capital V, LLC (each, an “**Affiliated Adviser**” or, collectively, the “**Affiliated Advisers**”), provide investment advisory services to several private equity funds (each a “**Fund**” or, collectively, the “**Funds**”). The Funds invest primarily in North America-based growth companies at the nexus of financial services and technology, healthcare, and business services.

The Funds are typically structured as limited partnerships and each has a general partner (or similar persons or entities, each, a “**General Partner**” or, collectively, the “**General Partners**”). Each General Partner is an affiliate of Lightyear Capital LLC.

Investment advice is provided directly to the Funds and not individually to the persons and entities that invest in the Funds (each, a “**Limited Partner**” and, collectively, the “**Limited Partners**”; and referred to collectively with the General Partners as “**Partners**”). In providing services to the Funds, Lightyear formulates each Fund’s investment objectives, directs and manages the investment and reinvestment of each Fund’s assets, and provides reports to the Limited Partners. Lightyear provides investment advisory services to each of the Funds pursuant to separate advisory or management agreements and manages the assets of the Funds in accordance with the limited partnership agreements, private placement memoranda, and other governing documents applicable to each Fund (the “**Governing Fund Documents**”). The investment guidelines of each Fund are described in the applicable Governing Fund Documents.

Limited partnership interests in the Funds are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and the Funds are not registered under the Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are privately offered and sold exclusively to Limited Partners satisfying the applicable eligibility and suitability requirements for private transactions within the U.S.

Lightyear Capital LLC is wholly owned by Lightyear Capital Management LP, the general partner of which is Lightyear Capital GP LLC. Both Lightyear Capital Management LP and Lightyear Capital GP LLC are wholly owned by Mark Vassallo and his estate planning vehicle. Mark Vassallo is also the manager of Lightyear Capital GP LLC and the Managing Partner of Lightyear Capital LLC. As of December 31, 2022, Lightyear managed approximately \$4.15 billion in regulatory assets under management on a discretionary basis.

Item 5: Fees and Compensation

General

The Governing Fund Documents of each Fund set forth in detail the fee structure relevant to such Fund.

Lightyear typically receives compensation from fees based on a percentage of assets under management, carried interest distributions, and payment of certain other fees or expenses as disclosed in the Governing Fund Documents. A description of the carried interest distributions is included in Item 6 below. As the fees and expenses incurred by each Fund vary, prospective and current investors should review the fees and expenses listed below, as well as refer to the applicable Governing Fund Documents for a description of all relevant fees and expenses to be paid by a Fund.

Management Fees

As compensation for investment advisory services rendered to certain of the Funds, Lightyear receives a management fee (the “**Management Fee**”) based on committed capital through the investment period and on invested capital thereafter, pursuant to the applicable Governing Fund Documents. Certain of the Funds do not pay a Management Fee to Lightyear. With respect to certain Funds, Lightyear reserves the right to waive or reduce the Management Fee for certain Limited Partners including employees, Lightyear-affiliated feeder funds (or the limited partners of such feeder funds), or affiliates of Lightyear. The Management Fee is typically collected from the Funds quarterly in advance. In the event Lightyear does not provide advisory services with respect to a Limited Partner for the full period for which Management Fees have been paid, such Limited Partner will receive a refund in an amount equal to (1) the Management Fee initially allocated to such Limited Partner minus (2) its portion of the Management Fee recalculated as of the date that such advisory services terminated with respect to such Limited Partner.

Organizational Expenses

Each Fund bears offering and organizational expenses subject, in certain cases, to a maximum amount as set forth in such Fund’s Governing Fund Documents.

Fund Expenses

Each Fund will bear certain costs, expenses and liabilities incurred in connection with the operation and activities of its respective vehicles. The amount of these expenses will reduce the actual returns received by Limited Partners on their investment in a Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by a Fund to make investments). These expenses may vary significantly by Fund and Limited Partners and prospective investors should consult each Fund’s applicable Governing Fund Documents for a description of all expenses which may be borne by such Fund. While these expenses may vary significantly, they will typically include, without limitation, all fees, costs and expenses that are incurred in connection with, related to, arising from or attributable to (a) identifying, sourcing, developing, evaluating, investigating, researching, analyzing, negotiating, structuring, acquiring, holding, monitoring, maintaining and disposing of portfolio companies and all transactions related thereto and (b) the performance by Lightyear, the General

Partners, the Affiliated Advisers, the Funds and their respective affiliates (including employees thereof) of their obligations under the relevant Governing Fund Documents and the agreements contemplated therein, as determined by the applicable General Partner, including, without limitation, all fees, costs and expenses that are incurred in connection with, related to, arising from or attributable to: (i) Management Fees; (ii) placement fees; (iii) **“Broken Deal Expenses”** which include all fees, costs and expenses incurred in identifying, sourcing, developing, evaluating, investigating, researching, analyzing, negotiating or structuring any investment that is not ultimately made including, without limitation, (a) expenses of Service Providers (as defined below), (b) all commitment, financing or reverse termination fees, (c) administrative expenses, (d) travel, travel-related and entertainment expenses (**“T&E Expenses”**) (as further described below), (e) the expenses of attending industry conferences, and (f) all fees, costs and expenses that are not otherwise borne by a co-investor (including, without limitation, all fees, costs and expenses set forth in (a) through (e) above); (iv) any service providers engaged in connection with the activities of the Funds, the General Partners, any related investment funds and any portfolio companies, including, without limitation, any attorneys and legal professionals, accountants, auditors, tax professionals, fund administrators, advisors (including, without limitation, investment bankers engaged in connection with the purchase or disposition of any investment), expert network providers, Consultants (as defined in Item 8) (including, without limitation, non-employee senior advisors and non-employee operating partners engaged to provide services in respect of the Funds or one or more portfolio companies), research, data and software providers, valuation and appraisal experts, public relations consultants, local intermediaries, depositories, trustees, paying agents, custodians and safe-keeping services, and any other service providers (collectively, the **“Service Providers”**) (including, without limitation, expenses incurred in sourcing, recruiting and retaining such Service Providers) whose fees may include retainer, hourly, periodic, finder’s, success-based and/or performance-based fees; (v) T&E Expenses, which include, without limitation, air transportation (including first class, business class, comfort plus or similar airfare and the cost of in-flight wifi), ground transportation (including cars used outside normal business hours and cars used during business travel), lodging (including premium lodging), meals (including meals outside normal business hours, meals during business travel, premium meals, and, as applicable, closing dinners and mementos), entertainment (including social and entertainment events with portfolio company employees, potential management teams, Consultants, candidates for employment at a portfolio company, and all or a certain subset of current or prospective Limited Partners) and other similar fees, costs and expenses (including, without limitation, travel-related business services; (vi) the expenses of attending industry conferences; (vii) research, data and software providers (including, without limitation, all fees, costs and expenses associated with data, data feeds, subscriptions, reports, analytics, modeling, structuring, pricing, execution, third-party information management systems, software, technology, databases and similar items provided by such providers); (viii) taxes and other governmental charges incurred or payable by the Funds but excluding any amounts that have been treated as distributed under the applicable Governing Fund Documents; (ix) the preparation of the Funds’ financial statements, tax returns and Schedule K-1s and the representation of the Funds or the Partners by the partnership representative; (x) calling capital from and making distributions to the Partners, costs and expenses associated with the default of any Partners, the administration of assets, financial planning and treasury activities; (xi) indebtedness or hedging activities of the Funds, and any interest related thereto; (xii) brokerage commissions, clearing and settlement charges, bank charges, sales commissions and other investment, execution, closing and administrative expenses; (xiii) insurance premiums and related expenses, including, without limitation, directors and officers liability insurance and any other insurance for

coverage of liabilities incurred in connection with the activities of, or on behalf of, the Funds, including an allocable portion of the premiums and fees for one or more “umbrella” policies that cover the Funds, related investment funds, Other Sponsored Funds (as defined in Item 8), Lightyear and their respective affiliates; (xiv) the implementation and monitoring of anti-money laundering, anti-bribery, environmental, social, and governance, cybersecurity and privacy policies, procedures and controls related to portfolio companies, the Funds and/or the Limited Partners (including, without limitation, all fees, costs and expenses of applicable Service Providers and any related trade association memberships); (xv) third-party advisory committees of the Funds, including, without limitation, all fees, costs and expenses incurred in the sourcing, recruiting and retaining of any committee member of such third-party advisory committees; (xvi) each Fund’s limited partner advisory committee (each, an **“LP Advisory Committee”**) and its members and observers (including, without limitation, T&E Expenses in connection with any meetings thereof) to the extent not otherwise paid or reimbursed by Limited Partners; (xvii) sourcing, recruiting and retaining professionals and other personnel to be employed by or who will provide services to current or prospective portfolio companies; (xviii) licensing, implementing, maintaining, or otherwise utilizing any online reporting websites or portals, data rooms, secure-file transfer services, customer relationship management software or any other software or information technology services utilized in connection with the Funds’ operations; (xix) ongoing investor relations activities pertaining to Limited Partners, including, without limitation, (A) the planning and holding of meetings for all attendees of any annual meetings or other special meetings of the Limited Partners (including, without limitation, speaker fees, travel and lodging for speakers and portfolio company presenters, venue and related service expenses, and the costs of meals provided in connection therewith or any related events) and (B) responding to any requirements or requests of Limited Partners and the attending, planning and holding of any one-on-one meetings between any employees (or other representatives) of Lightyear and a Limited Partner or group of Limited Partners (including, without limitation, any related T&E Expenses and the fees, costs and expenses of applicable Service Providers in connection therewith) in each case to the extent not otherwise paid or reimbursed by such Limited Partners; (xx) registration, qualification, exemption under and/or legal and regulatory compliance with any applicable U.S. federal, state, local, non-U.S. or other law or regulation (including, without limitation, the Foreign Account Tax Compliance Act, the Hart-Scott-Rodino Antitrust Improvements Act and other antitrust laws and regulations, and the E.U. Alternative Investment Fund Managers Directive (Directive 2011/61/EU) relating to the activities or business of Lightyear, the General Partners, the Funds or one or more portfolio companies (including, without limitation, expenses relating to the preparation and submission of filings with the SEC (including, without limitation, Form PF, Form ID, Form D, Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, and Schedule 13G filings), the U.S. Commodity Futures Trading Commission, the National Futures Association, the U.S. Treasury, the U.S. Internal Revenue Service and other national, state, provincial or local regulatory authorities in any country or territory); (xxi) the negotiation and drafting of any amendments, restatements or other modifications to, and compliance with each Fund’s Governing Fund Documents, side letters or similar agreements with Limited Partners, or any other constituent or related documents of the Funds and the relevant General Partners, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the relevant LP Advisory Committee or preparation of other materials in connection with compliance (or monitoring compliance) with such documents; (xxii) the transfer of any interest in the Funds by a Limited Partner to the extent not otherwise reimbursed; (xxiii) the termination, winding up, liquidation and dissolution of the Funds; (xxiv) any actual or potential claims or proceedings related to the Funds, any “covered

persons” under the Governing Fund Documents or any current or prospective portfolio companies (including, without limitation, expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of the Funds or the Partners); and (xxv) any other extraordinary expenses related to the Funds or current or prospective portfolio companies (including, without limitation, all fees, costs and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles (“U.S. GAAP”)), excluding, for the avoidance of doubt, any expenses with respect to which a “covered person” under the relevant Governing Fund Documents would not be entitled to indemnification or advancement. Expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of expenses ultimately drawn down or drawn down at any one time may exceed expectations.

Allocation of Expenses

From time to time, Lightyear will be required to decide whether costs and expenses are to be apportioned among Lightyear and its affiliates, the Funds (together with any parallel funds and any dedicated employee co-investment funds (each, an “**Employee Co-Investment Fund**”, or, collectively, the “**Employee Co-Investment Funds**”)), and any other third-party that Lightyear determines to be relevant. In some instances, an expense may be initially borne entirely by one Fund with allocation of such expense to the relevant party or parties subsequently or at the end of the Fund’s life. Lightyear will make such determinations in accordance with the applicable Governing Fund Documents. However, expense allocation determinations are subjective and require judgment on the part of Lightyear and are made in a manner determined by Lightyear in its discretion. Lightyear may make corrective allocations after the fact should it determine that such corrections are necessary or advisable, which corrective allocations will generally not be disclosed. There can be no assurance that allocation errors will not arise or that corrective measures will be possible in all circumstances.

The terms of any co-investment vehicle controlled by a General Partner or an affiliate thereof (each, a “**Co-Investment Vehicle**”, or, collectively, the “**Co-Investment Vehicles**”) formed to facilitate co-investment with a Fund differ from those of the Funds, and any terms of any Co-Investment Vehicles formed in the future to facilitate co-investment with a Fund may differ (as further described in “Co-Investments” in Item 11), including that such Co-Investment Vehicles may or may not pay management fees or other fees, carried interest or expenses (including, without limitation, Broken Deal Expenses and all fees, costs and expenses of Service Providers), in each case prior to or in connection with the acquisition, holding or disposition of any investment, including in connection with any follow-on investment.

Lightyear, the General Partners, and/or their affiliates are not typically able to cause certain parties (e.g., co-investors, portfolio companies or other third parties) to bear their share of certain expenses; therefore, even if such parties may benefit from the incurrence of such expenses, the applicable Fund and any parallel fund and Employee Co-Investment Fund will bear all or a portion of such expenses that benefitted other third parties including, without limitation, any Co-Investment Vehicle, any Other Sponsored Fund, any co-investors, or any portfolio company, as the case may be.

The Funds will bear all expenses incurred in connection with, related to, arising from or attributable to its operation and activities and as otherwise set forth in the Governing Fund Documents and will pay the Management Fee and any fees payable by the Funds to third parties. The expenses and fees

will be paid regardless of whether a Fund produces positive investment returns. If a Fund does not produce positive investment returns, expenses and fees will reduce the amount of the investment recovered by the Partners to an amount less than the amount invested in such Fund by the Partners.

Also see Item 11 for further details on the allocation of expenses to co-investors.

Broken-Deal Expenses

The Funds' investments will require extensive due diligence activities prior to acquisition, and the related expenses may be substantial. In the event that a potential investment is not consummated, it may result in a Fund incurring substantial Broken Deal Expenses. The relevant General Partner will structure any co-investment opportunity so that any potential co-investors (other than any parallel fund or Employee Co-Investment Fund) do not bear any expenses in connection with unconsummated investments. As a result, all such Broken Deal Expenses will be borne entirely by the Fund (together with any parallel fund and any Employee Co-Investment Fund). For the avoidance of doubt, Lightyear also advises one or more Committed Co-Investment Vehicles (as defined and further described in Item 11), which will not be allocated any Broken Deal Expenses, and, as a result, all such Broken Deal Expenses will be borne entirely by the Funds (including any related parallel funds and Employee Co-Investment Funds) alongside which any Committed Co-Investment Vehicles may invest.

Fee Income

Pursuant to the applicable Governing Fund Documents, Lightyear or employees thereof will receive certain fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions (e.g., directors' fees, break-up and topping fees, fees in relation to guarantees, advisory fees, monitoring fees (including, without limitation, accelerated monitoring fees), commitment fees, financing fees, acquisition fees, divestment fees, transaction fees and other similar fees (whether in cash or in kind). The potential to receive such fees creates an incentive for Lightyear to engage in transactions when it might not otherwise be in the best interest of the Funds to do so. Monitoring fees earned by Lightyear in connection with a Fund's investment in a portfolio company may be payable as a fixed dollar amount, may be determined based on the performance of such portfolio company, or may be calculated as a percentage of EBITDA (or other similar metric). The terms of a monitoring agreement may in certain instances provide for an acceleration of fees paid to Lightyear upon termination following certain milestones (such as an initial public offering, change of control or sale); in such instances, Lightyear may be entitled to or may elect to receive a lump-sum termination fee with respect to such arrangements. Furthermore, the terms of a monitoring agreement will in certain instances provide for the ability to defer, including in Lightyear's discretion, the payment of fees due to Lightyear. Pursuant to the applicable Governing Fund Documents, such fee income typically (i) shall include only a Fund's pro rata portion of the fees described above and (ii) shall not include any fees received directly or indirectly from a portfolio company, proposed portfolio company, or any other person in respect of any investor or potential investor other than the Fund in such portfolio company, or proposed portfolio company or the capital provided or committed by any investor or proposed investor other than the Fund (including, without limitation, any Other Sponsored Fund or co-investor). Any such fees described in the preceding sentence received by the General Partner, Lightyear, or any of their respective affiliates or employees thereof may be retained by Lightyear, the General Partner or any of their respective affiliates or employees thereof without applying such amounts to reduce the

Management Fee. A percentage of certain aforementioned fees (net of expenses incurred by Lightyear) will be applied to reduce future Management Fees payable by the relevant Fund as further detailed in the applicable Governing Fund Documents.

Placement Agent Fees

A Fund may engage one or more third-party placement agents in respect of the offering of interests in such Fund to certain prospective investors. Any such placement agents act for the applicable Fund and Lightyear, and not as an investment adviser to potential investors in connection with the offering of interests in a Fund. Potential investors must independently evaluate the offering and make their own investment decisions. In making those decisions, potential investors should be aware that each placement agent will be paid a placement fee, which in some cases, will be based upon the amount of capital commitments (the “**Capital Commitments**”) to a Fund by Limited Partners, as further described in the applicable Governing Fund Documents. Potential investors should also note that at various times a Fund’s placement agent or agents may act as placement agent for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with Lightyear. Such unaffiliated fund sponsors may pay placement fees on terms different from the fees such placement agents receive in respect of a Fund, and such differences in fees may influence a placement agent’s decision to introduce potential investors to a Fund. Furthermore, such placement agents (or its affiliates) may seek to do business with and earn fees or commissions from portfolio companies of a Fund and affiliates of Lightyear, for example in connection with financing or investment banking services, or lending or arranging credit. Accordingly, potential investors should recognize that each such placement agent’s (or its affiliates’) participation as a placement agent for interests in a Fund may be influenced by its interest in such current or future fees and commissions. Potential investors should also be aware that affiliates or employees of a placement agent could invest in a Fund on their own behalf and/or on behalf of their clients. See Item 14 for additional information regarding placement agents.

Service Providers

Subject to certain restrictions set forth in the Governing Fund Documents, certain Service Providers engaged in connection with the activities of a Fund, a General Partner, Lightyear, and any portfolio company will also provide goods or services to or have business, personal, political, financial or other relationships with Lightyear and its affiliates and their portfolio companies. Such advisors and Service Providers may be family members or personal friends of Lightyear’s employees, Limited Partners or affiliates thereof, affiliates of Lightyear, portfolio companies, sources of investment opportunities or co-investors or counterparties therewith. These relationships will likely influence Lightyear in deciding whether to select or recommend such a Service Provider to perform services for a Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such Fund or such portfolio company, as applicable). For example, Lightyear or a General Partner will be incentivized to engage a Limited Partner or an affiliate thereof as a Service Provider to establish or reinforce certain relationships or to induce investments in Lightyear-sponsored funds generally.

In certain circumstances, Service Providers, or their affiliates, may charge different rates or have different arrangements for services provided to Lightyear or its respective affiliates (or provided to a Fund, but payable by Lightyear or its affiliates) as compared to services provided to the Funds or their portfolio companies, which will result in more favorable rates or arrangements than those payable by

the Funds or such portfolio companies. In addition, certain Service Providers may temporarily provide their personnel to Lightyear, its affiliates or their portfolio companies pursuant to various arrangements including at cost, at a discount or at no cost. While the Funds and their portfolio companies may be the beneficiaries of these types of arrangements, Lightyear may from time to time be a beneficiary of these arrangements as well, including in circumstances where the Service Provider also provides services to Lightyear in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Lightyear, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in the applicable General Partner's discretion, taking into consideration the usage of such personnel.

Intangible and Other Benefits

In addition, Lightyear, its employees and its Service Providers can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds which will not be subject to any Management Fee offset or otherwise shared with the Funds, Limited Partners and/or portfolio companies. Such benefits will include, among other things, participation at meals or events, or "miles" or "points" or other benefits of loyalty / status programs, airline travel or hotel stays where the costs related thereto were incurred as an expense of a Fund or as portfolio company or third-party expenses. All such benefits and/or amounts, whether or not de minimis or difficult to value, will accrue exclusively to Lightyear including its employees (and not the Funds, the Limited Partners and/or the portfolio companies) even though the cost of the underlying service is borne by the Funds, Limited Partners and/or portfolio companies.

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

The General Partners of certain of the Funds receive performance-based compensation in the form of carried interest from their related Funds. A detailed description of the carried interest calculation methodology applicable to a Fund can be found in the relevant Fund's Governing Fund Documents. Generally, carried interest is calculated based on a percentage of the profits generated from each Fund investment and is subject to the satisfaction of a preferred rate of return, the recoupment of allocated losses, fees, and expenses and other criteria set forth in the relevant Governing Fund Documents. Certain of the Funds do not pay carried interest to their respective General Partners. Different effective rates of carried interest among Funds may create differing incentives for Lightyear, including in allocating investment opportunities among such Funds.

Item 7: Types of Clients

Lightyear provides investment advisory services to the Funds. Limited Partners will be required to meet certain eligibility and suitability qualifications and make certain representations prior to investing in a Fund. Details concerning applicable Limited Partner suitability criteria and minimum investment commitments are set forth in the respective Governing Fund Documents. Lightyear maintains the discretion to accept less than the minimum investment commitment.

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

The Funds generally make primarily control investments in North America-based companies associated with financial services, where Lightyear believes there is significant investment opportunity. Lightyear intends to leverage its domain expertise developed over nearly two decades of investing and its proactive thematic sourcing process to make attractive investments in opportunity-rich markets fueled by a combination of innovation, advances in technology, demographic trends, regulatory changes, and evolving business and consumer needs and behavior.

Lightyear believes that its specialization in the financial services industry enables Lightyear to (i) conduct due diligence efficiently, (ii) work effectively with management teams, and (iii) add long-term value to the businesses in which it invests. Additionally, Lightyear believes that, as a result of its specialization, it has developed an understanding of the regulatory environment surrounding certain financial services sub-sectors and the lack of such expertise can pose a barrier to entry for other investors. Lightyear believes that, through its investment experience, Lightyear has developed a systematic strategy for investing the Funds' capital.

An investment in a Fund involves a number of significant risks and should not be made by prospective investors who cannot afford to lose their entire investment. Prospective investors should carefully consider, in addition to the matters set forth elsewhere in the applicable Fund private placement memoranda and this Form ADV, the risk factors discussed herein, each of which could have an adverse effect on the value of the interests in a Fund. Prospective investors should also consult their own financial, tax and legal advisors regarding the suitability of the investment offered herein. As a result of the risk factors discussed herein, as well as other risks set forth in the applicable private placement memoranda, there can be no assurance that a Fund will meet its investment objectives or otherwise be able to carry out its investment strategy. The returns of a Fund may be unpredictable and, accordingly, the interests in a Fund are suitable investments only for sophisticated investors who fully understand and who are willing to assume the risks involved in a Fund's specialized investment program and have the financial resources necessary to bear the potential loss of their entire investment.

Nature of Investment

An investment in a Fund requires a long-term commitment, with no certainty of return of capital. There is likely to be little to no near-term cash flow available to the Partners. Many of the Funds' investments will be highly illiquid and it is expected that the Partners will achieve liquidity on their investments only if they receive interim distributions and upon termination of a Fund. Moreover, there can be no assurance that the Funds will be able to realize such investments in a timely manner. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Partners.

The securities in which the Funds will invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Since each Fund will only make a limited number of portfolio investments, and since each Fund's portfolio investments generally will involve a high degree of risk, poor performance by any of the portfolio investments could severely affect the total returns to the Partners.

Past Performance; No Assurance of Investment Return

There is no assurance that any Fund will be able to successfully identify, make and realize any particular investment or generate returns for its Partners (or that such returns will be commensurate with the risks associated with an investment in a given Fund). An investment in a Fund should only be considered by persons who can afford a loss of their entire investment. Past performance of any Fund and other investment entities associated with Lightyear is not necessarily indicative of future results. There can be no assurance that projected or targeted returns for any Fund will be achieved.

Due Diligence of, and Conduct of, Portfolio Companies

Before making investments, Lightyear will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of complex business, financial, tax, accounting, actuarial, technology, environmental, legal, and other issues. External legal advisors, accountants, consultants, investment banks, and other third parties (together, the “**Third Parties**”) are involved in the due diligence process to varying degrees depending on the type of investment. If Lightyear is unable to timely engage such Third Parties, the ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, Lightyear will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, such Third Parties’ investigations. The due diligence that Lightyear carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. No assurance can be given as to the accuracy or completeness of the information provided by such Third Parties, and a Fund may incur liability as a result of such Third Parties’ actions. In addition, at times, a Fund’s transaction opportunities will require rapid execution, and investment analyses and decisions by Lightyear may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Lightyear at the time of making an investment decision may be limited, and Lightyear may not have access to detailed information regarding the investment. In addition, the recent outbreak of the Covid-19 has forced Lightyear to remotely conduct due diligence of prospective portfolio companies and virtually monitor existing portfolio companies, which could limit Lightyear’s ability to adequately assess and oversee such portfolio companies. Such impact could materially and adversely affect the value and performance of the Funds’ investments in portfolio companies, the Funds’ ability to source, diligence, manage, and divest its investments in portfolio companies, and the Funds’ ability to achieve their investment objectives. Therefore, no assurance can be given that Lightyear will have knowledge of all circumstances that may adversely affect an investment. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that Lightyear, any of its affiliates, or the Funds will be able to detect or prevent irregular accounting, employee misconduct, or other fraudulent practices (including, without limitation, violations of applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act) during the due diligence phase or during its efforts to monitor an investment on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. Under certain circumstances, payments or distributions to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Investments in Financial Services Businesses

The Funds typically focus on investments in companies associated with financial services. Concentration in a single industry involves risks greater than those generally associated with diversified acquisition funds, including potential fluctuations in returns. Instability, fluctuation or an overall decline within the financial services industry will likely not be balanced by investments in other industries not so affected. In the event that the financial services industry as a whole declines, potential returns to Limited Partners may be adversely affected.

More specifically, certain financial services businesses have asset and liability structures that are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities (including the Dodd-Frank Act (as defined below)), monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties and the level and volatility of trading markets. Such factors can impact customers and counterparties of financial services businesses and may impact the value of financial instruments held by financial services businesses. Fluctuations in interest rates, which affect the value of assets and the cost of funding liabilities, are not predictable or controllable, may vary from country to country and may impact economic activity in various regions. There can be no assurance that a particular financial services business will not experience significant declines with respect to its net interest income in a changing interest rate environment.

The profitability of the financial services industry may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services businesses. Factors such as the liquidity of the global financial markets, the level and volatility of prices of financial instruments, investor sentiment and the availability and cost of credit is likely to significantly affect the activity levels of customers with respect to size, number and timing of transactions. A market downturn would likely lead to a decline in the volume of transactions that financial services businesses execute for their customers and thus lead to a decline in revenues from fees, commissions and spreads. See “General Economic and Market Conditions” below.

Competitiveness of the Financial Services Industry

The financial services industry is extremely competitive, and it is expected that competitive conditions in the industry will continue to intensify. The financial services industry has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions, resulting in larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. In addition, technological advances and the growth of e-commerce have made it possible for other businesses, including businesses in which the Funds may invest, to offer competing products and services that have been traditionally offered by financial services businesses. It is expected that cross-industry competition will continue to intensify. As a result, the competitive position of the financial services businesses in which the Funds invest could be weakened, which could adversely affect the Funds.

Investments in Businesses Providing Consumer Lending

The Funds may make investments in financial services businesses that provide origination, lending and/or servicing loans, and such portfolio companies may therefore be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state lender licensing requirements and other regulatory requirements in the conduct of their business. Such portfolio companies may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the Consumer Financial Protection Bureau.

State and federal regulators and other governmental entities have the authority to bring administrative enforcement actions or litigation to enforce compliance with applicable lending or consumer protection laws, with remedies that can include fines and monetary penalties, restitution of borrowers, injunctions to conform to law, or limitation or revocation of licenses and other remedies and penalties. In addition, lenders and servicers may be subject to litigation brought by or on behalf of borrowers for violations of laws or unfair or deceptive practices. Failure of a portfolio company to conform to applicable regulatory and legal requirements could be costly and may have a detrimental impact on the Funds.

Investment in Restructurings

The Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. There is no assurance that any such portfolio company will overcome or alleviate such financial difficulties. Such investments could, in certain circumstances, subject a Fund to additional potential liabilities, which may exceed the value of a Fund's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed, or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by that Fund to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Investments in restructurings involving non-U.S. portfolio companies may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These considerations will differ depending on the country in which each portfolio company is located or domiciled.

Investments in Publicly Traded Companies

The Funds' investment portfolios may contain securities or instruments issued by publicly held companies. Such investments will subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

Moreover, the Funds may not have the same access to information in connection with investments in public securities, either when investing initially or after making an investment, as compared to

privately negotiated investments. In certain circumstances, a Fund may also be limited in its ability to make additional investments in or sell existing investments in public securities as a result of the General Partners, Affiliated Advisers, Lightyear or any affiliate or employee thereof being deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies.

Investments in Debt Securities

A portion of each Fund's investments may be in debt and debt-related investments. One of the fundamental risks associated with such investments is credit risk, which is the risk that an obligor will be unable to make principal and interest payments on its outstanding obligations when due. Adverse changes in the financial condition of an obligor or in general economic conditions (or both) may impair the ability of such obligor to make such payments and result in defaults on, and declines in, the value of investments owned by a Fund. A Fund's return to Limited Partners would be adversely impacted if an obligor in which a Fund invests becomes unable to make such payments when due. There can be no assurance that a portfolio company will generate sufficient cash to service its contractual obligations to a Fund, and, in any such case, that Fund may suffer a partial or total loss of invested capital.

A Fund's debt investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions that, in each case, could result in the obligor repaying the principal on an obligation held by a Fund earlier than expected. This circumstance may happen, for example, when there is a decline in interest rates. Debt and debt-related investments are also subject to other creditor risks, including (a) the possible invalidation of investment transactions or payment in connection with such transactions as fraudulent conveyances or preferential payments under relevant creditors' rights laws or the subordination of claims under so-called "equitable subordination" common law principles, and (b) environmental or other liabilities that may arise with respect to collateral securing the obligations. Additionally, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "**Lender Liability**"). Generally, Lender Liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors. A Fund may be subject to potential allegations of Lender Liability. It is possible that Lender Liability or equitable subordination claims affecting a Fund's investments could arise without direct involvement of the Fund if the Fund is not the agent or lead arranger for the investments.

Certain investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a portfolio company's ability to repay the principal of an investment may be dependent upon the ability to refinance or a liquidity event or the long-term success of the portfolio company, the occurrence of which is uncertain. A debt obligation that is fully bearing payment-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. Debt instruments may be subject to fluctuations due to changes in interest rates and obligors' credit quality. Also, a default on debt held by a Fund or a sudden and extreme increase in prevailing interest rates may cause a decline in the Fund's asset value.

Operating and Financial Risks of Portfolio Companies

Companies in which a Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. As a result, companies that a General Partner expects to be stable may operate at a loss or have significant variations in operating results, require substantial additional capital to support their operations or to maintain their competitive position, or experience financial distress. In some cases, the success of a Fund's investment strategy may depend, in part, on the ability of a Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and 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 restructuring programs and improvements.

Uncertainty of Financial Projections

A General Partner will generally price transactions and structure portfolio investments on the basis of its financial projections, which may take into account (among other factors) market environment, views and assumptions on default rates, recoveries, interest rate movements and other technical market factors. Projected operating results will be based primarily on a General Partner's subjective judgments which may be informed by third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections.

Recycling; Reinvestment

Under certain circumstances, the Funds have the ability to "recycle" proceeds distributable (or previously distributed) to the Partners that constitute a return of capital contributions as permitted under the applicable Governing Fund Documents. Accordingly, a Partner may be required to fund an aggregate amount in excess of its Capital Commitment during the term of a Fund, and to the extent such recalled or retained amounts are reinvested in investments, a Partner will remain subject to investment and other risks associated with such investments.

Financial Services Industry Regulatory Factors

Financial services businesses operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, suspension or expulsion, and termination of deposit insurance, any of which may have material adverse effects. The regulations may require a financial services institution to meet specific capital adequacy guidelines or rules that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Compliance with capital requirements could limit the operations of financial services businesses. A change in such requirements, or the imposition of new rules affecting the scope, coverage, calculation or amount of such capital requirements, or a significant operating loss or

any unusually large charge against capital may adversely affect the ability of a financial services institution to expand or maintain levels of business or to pay dividends. Financial services businesses also may be subject to qualitative judgments by the regulators about interest rate risk, concentration of credit risk and other factors. Changes in laws, rules or regulations governing financial services businesses could adversely affect portfolio companies and thereby the Funds and returns to Limited Partners. The subsequent adoption of a law or regulation or a change of a law or regulation or of the interpretation thereof by a court or governmental authority could require the Funds to divest some or all of its investments under unfavorable market conditions.

In the United States, comprehensive financial regulatory reform legislation was enacted on July 21, 2010. Known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”), the new law significantly changed the regulation of financial institutions and the financial services industry. The Dodd-Frank Act includes provisions applicable to both large and small financial institutions, including provisions that affect the lending, deposit, investment, trading and operating activities of banks and their holding companies. It also requires various federal bank and financial regulatory authorities to adopt a broad range of implementing rules and regulations.

Among other things, the Dodd-Frank Act abolished the U.S. Office of Thrift Supervision and transferred its functions to the U.S. Office of the Comptroller of Currency and the U.S. Federal Reserve Board; imposes new minimum leverage and risk-based capital requirements on insured depository institutions, bank and thrift holding companies and nonbank financial companies that are determined to be systemically important and subject to supervision by the U.S. Federal Reserve Board; limits interchange fees on debit card transactions; and established the Bureau of Consumer Financial Protection, as an independent entity within the U.S. Federal Reserve System, that has broad rulemaking authority to issue consumer protection regulations applicable to certain entities offering consumer financial products or services, including but not limited to banks. The Dodd-Frank Act also includes a number of new corporate governance requirements that apply to U.S. listed and, in some cases, other publicly traded companies; removes federal prohibitions on banks paying interest on demand deposit accounts; changes the assessment base for FDIC insurance assessments to a bank’s average consolidated total assets minus average tangible equity, rather than upon its deposit base; permanently raises the level of federal deposit insurance coverage to \$250,000 per depositor and increases the minimum reserve ratio for the Deposit Insurance Fund from 1.15% to 1.35% of estimated insured deposits. Also, the Dodd-Frank Act generally prohibits insured depository institutions, insured depository institutions holding companies, foreign banks that are treated as bank holding companies, and affiliates or subsidiaries of such entities from engaging in proprietary trading or from investing in, sponsoring or having certain relationships with private equity or hedge funds, subject to certain exemptions (the so-called “**Volcker Rule**”).

The Dodd-Frank Act may impact the profitability of the companies in which the Funds invest and affect such companies’ activities and business practices, including their ability to offer new products, obtain financing, attract deposits, make loans and achieve satisfactory interest spreads. Such companies may also be exposed to additional costs, including increased compliance costs. Consequently, these changes may be materially adverse to the business, financial condition and results of operations of the financial institutions in which the Funds invest.

There can be no assurance that any future regulatory actions authorized by the Dodd-Frank Act will not adversely affect the Funds, the General Partners or Lightyear.

Bank Investing Regulatory Factors

The U.S. banking industry is highly regulated under federal and state law. This regulation will affect the operations of the Funds and their portfolio companies. Limited Partners should understand that the primary objective of the U.S. bank regulatory regime is the protection of depositors – not the protection of shareholders and Limited Partners.

The following discussion provides an overview of certain aspects of the U.S. bank regulatory regime. This overview is qualified in its entirety by reference to the applicable statutes or regulatory provisions. This overview is not intended to be an exhaustive description of all applicable statutes and regulations. The Funds and their portfolio companies will be subject to additional laws, regulations, and requirements that are not discussed herein.

In order to comply with banking laws, rules and regulations, a Fund may be required to invest in a manner that would not be as advantageous as the manner of making investments that are not subject to such laws, rules and regulations. If a Fund acquires a controlling interest in a depository institution or company that controls a depository institution, then various statutory, regulatory and supervisory restrictions and limitations would apply to the Fund (and to Limited Partners that control the Fund). For instance, if a depository institution fails to meet certain capital standards or requirements (such institution is referred to as an “undercapitalized institution”), then the appropriate federal banking agency would be required by law to take one or more of certain specific actions with respect to such institution (for example, the regulatory agency may require the institution to issue new shares, merge with another depository institution, restrict the interest rates it pays on deposits, restrict its asset growth, terminate certain activities, have a new election for its board of directors, dismiss certain directors or officers, divest of certain subsidiaries and/or take any other action that will better resolve the problems of the institution at the least possible long-term loss to the U.S. Federal Deposit Insurance Corporation (“**FDIC**”)) in the event the undercapitalized institution fails to submit an acceptable capital restoration plan or fails to implement such plan.

If a Fund were to control an undercapitalized institution, then the appropriate federal banking agency would be required by law to take one or more of such actions if (a) the Fund and any other company that controls the undercapitalized institution did not agree to guarantee the capital restoration plan for such undercapitalized institution or (b) such institution is “significantly undercapitalized” as defined in regulations issued by the appropriate federal banking agency. In either such case, the appropriate federal banking agency may (i) prohibit the Fund from making any capital distribution without the prior approval of the U.S. Federal Reserve Board, (ii) require the Fund to divest companies that are controlled by the Fund and that are in danger of becoming insolvent and pose a significant risk to the undercapitalized institution and (iii) require the Fund to divest the undercapitalized institution. Further, if a Fund were to become a financial holding company and controlled a bank that is not “well capitalized” and/or “well managed” pursuant to regulations issued under the Bank Holding Company Act of 1956 (“**BHC Act**”), then the Fund would become subject to certain requirements, including the requirement to enter into an agreement with the U.S. Federal Reserve Board to take the steps necessary to remedy the deficiency or potentially divest its controlling interest in the bank.

As a matter of statute and regulation, a financial holding company or bank holding company, or a savings association holding company, or in certain cases other entities that control insured depository institutions, are required to act as a source of financial and managerial strength to banks or savings

associations that it controls and to commit resources to support such insured depository institutions in circumstances when it might not otherwise consider itself able to do so. Thus, in certain cases, if a Fund were to become a bank holding company, financial holding company or savings association holding company or otherwise control an insured depository institution, the Fund will be required to serve as a “source of strength” for an insured depository institution that is controlled by the Fund by standing ready to provide financial assistance to the insured depository institution in the event of the financial distress of the insured depository institution.

Under the Federal Deposit Insurance Act, the FDIC may impose “cross-guarantee” liability upon commonly controlled insured depository institutions for deposit insurance losses incurred by the FDIC. This law provides that an insured depository institution shall be liable for any loss incurred by the FDIC, or any loss that the FDIC reasonably anticipates incurring, in connection with the default of its commonly controlled insured depository institution or in connection with any assistance provided by the FDIC to a commonly controlled insured depository institution that is in danger of default. For purposes of this law, depository institutions are commonly controlled if (a) such institutions are controlled by the same depository institution holding company or (b) a depository institution is controlled by another depository institution. The FDIC may waive this cross-guarantee requirement. The liability of any insured depository institution under this requirement is subordinated to deposit liabilities, secured obligations (other than those owed to affiliates), and other general or senior liabilities of the non-defaulting commonly controlled insured depository institution, but such liability shall have priority with respect to other obligations and liabilities of such depository institution, including any obligations to shareholders arising as a result of their status as shareholders and any obligation or liability owed to an affiliate of the depository institution. Because it is not intended that the Funds would acquire control of a depository institution or a depository institution holding company, such cross-guarantee liability should not apply across different investments made by the Funds. However, where portfolio companies that are insured depository institutions are under common control, such portfolio companies may be subject to such cross-guarantee liability with respect to one another.

The Volcker Rule provisions of the Dodd-Frank Act generally prohibit any “banking entity” from engaging in certain short-term trading activities and from acquiring or retaining any ownership interest in, sponsoring, or having certain relationships with, a “hedge fund” or “private equity fund,” or what the final regulations implementing the Volcker Rule, issued in December 2013 (the “**Final Volcker Rule Regulations**”), term a “covered fund.” Generally speaking, and among other entities, a covered fund includes any investment vehicle that would be an investment company but for the exclusions contained in Section 3(c)(1) or Section 3(c)(7) under the 1940 Act. A “banking entity” generally includes any insured depository institution (other than certain limited purpose trust companies), any company that controls an insured depository institution, any company that is treated as a bank holding company for purposes of section 8 of the International Bank Act of 1978, or any affiliate or subsidiary of any of the foregoing entities. The term “banking entity” does not include, however, a covered fund unless such fund itself is an insured depository institution, a company that controls an insured depository institution, or a company that is treated as a bank holding company for purposes of section 8 of the International banking Act of 1978. Under the Volcker Rule and the final Volcker Rule Regulations, the prohibition on covered fund investments and activities is subject to certain limited exceptions (including for certain de minimis investments in covered funds that are sponsored by a banking entity, as well as for certain investments in covered funds by foreign banking entities that occur solely outside of the United States).

In order to avoid the Funds or a particular investment in a portfolio company becoming subject to banking laws and regulations in certain jurisdictions, investments in certain portfolio companies may be made through alternative investment vehicles or parallel funds. However, no assurance can be given that such investments will avoid being subject to such laws and regulations.

If a Fund makes a controlling investment in a bank and or a bank holding company, it may do so through an alternative investment vehicle. However, as the BHC Act is currently interpreted by the U.S. Federal Reserve Board, it appears likely that the acquisition of control of a bank or bank holding company by such an alternative investment vehicle would result in not only the alternative investment vehicle, but also such Fund and any entity controlled by such Fund to be regulated as a bank holding company. In the absence of a change in such interpretation, such Fund would not use such an alternative investment vehicle to acquire an interest in a U.S. bank or bank holding company. In no event may any such structure result in any Limited Partner controlling a Fund or the alternative investment vehicle for purposes of the BHC Act at any time that such Fund or the alternative investment vehicle controls a bank or bank holding company under the BHC Act without the consent of such Limited Partner.

Risks Associated with Bankruptcy or Receivership of Banking Portfolio Companies

Bank holding companies and insured depository institutions are subject to extensive regulation and must, among other requirements, meet minimum capitalization requirements. Failure to meet such capitalization requirements or other applicable regulatory requirements may result in supervisory actions against bank holding companies, savings and loan holding companies or insured depository institutions (“**Banking Portfolio Companies**”) in which the Funds invest or in supervisory actions against the insured depository institutions owned by such Banking Portfolio Companies. Failure to comply with the terms of any supervisory action may result in further regulatory actions by federal and state bank regulatory authorities, including, in the worst case, FDIC receivership of insured depository institutions owned by Banking Portfolio Companies in which the Funds invest. If an insured depository institution is placed into receivership, the FDIC would proceed to, among other things: (a) enter into a purchase and assumption agreement with a third party in which that third party would purchase and assume all or some of the insured depository institution’s assets and deposits and liquidate the remaining assets and liabilities, (b) transfer all or some of the insured depository institution’s assets and deposits to a “bridge bank” until such time as one or more purchasers may be found for all or some of the “bridge bank’s” assets and deposits, and liquidate the remaining assets and liabilities, or (c) liquidate the insured depository institution’s assets and liabilities and pay insured depositors the amount of their deposits up to the insured limits and, to the extent sufficient proceeds from the liquidation are available, pay the remaining claims of insured depositors and the claims of uninsured depositors and other creditors.

In the event of the bankruptcy or liquidation of a Banking Portfolio Company in which a Fund invests or FDIC receivership of an insured depository institution owned by such a Banking Portfolio Company, such Fund would not be entitled to receive any cash or other property or assets from such insured depository institution until the institution paid in full its creditors, including customers of the institution and the FDIC. Furthermore, in the event of bankruptcy or liquidation of a Banking Portfolio Company, a Fund, as a holder of common stock of such Banking Portfolio Company, would not be entitled to receive any cash or other property or assets until holders of debt securities and other creditors of such Banking Portfolio Company had been paid in full. As a result, the bankruptcy of a

Banking Portfolio Company in which a Fund invests, or of FDIC receivership of an insured depository institution owned by such Banking Portfolio Company, would likely result in the loss of the entire value of the Fund's investment in such Banking Portfolio Company. Any such loss could have a material adverse effect on the profitability of such Fund.

Because of various requirements under the applicable regulatory regime to investments in banks and depository institutions, such investments may have to be made as non-control investments. In making such a non-control investment, a Fund (a) would have limited ownership rights and would have limited governance rights with respect to such bank or depository institution and (b) may be required to execute passivity commitments or a rebuttal of control agreement with the applicable regulators. In addition, regulatory guidelines governing investments in banks and depository institutions are changing. The Funds may make investments in banks and depository institutions in a manner that is designed to comply with, or take advantage of, such changes in regulation or structure, which may be less advantageous to a Fund than other investment structures.

Insurance Industry Regulation

The insurance industry is heavily regulated. Such regulation usually includes: (a) regulating premium rates, policy forms and lines of business; (b) setting minimum capital and surplus requirements and prescribing methods of measuring capital and surplus; (c) imposing guaranty fund assessments and requiring residual market participation; (d) licensing insurance companies and insurance agents and brokers; (e) approving accounting methods and methods of setting reserves; (f) setting requirements for and limiting the types and amounts of investments; (g) establishing requirements for the filing of annual statements and other financial reports, corporate governance disclosures and enterprise risk reports; (h) conducting periodic examinations of the affairs of insurance companies; (i) limiting the amount of dividends that may be paid by an insurance company without prior notice and approval; (j) regulating transactions between an insurance company and its affiliates; and (k) regulating trade practices and market conduct of insurance companies, agents and brokers. Such regulation and supervision are primarily for the benefit and protection of policyholders and not for the benefit of Limited Partners.

In the United States and other jurisdictions, the insurance regulatory structure, as well as the regulatory structure applicable to other types of financial institutions, has been subject to increased scrutiny by applicable governmental and regulatory authorities. Adoption of additional legislation, regulations or changes in applicable legislation and regulations already in place may adversely affect insurance companies and their results and therefore the results of a Fund. Further, prior to acquiring significant positions in certain regulated companies, the Funds will be required to obtain various regulatory approvals. There can be no assurance that the Funds will be able to obtain the requisite approvals with respect to any particular investment. In addition, uncertainty regarding future legislation as well as regulatory and other investigations may complicate Lightyear's ability to value potential investments and/or may affect exit opportunities and contingent liabilities upon the disposition of an investment.

Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The Funds' investments will involve varying degrees

of leverage, as a result of which recessions, operating problems and other general business and economic risks should be expected to have a more pronounced effect on the profitability or survival of such companies. Any rise in interest rates would significantly increase portfolio company interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the relevant Fund may suffer a partial or total loss of capital invested in the portfolio company.

The Funds will typically utilize varying degrees of leverage to finance the Funds' investments (including, without limitation, through the use of a subscription line) and provide guarantees (including of portfolio company debt) or act as applicant on letters of credit in connection with portfolio investments in a manner it believes is appropriate, subject to the limitations under the applicable Governing Fund Documents. The General Partners, for and on behalf of itself or the Funds, or certain affiliates have entered into and could in the future enter into credit facilities and guarantees, in each case, secured by an assignment of the applicable Partners' unfunded Capital Commitments or a Fund's portfolio investments and assets, or as otherwise described in the applicable Governing Fund Documents. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments. The extent to which the Funds use leverage may have important consequences to the Limited Partners, including, but not limited to: (a) greater fluctuations in the net asset value of the Funds; (b) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (c) increased interest expense if interest rate levels were to increase; (d) limitation on the flexibility of the Funds to make distributions to the Limited Partners; (e) affecting the amount and timing of contributions and distributions to the Limited Partners in a manner that may have potentially adverse consequences to the Limited Partners; and (f) lower multiples of cost (but enhanced IRRs). There can be no assurance that the Funds will have sufficient cash flow to meet their debt service obligations. As a result, the Funds' exposure to losses may be increased due to the illiquidity of its investments generally. The Funds and any parallel investment entities, alternative investment vehicles and/or Co-Investment Vehicles may be jointly and severally liable for all credit support obligations in respect of investments or under any Fund-related credit facility. Accordingly, in the event that one or more Limited Partners and/or Limited Partners of any parallel fund, alternative investment vehicle and/or a Co-Investment Vehicle fail to satisfy a drawdown or otherwise default on their contribution obligations pursuant to the credit support, such amount would be drawn on a pro rata basis from non-defaulting Limited Partners and Limited Partners of any parallel fund, alternative investment vehicles and/or Co-Investment Vehicles up to the remaining amount of their respective unfunded Capital Commitments.

In connection therewith, each Fund's credit facility is typically secured by an assignment of the Limited Partners' unfunded Capital Commitments or a Fund's portfolio investments and assets. In such cases, Limited Partners will be required to acknowledge their obligation to pay their share of such indebtedness up to the amount of their unfunded Capital Commitments, to acknowledge the right of such lender to call on such Limited Partners to fund their commitments or to provide other acknowledgements or information requested by a lender. Each Fund's applicable Governing Fund Documents and/or Subscription Agreements typically provide a lender with the right to receive detailed due diligence and credit related information regarding the Limited Partners. The applicable General Partner reserves the right, in its sole discretion, to waive these requirements for certain

Limited Partners, which may have an adverse effect on a Fund's ability to obtain such credit facility or terms thereof.

Although borrowings by a Fund have the potential to enhance overall returns that exceed such Fund's cost of funds, they will further diminish returns (or increase losses on capital) to the extent that overall returns are less than such Fund's cost of funds. If a Fund defaults on secured indebtedness, the lender may foreclose, and such Fund could lose its entire investment in the security for such loan. In addition, tax-exempt Limited Partners should note use of leverage by the Funds may create "unrelated business taxable income."

Subscription Facility and Capital Calls

The use of a subscription facility by a Fund may present conflicts of interest as a result of certain factors, including that typically interest will accrue on any such outstanding borrowings at a rate lower than the rate of the preferred return, that the preferred return does not begin to accrue upon the incurrence of such borrowings, and that the preferred return only begins to accrue on the date of capital contribution by Limited Partners to such Fund (i.e., the due date specified in the applicable drawdown notice). As a result, the use of a subscription facility with respect to portfolio investments and ongoing capital needs of a Fund may reduce or eliminate the preferred return received by the Limited Partners and accelerate or increase distributions of carried interest to the relevant General Partner, providing such General Partner with an economic incentive to fund portfolio investments and ongoing capital needs of such Fund through subscription facilities in lieu of capital contributions and to make distributions prior to repayment of such outstanding borrowings. Additionally, although leverage will increase investment returns if a Fund earns a greater return on the investments purchased with borrowed funds than it pays for use of those funds, the use of leverage will decrease the returns of a Fund if it fails to earn as much on investments purchased with borrowed funds as it pays for the use of those funds. Subject to the limitations in each Fund's Governing Fund Documents, the use of a subscription facility by the Funds is within the General Partner's discretion.

Risk of Limited Number of Investments; Dependence on Performance of Certain Investments

The Funds will participate in a limited number of investments and, as a consequence, the unfavorable performance of any single investment may have a substantial adverse effect on the aggregate performance of the Funds. Moreover, since all of the Funds' investments cannot reasonably be expected to perform well or even return capital, one or a few of a Fund's investments must generate strong returns for that Fund to achieve above-average returns. There can be no assurance that this will be the case.

General Economic and Market Conditions

The success of the Funds' activities may 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' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts, or security operations). The Funds could incur material losses even if the General Partners reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Even

a disciplined approach may not protect the Funds from significant losses under certain market conditions.

Fluctuations in the market prices of securities may affect the value of the investments held by the Funds. Instability in the securities markets may also increase the risks inherent in the Funds' investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market, bank loan market or otherwise. Additionally, investments made by the Funds may 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 have a material adverse effect on the performance of investments made by the Funds and the Funds' ability to execute its investment strategy. Certain sectors targeted by the Funds are highly cyclical and subject to significant fluctuation due to competition, the high level of government regulation, general economic conditions, the level of interest rates, the state of the public equity markets and other factors. The returns on a Fund's investments may therefore be lower in certain periods.

The U.S. economy has generally recovered from the depths of the 2008 financial crisis. However, it is not possible to predict whether there will be volatility in the markets or what impact such volatility could have on the Funds. A recession, slowdown or sustained downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets could have a material adverse effect on the Funds' and the portfolio companies' profitability, impede the ability of the portfolio companies to perform under or refinance their existing obligations, and impair the Funds' ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain investments.

In addition, in recent years, economic problems in a single country or region have had an increased effect on other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets, which could in turn adversely affect the Funds' performance. Moreover, presidential and congressional elections may result in a number of changes to U.S. and non-U.S. fiscal, tax and other policies, as well as the lending environment generally. These changes and other changes may significantly impact the U.S. and global financial markets and the execution of the Funds' strategies.

The Funds may be adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant economic developments and other events that could limit the Funds' activities and investment opportunities or change the functioning of the capital markets, and there is the possibility of a severe worldwide economic downturn. Consequently, the Funds may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks.

Investments Longer than Term

A Fund may make investments which may not be advantageously disposed of prior to the date a Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Lightyear expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at

dissolution, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Difficulties Upon Exit

The Funds' investments will be subject to various risks, particularly the risk that the Funds will be unable to realize their investment objectives by sale or other disposition at attractive prices or be unable to complete any exit strategy. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. There can be no assurance that a public market will develop for any of the Funds' investments or that the Funds will otherwise be able to realize such investments. Therefore, there can be no assurance that the Funds will realize net profits or achieve returns commensurate with the risks associated with their investments, or that the Funds will not experience losses in their investments, which may be substantial.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. The Funds will be competing for investments with strategic buyers and other private equity investment vehicles, as well as individuals, family offices and other institutional Limited Partners. Furthermore, over the past several years, a number of private equity funds have been formed (and many such funds have grown in size). Additional funds with similar investment objectives are likely to be formed in the future by other unrelated parties. There can be no assurance that the Funds will be able to locate, complete and exit investments which satisfy the Funds' rate of return objectives, or realize upon their values, or that they will be able to invest fully its committed capital.

Litigation Risks

Lightyear and each of its affiliates and employees are subject to substantial litigation risks and may face significant liabilities and damage to their professional reputation as a result of litigation allegations and negative publicity. Such risks include, without limitation, potential regulatory and enforcement actions, litigation against the members of the board of directors of a portfolio company (which may include employees or agents of Lightyear), litigation by shareholders or debt holders of portfolio companies and litigation with counterparties to transactions entered into by portfolio companies, the Funds, the General Partners, the Affiliated Advisers, Lightyear and each of their affiliates. Lightyear and each its affiliates and employees are also exposed to risks of litigation or investigation in the event of any transactions that presented conflicts of interest that were not properly addressed. If any lawsuit resulted in a finding of substantial legal liability, the lawsuit could materially adversely affect the business, reputation, financial condition and/or operations of the Funds, Lightyear and each of its affiliates and employees, which would in turn have a substantial adverse effect on potential returns to Limited Partners.

In addition, the expense of litigation relating to the Funds, including paying any amounts pursuant to a settlement or judgment, would, absent certain disabling conduct by such person in connection with such claim, be borne by relevant Funds and would reduce the relevant Funds' returns. The Affiliated

Advisers, the General Partners, Lightyear and others are indemnified by the Funds in connection with such litigation, subject to the terms of the relevant Governing Fund Documents as discussed further herein.

Indemnification

As set forth in the relevant Governing Fund Documents, the Funds will be required to indemnify their respective General Partners and Affiliated Advisers, Lightyear, each of their respective affiliates, each of the current and former shareholders, officers, directors, employees, partners, members, managers, agents, liquidating trustees, and other third parties for liabilities incurred in connection with the affairs of the Funds. Members of the relevant LP Advisory Committees will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the relevant Governing Fund Documents. Such liabilities may be material and may have an adverse effect on the returns to the Partners. For example, in their capacity as directors of portfolio companies, the members, managers or affiliates of Lightyear may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of a Fund would be payable from the assets of the Fund, including the unpaid Capital Commitments of the Limited Partners. If the assets of a Fund are insufficient, the relevant General Partner may recall distributions previously made to the Partners. It should be noted that the General Partners will cause the Funds to purchase insurance for (and allocate a portion of the premium from Lightyear's insurance policy as applicable) the Funds, the General Partners, the Affiliated Advisers, and Lightyear and their affiliates with respect to their fund-related activities. The Funds will bear a material portion of such premium.

Contingent Liabilities Upon Disposition

In connection with the disposition of an investment in a portfolio company, a Fund is likely to be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. A Fund will also likely be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which shall be borne by the relevant Fund and may ultimately be required to be funded by proceeds, through the return of capital by Partners.

Management Team

The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team as each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. Although the relevant General Partner will monitor the performance of each investment made by a Fund, there can be no assurance that the existing management team, or any successor, will be able to generate a return or otherwise limit risk related to a Fund's investment.

Side Letters

The General Partner of each Fund has entered into, and will enter into, side letters or other similar agreement with particular Limited Partners in connection with their admission to a Fund as a Limited

Partner therein, without the approval of any other Limited Partner, which have the effect of establishing rights under, or supplementing the terms of, such Fund's Governing Fund Documents with respect to such Limited Partners in a manner more favorable to such Limited Partners than those applicable to other Limited Partners. Such rights or terms in any such side letter or other similar agreement have included, and are expected to include, without limitation, one or more of (a) excuse rights applicable to particular investments (which are expected to increase the percentage interest of other Limited Partners in, and contribution obligations of other Limited Partners with respect to, such investments), (b) reporting obligations, (c) waiver of certain confidentiality obligations, (d) economic arrangements (including alternative fee or other compensation arrangements), (e) consent to certain transfers by such Limited Partner or consent rights to certain Governing Fund Documents amendments, (f) LP Advisory Committee representation (or participation as an observer), (g) rights to co-invest with a Fund and any terms or arrangements, economic or otherwise, in connection with co-investment opportunities, (h) withdrawal rights due to adverse tax or regulatory events, (i) indemnification arrangements, (j) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of a Limited Partner and (k) any rights granted in consideration of a Limited Partner's investments in Other Sponsored Funds.

The types of investors receiving different treatment have included and may include, without limitation, one or more Limited Partners making/having made a significant or first-closing investment in a Fund or Limited Partners subject to specific regulatory obligations or Limited Partners that are sovereign entities (or affiliated with sovereign entities). If a side letter is entered into by a Fund entitling a Limited Partner to opt out of a particular investment or withdraw from such Fund, any election to opt out or withdraw by such Limited Partner will likely increase each other Limited Partner's pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal), which may have an adverse effect on such other Limited Partner's investment results. The applicable General Partner has granted (and will continue to grant) rights to Limited Partners in side letters in its sole discretion, including to induce investment in a Fund or other arrangements beneficial to such General Partner and certain rights granted to one or more Limited Partners may be adverse to other Limited Partners. The Limited Partners will have no recourse against the Funds, Lightyear, or any of their affiliates in the event that certain other Limited Partners receive additional or different rights or terms as a result of such side letters.

In connection with the foregoing, the General Partners have provided (or agreed to provide or will provide) certain existing (or prospective) Limited Partners that are U.S. state pension plans with certain withdrawal, exclusion and/or transfer rights due to legal, regulatory or policy matters, including as a result of (a) any violation by the applicable General Partner, Lightyear or the applicable Affiliated Adviser of Rule 206(4)-5 under the Advisers Act and other applicable restrictions on political contributions, (b) any inaccurate representations made by the applicable General Partner with respect to required placement agent and fee disclosure and (c) any violation by the applicable General Partner of certain private equity policies of such Limited Partner, including a policy which requires that such Limited Partner's Capital Commitment not exceed a certain percentage of a Fund's aggregate Capital Commitments.

Consultants

In addition to the full-time investment professionals of Lightyear, the Funds may engage one or more consultants, advisors, or other similar professionals (including non-employee senior advisors and/or

non-employee operating partners) (each, a “**Consultant**” and, together, the “**Consultants**”) on a consultancy or other basis to provide services to a Fund or Funds, including, but not limited to, identifying, sourcing, evaluating, investigating, researching, and analyzing prospective transactions, making introductions, and providing strategic insights related to portfolio companies, prospective portfolio companies, management teams, investment themes, industries, sectors, government regulation, market trends, and other matters. The nature of the relationship with each Consultant and the amount of time devoted or required to be devoted by each Consultant to the activities of a Fund typically will vary. There can be no assurance that any Consultant will continue to serve in any particular role throughout the term of a Fund.

Consultants are not employees or affiliates of Lightyear or the Affiliated Advisers but are rather independent contractors engaged by or on behalf of a Fund or Funds. Consultants are not Key Persons (as defined in the relevant Governing Fund Documents) or affiliates of Lightyear or the Affiliated Advisers pursuant to the relevant Governing Fund Documents and therefore typically are not subject to certain restrictions and conditions that relate specifically to Lightyear’s Key Persons (as defined in the relevant Governing Fund Documents) and affiliates. Consultants also may be simultaneously retained by one or more Funds, the Funds’ portfolio companies, Other Sponsored Funds or their portfolio companies, Lightyear, and/or other third parties. Consultants typically will not provide exclusive services to a Fund and may perform similar functions and duties for third parties, which may give rise to conflicts of interest. For example, while performing services for a Fund, Consultants may also be appointed to the board of directors of a portfolio company of that Fund or serve as employees of, or consultants to, a portfolio company, potentially giving rise to conflicts of interest between a Fund on one hand and a portfolio company of such Fund on the other.

The compensation and expenses of a Consultant will be borne by the Funds or the portfolio companies, as applicable, pursuant to the terms of the relevant Governing Fund Documents. Consultants typically have compensation arrangements specific to their engagement, and the appropriate type or amount of compensation may vary. Consultants can receive compensation from a Fund in multiple forms, depending on the arrangement and the services provided, including, without limitation, retainer, hourly, periodic, finder’s, success-based and/or performance-based fees, and other compensation whether in cash or in kind. Consultants can receive carried interest in one or more Funds or certain portfolio companies of the Funds. Consultants can receive compensation from one or more portfolio companies in multiple forms, depending on the arrangement and the services provided, including, without limitation, retainer, hourly, periodic, finder’s, success-based and/or performance-based fees, director’s fees, profits interest, equity, or option grants and other compensation whether in cash or in kind. Consultants may retain any such compensation, and such compensation and expense reimbursement will not be deemed to be paid to, or received by, Lightyear or the Affiliated Advisers and therefore will not offset the Management Fee payable to Lightyear or an Affiliated Adviser. Furthermore, Consultants may be invited to make personal investments in a Fund or its affiliates, including, without limitation, on a reduced-or-no-fee basis, or alongside a Fund as a co-investor in portfolio companies and will be entitled to retain all of the proceeds generated from all such personal investments.

An employee of Lightyear may transition into a role as a Consultant, and any ongoing expenses incurred in connection with engaging such individuals will consequently cease to be borne by Lightyear and will instead be borne in whole or in part by a Fund or a portfolio company of a Fund. Conversely, a Consultant may transition into a full-time employee role, and, at such time, any

expenses of employing such individuals will cease to be borne by any Funds and/or portfolio companies and will instead be borne by Lightyear. Accordingly, Lightyear's determination as to whether to engage a professional as a Consultant or an employee may give rise to conflicts of interest as Lightyear has financial incentives to retain professionals as Consultants rather than hiring Consultants as employees or to convert existing employees to Consultants.

Follow-On Investments

The Funds may be called upon to provide follow-on funding for their portfolio companies or may have the opportunity to increase their investment in such portfolio companies pursuant to the applicable Governing Fund Documents. There can be no assurance that the Funds will wish to make follow-on investments or that they will have sufficient funds to do so. Any decision by a Fund not to make follow-on investments, or its inability to make such investments, may have a substantial negative impact on a portfolio company in need of such an investment or may diminish such Fund's ability to influence the portfolio company's future development.

Dependence on Technology

The financial services industry is highly dependent on technology, communications and information systems and is exposed to many types of operational risk, including the risk of fraud by employees or other parties, record keeping error, data breaches resulting from the unauthorized access by third-parties (i.e., hacking), errors resulting from faulty computer or telecommunications systems, computer failures and damage to computer and telecommunications systems caused by internal or external events. The occurrence of any of these failures, errors or breaches could result in a loss of information, business or regulatory scrutiny or other events, any of which could have a material adverse effect on the Funds.

Majority Investments; Control Person Liability

The Funds are generally expected to have controlling interests in some of their portfolio companies. The exercise of control over a portfolio company may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the Funds might suffer significant losses.

Minority Investments; Investments with Third Parties

The Funds may make minority investments where a Fund does not control or influence the business or affairs of the relevant portfolio company. Although the Funds may seek board representation in connection with their investments or negotiate minority shareholder or supervisory rights, there is no assurance that such representation or such rights, if sought, will be obtained or, if obtained, will provide the Funds with the influence they need to protect their investments. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. In addition, the Funds may not be in a position to limit or otherwise protect the value of the Funds' investments or determine the timing or

occurrence of any sale of such investments and the terms and conditions thereunder. Moreover, the Funds may incur fees, costs, and expenses in connection with asserting or enforcing any minority shareholder or supervisory rights.

The Funds have and will co-invest with third parties including through entities. Such investments involve risks in connection with such third-party involvement, any of which could negatively affect potential returns to the Funds, including the possibility that such third parties may have financial difficulties, economic or business interests or goals which are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives.

Such third parties could also receive compensation relating to such investments, including incentive compensation arrangements, directors' fees, break-up and topping fees, fees in relation to guarantees, advisory fees, monitoring fees (including, without limitation, accelerated monitoring fees), commitment fees, financing fees, acquisition fees, divestment fees, transaction fees and other similar fees (whether in cash or in kind), which would reduce a Fund's returns with respect to such investment. In addition, the Funds may be subject to litigation risks and in certain circumstances be liable for the actions of such third parties. While the General Partners, Lightyear or their affiliates will review the qualifications and previous experience of such third parties, it does not expect to obtain financial information from, or to undertake private investigations with respect to, such third parties.

Lightyear, the General Partners, and/or their affiliates are not typically able to cause certain parties (e.g., co-investors, portfolio companies or other third parties) to bear their share of expenses related to a minority investment or an investment with third parties; therefore even if such parties may benefit from the incurrence of such expenses, such amounts will be borne in their entirety by the applicable Fund or Funds, any related parallel funds, and any related Employee Co-Investment Funds.

Investments in Less Established Companies

A Fund may invest a portion of its assets in the securities of less established companies, early stage companies or start-up companies with little or no operating history, unproven technology, untested management and unknown future capital requirements. Investments in such early stage companies involve greater risks than investments in, and may face intense competition from, more established companies with greater financial and technical resources, more marketing and service capabilities and a greater number of qualified personnel. To the extent there is any public market for the securities held by a Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and therefore, often are more vulnerable to financial failure. Such companies are also likely to have shorter operating histories on which to judge future performance and in many cases, negative cash flow. Portfolio companies may have substantial variations in operating results from period to period and/or experience failures or substantial declines in value at any stage. At the time of a Fund's investment, an early stage or start-up company may lack one or more key attributes (e.g., proven technology, appropriate patent protection, marketable products, complete management team, regulatory approvals or strategic alliances) necessary for growth. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment therein.

There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments.

Investments in Non-U.S. Companies

While the Funds will accept subscriptions and will maintain its books and records in U.S. dollars, the Funds may invest a portion of their aggregate Capital Commitments outside of the United States, pursuant to any investment restrictions set forth in the applicable Governing Fund Documents. Non-U.S. securities have exposure to certain risks not typically associated with investing in U.S. securities, including risks relating to: (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (b) differences between the U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (c) differing or nonexistent uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, which could affect the evaluation of potential investments and the ability to perform due diligence and less government supervision and regulation; (d) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, or social instability, and the possibility of expropriation or confiscatory taxation; (e) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (f) laws and regulations in certain jurisdictions, particularly those relating to foreign investment and taxation, being subject to change or evolving interpretation which may cause legal action to be pursued in multiple jurisdictions, (g) requirements of significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations; and (h) possible financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States. While Lightyear and the Affiliated Advisors intend to manage the Funds in a manner that will minimize their exposure to the foregoing risks, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Funds that are held in certain countries.

The Funds currently do not intend to obtain political risk insurance. Actions in the future of one or more of the governments in the countries in which the Funds invest could have a significant effect on the various economies of such countries, which could affect market conditions, prices and yields of securities in the Funds' portfolios. Political and economic instability in any of the countries in which the Funds invest could adversely affect the Funds' investments.

Economic reforms that lead to more open markets and encourage foreign investment may be curtailed or stalled by political opposition. Political opposition could lead to restrictions on foreign direct investment, including limitations on investment returns, which could have an adverse effect on the Funds' investments.

Investments in Europe

There is often a high degree of government regulation in European economies, and action by European governments could have a significant effect on market conditions and the value of securities held by the Funds. Action by such governments may directly affect foreign investment in securities

of European companies, including through changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic and trade regulations. The European economies may differ favorably or unfavorably from the other economies with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. Changing political environments, regulatory restrictions and changes in government institutions and policies in Europe could adversely affect private investments and the performance of the Funds' investments.

No Market for Limited Partnership Interests/Transferability Restrictions

The limited partnership interests in the Funds (the “**Interests**”) have not been registered under the Securities Act or applicable securities laws of any state or non-U.S. jurisdiction. Therefore, the Interests cannot be resold unless subsequently registered under the Securities Act and other applicable laws or an exemption from such registration is available. It is not contemplated that registration under the Securities Act or other securities laws will ever be effected. There is no public market for the Interests and none is expected to develop. In addition, a Limited Partner will not be permitted to sell, exchange, or directly or indirectly transfer in any form (including, without limitation, any mortgage, hypothecation or pledge), assign, securitize or otherwise dispose of any of its Interest without the prior written consent of the applicable Fund's General Partner, which it may withhold in its sole discretion and is subject to the terms and conditions of the applicable Fund's Governing Fund Documents. Limited Partners may not withdraw capital from the Funds, except in certain limited circumstances. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of a Fund's term. Each purchaser of an Interest is required to represent that the Interest is being acquired for its own account, for investment, and not with a view to resale or distribution.

Management Fee and Carried Interest

As a result of fixed investment periods and the fact that the Management Fee thereafter is based upon capital invested by a Fund (or committed by a Fund to be invested) in portfolio investments and indebtedness in respect of such portfolio investments as set forth in the applicable Governing Fund Documents, there is an incentive to deploy capital when Lightyear or an Affiliated Adviser may not have otherwise so advised a Fund in the absence of such fee structure. In addition, the fact that the General Partners' compensation is based on the performance of their respective Funds creates an incentive for the General Partners to cause their respective Funds to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered somewhat by the fact that losses will reduce a Fund's performance and thus a General Partner's compensation.

In addition, the manner in which the General Partners' entitlement to carried interest is determined may result in a conflict between its interests and the interests of Limited Partners with respect to the sequence and timing of disposals of investments. Prospective investors should note in this regard that recently enacted tax reform legislation in the United States relating to the taxation of carried interest provides for a lower capital gains tax rate on carried interest in respect of investments held for at least three years. This change in legislation could reduce the after-tax returns of employees or other individuals associated with the Funds, Lightyear, the Affiliated Advisers or the General Partners who

were or may in the future be granted direct or indirect interests in the carried interest, which could make it more difficult for the General Partners and their affiliates to incentivize, attract and retain individuals to perform services for the Funds, which may have an adverse effect on the General Partners' abilities to achieve the investment objectives of the Funds. The General Partners are incentivized to operate the Funds, including to acquire, structure, hold and/or sell investments (including follow-on investments), in a manner that takes into account the tax treatment of its carried interest. While the General Partners generally intend to seek to maximize pre-tax returns for the Funds as a whole, the General Partners are nonetheless incentivized, for example, to hold investments longer to ensure long-term capital gains treatment, which, if sold prior to the three-year mark, might have yielded better returns or a greater profit for the Limited Partners.

Cybersecurity Threats

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Lightyear's, the Funds', their respective affiliates' and the Funds' portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

Cybersecurity threats may involve unauthorized access to sensitive information, including, without limitation, information regarding the Limited Partners', Lightyear's, the Funds' and their respective affiliates' investment activities, or could render data or systems unusable, any of which could result in significant losses. Any cybersecurity attacks against Lightyear, the Funds or their respective affiliates or portfolio companies could lead to the loss of sensitive information essential to such entity's operations and could have a material adverse effect on such entity's reputations, financial positions or cash flows, could lead to financial losses from remedial actions or loss of business, or could lead to potential liability.

Lightyear does not control the cybersecurity plans and systems put in place by third-party service providers, and such third-party service providers may have limited or no indemnification obligations to Lightyear, the Funds, their respective affiliates or any portfolio company of the Funds, each of whom could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, attempts to induce Lightyear personnel (or third-party agents) to provide data or payments under false pretenses (e.g., via a falsified email), unauthorized release of confidential or otherwise protected information, including personal information relating to Limited Partners, and corruption of data, and other electronic security breaches could lead to disruptions in critical systems, potentially resulting in further harm and could require Lightyear, the Funds, or their respective affiliates or any portfolio company of the Funds to make a significant investment to fix or replace such systems. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on systems or web sites, rendering them unavailable. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Lightyear's, the Funds' or their respective affiliates', or a portfolio company of the Funds' operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to the Funds (and their Limited Partners),

material nonpublic information relating to, and the intellectual property and trade secrets and other sensitive information of, Lightyear, the Funds, their respective affiliates or the portfolio companies of the Funds. Such a failure or unauthorized disclosure of data could harm Lightyear's, the Funds', their respective affiliates' or a portfolio company of the Funds' reputation, subject any such entity and their respective affiliates to legal claims, regulatory action, increased costs, financial losses, data privacy breaches or enforcement actions arising out of applicable privacy or other laws and adverse publicity and otherwise affect their business and financial performance. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

General Data Protection Regulation

On May 25, 2018, the European Union's General Data Protection Regulation ("**GDPR**") came into effect. The GDPR aims to modernize the legal framework of data protection and privacy in Europe to ensure the consistent protection of personal data by making businesses more accountable for compliance with applicable requirements. Accordingly, onerous penalties are set to be imposed for breaches of the GDPR, including a failure to report cyber security breaches or to implement or maintain appropriate cyber security systems and protocols. While the Funds will endeavor to maintain systems to avoid such breaches and penalties, there can be no assurance that these systems will always be effective in doing so.

The GDPR establishes rules relating to the processing of personal data and to the free movement of personal data. Prospective investors should note that it is expected that they will provide "Personal Data" (as defined in the GDPR and which may include special categories of Personal Data pursuant to Article 9 thereof), as part of their subscription to a Fund and in their interactions with such Fund, its General Partner, Lightyear, their affiliates and/or delegates. The Funds, acting through their respective General Partners, may obtain Personal Data concerning Limited Partners and prospective investors from internal and external sources.

U.S. Data Privacy and Security Laws

The U.S. legal and regulatory landscape governing data privacy and security is in a period of considerable flux. In recent years, state legislatures have passed a number of important new laws, including the California Consumer Privacy Act ("**CCPA**"), which became effective on January 1, 2020, and the New York SHIELD Act, which took effect in part on October 23, 2019 and in other parts on March 21, 2020. As of November 1, 2020, a number of states (including Arizona, Illinois, Iowa, Maryland, Minnesota, New Jersey, New York, South Carolina, and Washington) were considering proposals for comprehensive data privacy laws. Additionally, California voters approved a new privacy law, the California Privacy Rights Act ("**CPRA**"), in the November 3, 2020 election. Effective starting on January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. At the federal level, the United States Congress is also considering various proposals for data privacy and security legislation. The cumulative effects of CCPA, the CPRA and other recently adopted laws include an increased ability of individuals, relative to companies, to control the use of their personal data; increased obligations of companies to maintain the security of data; and increased exposure to fines or damages for companies that do not accord individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity at certain levels of quality.

The Funds will endeavor to maintain systems that promote compliance with the CCPA, the CPRA and these other laws, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with the CCPA, the CPRA and such other laws. In the event of fines or damages due to noncompliance with such data privacy and cybersecurity laws, there may be a business impact on the Funds.

Terrorism

The threats of terrorist strikes and the fear of prolonged global conflict have exacerbated volatility in the financial markets and caused consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn, which may have an adverse effect upon the portfolio companies in which the Funds make investments. Economic and political uncertainty also increase the difficulty of modeling market conditions, which may reduce the accuracy of the Fund's financial projections. The performance of the Funds' portfolio companies may be affected by additional catastrophic events.

Hedging Policies/Risks

In connection with the financing of certain investments, a Fund may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, credit, securities prices and currency exchange. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater, or gains smaller, than losses or gains, as the case may be, in the value of the underlying position. While a Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, credit defaults, securities prices or currency exchange rates may result in a worse overall performance for a Fund than if that Fund had not entered into such hedging transactions. In situations in which a Fund is required to post margin or other collateral with a counterparty, the counterparty may fail to segregate the collateral or may commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, a Fund's collateral may be subject to the conflicting claims of the counterparty's creditors, and that Fund may be exposed to the risk of a court's treating the Fund as a general unsecured creditor of the counterparty, rather than as the owner of the collateral. Additionally, such hedging transactions will add to the cost of the investment, may require ongoing cash payments to counterparties, may subject a Fund to the risk that the counterparty defaults on its obligations and may produce different tax consequences to a Fund's Limited Partners than would apply if the Fund had not entered into such hedging transactions. There can be no guarantee that instruments suitable for hedging market shifts will be available at the time when a Fund wishes to use them. In addition, the successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

Role of and Dependence on Private Equity Professionals

The success of the Funds will depend substantially on the skill and knowledge of Lightyear's private equity professionals. There can be no assurance that such professionals will continue to be associated with Lightyear throughout the life of a Fund. The loss of key personnel could have a material adverse

effect on the Funds. Additionally, certain of the investment professionals involved in one Fund may not be involved in the affairs of another Fund.

Business with Portfolio Companies and Limited Partners

A Fund or a portfolio company of a Fund or any Other Sponsored Fund may from time to time enter into contracts and transactions with another portfolio company of that Fund, another Fund or their respective General Partners or their affiliates, subject to certain restrictions set forth in the applicable Governing Fund Documents. In addition, General Partners or their respective affiliates may from time to time utilize the services of one or more Limited Partners and their affiliates, as the parties deem appropriate. Such arrangements may benefit a portfolio company or Limited Partner, as applicable, and not the Funds. However, such arrangements may not be deemed to be conflicts of interest under the terms of the applicable Governing Fund Documents and may not be presented to the relevant LP Advisory Committee for review.

Allocation of Personnel

Lightyear personnel will work on other projects, including projects in respect of multiple Funds and their portfolio companies, and possibly other vehicles as contemplated in the applicable Governing Fund Documents. Such personnel may have in the past and may in the future also serve as members of the boards of directors or managers of various companies other than the Funds' portfolio companies in accordance with the applicable Governing Fund Documents. Conflicts may arise as a result of such other activities. The relevant General Partners and Affiliated Advisers shall, and shall cause each of the Key Persons (as defined in the relevant Governing Fund Documents) for so long as such Key Person (as defined in the relevant Governing Fund Documents) is affiliated with Lightyear to devote such time to the Funds as is reasonably required to conduct the investment and other activities of the Funds and their related investment funds.

Material, Non-Public Information

By reason of their responsibilities in connection with their Lightyear-related or other activities, certain personnel of Lightyear may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, a Fund 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.

Diverse Membership

The Limited Partners are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such Limited Partners may have conflicting investment, tax and other interests with respect to their investments in a particular Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of portfolio investments, the purchase by a Fund of assets from a portfolio company where certain Limited Partners did not participate in the investment in such portfolio company, and the timing of disposition of investments. Such structuring of investments and other factors may result in different returns being realized by

different Limited Partners. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partners, including in respect of the nature or structuring of investments, that may be more beneficial for one Limited Partner than for another Limited Partner, especially in respect of Limited Partners' individual tax situations. In selecting and structuring investments appropriate for a Fund, the applicable General Partner will consider the investment and tax objectives of such Fund and the Partners as a whole, rather than the investment, tax or other objectives of any Limited Partner individually.

Other Sponsored Funds

In connection with prior investments by the Funds, Lightyear, its affiliates and/or portfolio companies are subject to certain restrictions that may limit the ability of other Funds to pursue an investment in one or more companies, including, but not limited to, restrictions arising out of confidentiality, exclusivity, non-competition or similar agreements entered into by Lightyear, its affiliates or such portfolio companies. As a result of existing investments and activities, Lightyear, its affiliates and its investment team may from time to time acquire confidential information that they will not be able to use for the benefit of the Funds.

Lightyear may form, sponsor, manage or advise other funds or investment vehicles with different investment strategies (each, an “**Other Sponsored Fund**” or, collectively, the “**Other Sponsored Funds**”).

In addition to responsibilities with respect to the management and investment activities of the Funds, the General Partners, Lightyear, the Affiliated Advisers, their respective Key Persons (if any) (as defined in the relevant Governing Fund Documents) and their affiliates have similar responsibilities with respect to various Other Sponsored Funds. The existence of such multiple vehicles and accounts necessarily creates a number of potential conflicts of interest arising from the allocation of management time, services or functions of Lightyear, the Affiliated Advisers and their investment personnel among the Funds and the Other Sponsored Funds.

Other Sponsored Funds may have principal investment objectives different from those of the Funds but in some cases the investment objectives will overlap with those of the Funds or may be focused on a subset of the investments that a Fund is targeting (or vice versa). It is possible that a particular opportunity would be suitable for both a Fund and Other Sponsored Funds and thereby limit the presentation of such opportunity to the Funds or may result in a situation where a Fund and Other Sponsored Funds co-invest in a particular investment which may give rise to additional conflicts (including in respect of the timing, structuring and terms of such investments and disposition thereof).

Co-Investment with Other Sponsored Funds

A Fund may, from time to time, invest in portfolio companies in which Other Sponsored Funds invest, either concurrently with a Fund or subsequent or prior to the investment by such Fund, and a Fund may take different positions in companies in which an Other Sponsored Fund has invested (i.e., a Fund may purchase equity in a company in which an Other Sponsored Fund holds debt). In such event, such Fund and such Other Sponsored Fund may have conflicting interests because they are investing in different classes of investments of the same portfolio company. If, for example, the portfolio company in which a Fund has an equity investment and in which such Other Sponsored

Fund has a debt investment becomes distressed or defaults on its obligations, Lightyear or its affiliates, as the case may be, may have conflicting loyalties between its duties to the Other Sponsored Fund, the Fund, certain of its other affiliates and the portfolio company. In that regard, actions may be taken for such Other Sponsored Fund that are adverse to a Fund, or actions may or may not be taken by a Fund due to such Other Sponsored Fund's investment, and such action or failure to act may be adverse to that Fund. In addition, it is possible that in a bankruptcy proceeding a Fund's interest will be subordinated or otherwise adversely affected by virtue of such Other Sponsored Fund's involvement and actions relating to its investment.

Allocation of Deal Flow

Lightyear may conduct the investment programs of certain Funds in a manner that is similar to the investment program of one or more other Funds. There may be a conflict of interest in determining whether to allocate an investment opportunity to a Fund, on the one hand, or another Fund, a successor fund, an Other Sponsored Fund or a General Partner and/or its affiliates, on the other hand. The General Partners will make allocation decisions with respect to investment opportunities suitable for the Funds, consistent with the applicable Governing Fund Documents and contractual commitments and any other factors it may deem relevant. In making allocation determinations, the General Partners may consider any or all of the following factors and any other factors it may deem relevant with respect to the Funds: (a) the risk-return and target return profile of the proposed investment relative to a Fund's current risk profile; (b) a Fund's current portfolio, investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the Fund's overall holdings; (c) diversification and risk; (d) available Capital Commitments and/or liquidity considerations of a Fund, including during a ramp-up or wind-down of a Fund, proximity to the end of a Fund's term or investment period, any redemption/withdrawal requests and anticipated future contributions to a Fund; (e) tax consequences; (f) regulatory or contractual restrictions or consequences; (g) avoiding a de minimis or odd lot allocation; and (h) availability and degree of leverage and any requirements or other terms of any existing leverage facilities.

If a General Partner determines that any investment opportunity to invest in a potential control position (including through an acquisition of debt Securities) or a significant minority position in a financial services company is not suitable or appropriate for a Fund, then any person, including the General Partner or its affiliates and their respective equity holders, officers, directors and employees or affiliates, may participate in all or any portion of such investment opportunity.

Conflicts with Portfolio Companies

Officers and employees of Lightyear, the General Partners, the Affiliated Advisers or their affiliates will serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions regarding the relevant portfolio company. In certain circumstances, for example in situations involving bankruptcy or near insolvency of a portfolio company, actions that may be in the best interest of a portfolio company may not be in the best interests of a Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interests between such individual's duties as an officer or employee of Lightyear, a General Partner, an Affiliated Adviser or their affiliates and such individual's duties as a director of a portfolio company.

General Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds, their portfolio companies or Partners. The legal, tax and regulatory environment for funds that invest in alternative investments is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by some politicians, government representatives, regulators and market commentators, may adversely affect the ability of the Funds to pursue their respective investment strategies, their ability to obtain leverage and financing, and the value of investments held by the Funds. In recent years, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental as well as self regulatory scrutiny of the alternative investment fund industry in general, and certain legislation proposing greater regulation of the industry periodically has been and is being considered by the governing bodies of both U.S. and non-U.S. jurisdictions. It is impossible to predict what, if any, changes may be instituted with respect to the regulations applicable to the Funds, the General Partners, the Affiliated Advisers, their respective affiliates, the markets in which they trade and invest, the Limited Partners in the Funds or the counterparties with which they do business, or what effect such legislation or regulations might have. There can be no assurance that the Funds, the General Partners, the Affiliated Advisers or their respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations that restrict the ability of the Funds to implement their investment strategies could have a material adverse impact on the Funds' portfolios. To the extent that the Funds or the Funds' investments are or may become subject to regulation by various agencies in the United States or other non-U.S. jurisdictions, the costs of compliance will be borne by the Funds.

As a registered investment adviser under the under the U.S. Investment Advisers Act of 1940 (as amended, the “**Advisers Act**”), Lightyear is required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including the obligation of the Affiliated Advisers and their affiliates to make regulatory filings with respect to the Funds and their activities under the Advisers Act (including, but not limited to, Form PF)). Following the Dodd-Frank Act, the SEC has particularly scrutinized the private equity industry, including conducting a number of examinations and bringing a number of enforcement actions particularly focused on the private equity industry. In light of the heightened regulatory environment in which Lightyear operates and the ever-increasing regulatory burdens applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for Lightyear to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulatory burdens applicable to private investment funds generally or to the Funds or the Funds' investments, the General Partners or Lightyear and its affiliates may result in increased expenses associated with the Fund's activities and additional resources of Lightyear being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for Limited Partners in the Funds or have an adverse effect on the ability of the Funds to effectively achieve their investment objectives. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on the Funds' activities, including the ability of the Funds to achieve their investment objectives.

Finally, the SEC and other various U.S. federal, state and local agencies may conduct examinations and inquiries into, and bring enforcement and other proceedings against, the Funds, the General Partners, Lightyear, the Affiliated Advisers or their respective affiliates and employees thereof. The Funds, the General Partners, Lightyear, the Affiliated Advisers or their respective affiliates and employees thereof may receive requests for information or subpoenas from the SEC and other state, federal and non-U.S. regulators from time to time in connection with such inquiries and proceedings and otherwise in the ordinary course of business. These requests may relate to a broad range of matters, including specific practices of the General Partners, the Affiliated Advisers, and Lightyear, the securities in which Lightyear or the Affiliated Advisers invest on behalf of its clients or industry-wide practices. The costs of any such increased reporting, registration and compliance requirements may place the Funds at a competitive disadvantage to the extent that Lightyear or portfolio companies are required to disclose sensitive business information or alter current business practices.

Future Legal, Tax and Regulatory Risks for Private Equity Funds

Future legal, tax and regulatory changes could occur that may adversely affect the Funds. The regulatory environment for private equity funds is evolving, and changes in regulations that impact private equity funds may adversely affect the value of investments held by the Funds and the ability of the Funds to pursue their respective investment strategies. The SEC, other regulators and self-regulatory organizations and exchanges have taken various extraordinary actions in connection with market events and may take additional actions. The Funds may 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.

Recently proposed legislation in the United States would impose a number of highly significant restrictions and burdens on private fund managers and the funds that they sponsor, as well as their Limited Partners. These proposals would, among other things (a) remove the limited liability status of Limited Partners in a private fund that acquires 20% or more of the voting securities of a portfolio company (a “**Controlling Interest**”) and hold the Limited Partners 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, (c) prohibit any dividend recapitalization within 24 months of the date that a private fund acquires a Controlling Interest in a portfolio company, (d) impose a 100% tax on fees paid by a portfolio company to an asset manager that controls or is in a control group with a private fund that holds a Controlling Interest in such portfolio company, (e) eliminate the tax deductibility of some or all indebtedness incurred in connection with the acquisition of a portfolio company and (f) subject carried interest to taxation as ordinary income rather than as capital gains for U.S. federal income tax purposes. If these proposals were to be enacted, even if only in part, they would materially and adversely affect the ability of the Funds, the General Partners, the Affiliated Advisers and 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 the Funds being unable to meet their respective investment objectives, or could require the Funds 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 Limited Partners, including due to the use of alternative investment vehicles and/or parallel funds.

The effect of any future regulatory changes on the Funds, the Affiliated Advisers, Lightyear or their affiliates could be substantial and potentially adverse.

Anti-Money Laundering Regulations

Many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies. The Funds could be requested or required to obtain certain assurances from current Limited Partners or prospective investors subscribing for Interests to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. Limited Partners and prospective investors are required to agree to provide additional information or take such other actions as may be necessary or advisable for the Funds to comply with any applicable requirements (as noted above), related legal process or appropriate requests (whether formal or informal, including, without limitation, in connection with making investments). Failure to honor any such request may result, in the discretion of the applicable General Partner, in required withdrawal from a Fund or a forced sale to another Limited Partner of such Limited Partner's Interests. In addition, the Funds will disclose any information required in connection with the Bank Secrecy Act, the USA PATRIOT Act and other anti-money laundering, anti-terrorism and similar laws, rules and regulations, to the extent applicable.

Economic and Trade Sanctions and Anti-Bribery Considerations

Economic and trade sanctions laws in the United States and other jurisdictions may prohibit Lightyear, the Affiliated Advisers, their affiliates and respective employees, the Funds and their portfolio companies from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain non-U.S. countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict or inhibit certain of the Funds' investment activities in certain countries and, in particular, certain emerging market countries. At the same time, Lightyear, the Affiliated Advisers, their affiliates and respective employees may be obligated to comply with certain anti-boycott laws and regulations, which prevent such parties from engaging in certain discriminatory practices that may be allowed or required in certain jurisdictions. The inability to discriminate in this manner could make it more difficult for the Funds to pursue certain investments and engage in certain business activities.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. Lightyear, the Affiliated Advisers, their affiliates and

respective employees and the Funds are subject to the U.S. Foreign Corrupt Practices Act (“FCPA”) and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations. As a result, the Funds may be adversely affected because of its inability to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities and for investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. While Lightyear has developed and implemented related policies and procedures, such policies and procedures may not be effective to prevent violations. In addition, in spite of Lightyear’s policies and procedures, affiliates of the companies in which the Funds invest may engage in activities that could result in FCPA or other violations of law. Any determination that Lightyear or the Affiliated Advisers (or their affiliates or related employees) has or have violated the FCPA or other applicable anti-corruption laws or anti-bribery laws or sanctions requirements could subject the relevant Funds to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, disclosure obligations and a general loss of investor confidence, any one of which could adversely affect Lightyear’s and the Affiliated Advisers’ business prospects or financial position, as well as the Funds’ ability to achieve their investment objectives or conduct their operations.

In addition, should any investment made on behalf of the Funds subsequently become subject to applicable sanctions, the Funds may immediately and without notice to the subscriber cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings.

Risks Arising from Provision of Managerial Assistance

Generally, it is expected that the General Partners of the Funds will use their commercially reasonable efforts to avoid having the assets of any Fund constitute “plan assets” of any plan subject to Title I of ERISA or Section 4975 of the Code and may, in this regard, elect to operate a Fund as a “venture capital operating company” (“VCOC”) within the meaning of regulations promulgated under ERISA. Operating a Fund as a VCOC would require that such Fund to obtain rights to substantially participate in or influence the conduct of the management of a number of the Fund’s portfolio companies. Regardless of whether a Fund operates as a VCOC, a Fund may designate a director to serve on the board of directors of one or more portfolio companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders, creditors and regulators, including claims that a Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against a Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal or regulatory principles or regimes; and could expose a Fund to claims that it has interfered in management to the detriment of a portfolio company. While the General Partners intend to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

In the event a Fund is operated to qualify as a VCOC in order to avoid holding “plan assets” within the meaning of ERISA, such Fund may be restricted or precluded from making certain investments. In addition, it could be necessary for the applicable General Partner to liquidate Fund investments at a disadvantageous time in order to avoid holding ERISA “plan assets,” resulting in lower proceeds to such Fund than might have been the case without the need to qualify as a VCOC.

Compliance with the AIFM Directive

The European Union Directive on Alternative Investment Fund Managers (the “**AIFMD**”) regulates, and imposes regulatory obligations in respect of, the marketing in the European Economic Area (the “**EEA**”) or the United Kingdom (the “**UK**”) by alternative investment fund managers (each an “**AIFM**”) (whether established in the EEA, the UK or elsewhere) of alternative investment funds (each an “**AIF**”) (whether established in the EEA, the UK or elsewhere). The AIFMD may restrict Lightyear and its Funds from engaging in certain activities and impose certain other requirements that may restrict their operations and increase the operating expenses of the Funds, if Interests in the Funds are offered to investors in the EEA or the UK. The requirements under the AIFMD may vary from jurisdiction to jurisdiction within the EEA and the UK depending on local implementation and interpretation. For example, the AIFMD imposes disclosure and reporting requirements on Lightyear as the manager of a Fund for AIFMD purposes. In addition, depending on the EEA jurisdiction in which a Fund is being marketed, Lightyear may be required under the local implementation of the AIFMD to appoint a so-called depositary-lite on behalf of such Fund, which could result in increased Fund expenses.

United Kingdom Exit from the European Union

The UK left the European Union (the “**EU**”) on January 31, 2020 (“**Brexit**”). Under the terms of the withdrawal agreement concluded between the UK and the EU, a transition (or standstill) period ran until December 31, 2020, during which time the UK continued to benefit from and be bound by many EU laws.

In December 2020, the UK and the EU agreed on a trade and cooperation agreement (the “**Trade and Cooperation Agreement**”) that has applied provisionally since the end of the transition period until it was formally ratified by the parties in May 2021. The Trade and Cooperation Agreement covers the general objectives and framework of the relationship between the UK and the EU, including in relation to trade, transport, visas, judicial, law enforcement and security matters, and mechanisms for dispute resolution. Under the terms of the Trade and Cooperation Agreement, UK firms no longer benefit from automatic access to the EU single market and there is no longer the free movement of people between the UK and the EU.

As of the date of this Brochure, the impact the Trade and Cooperation Agreement between the UK and the EU may have on businesses and the financial markets is still not clear; the legal, political and economic changes resulting from Brexit may adversely impact businesses based in the UK, and may also result in an economic slowdown and/or a deteriorating business environment in one or more EU member states. Such negative economic impact and volatility could, in turn, adversely affect market conditions, prices and yields of securities in the Funds’ portfolios. In addition, the political and economic instability in the UK and other European countries, particularly countries in the Eurozone, could adversely affect the Funds’ investments.

While some EU directives contemplate access to EU markets by firms established in countries deemed to have equivalent standards, even if UK domestic law continues to be equivalent to EU law (which is not guaranteed), there is no certainty that the EU will facilitate equivalence decisions in a timely fashion, despite mutual commitments to make equivalence assessments by the end of June 2020, the EU and the UK failed to meet this deadline. It is therefore expected that there will be disruption, at least initially, in all areas in which there is currently harmonizing EU legislation, because the current legal framework will cease to apply to the UK with nothing to replace it unless and until the UK negotiates alternative arrangements with the EU and/or with individual member states.

The future application of regulatory standards similar to those that apply in the EU to the private fund industry in the UK will depend on the actions of the UK government. Any renegotiated terms or amended laws and regulations may have an adverse impact on a Fund and its investments, including the ability of such Fund to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and increased legal, regulatory or compliance burden for Limited Partners and/or the Funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Funds.

Brexit and the end of the transition period may have an adverse effect on the tax treatment of the Funds and their investments, in particular where reliance might have been placed on the UK entity's status as being in an EU member state for the purposes of determining eligibility for benefits under a double tax treaty. In particular, EU directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties no longer apply to payments made into and out of the UK, meaning that instead the UK's double tax treaty network need to be relied upon. Further, there will be changes to the operation of VAT.

While the most immediate impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and elsewhere in Europe.

FOIA

Some of the Interests in the Funds are and will be held by Limited Partners that are subject to public disclosure requirements, such as public pension plans and listed investment vehicles. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. As a result of the U.S. Freedom of Information Act (“**FOIA**”), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a Limited Partner or any of its affiliates may be required to disclose information relating to a Fund, its affiliates, and/or any entity in which an investment is made (other than as set forth in the Governing Fund Documents). To the extent that disclosure of confidential information relating to a Fund or its investments results from Interests being held by such Limited Partners, such Fund may be adversely affected.

Counterparty Risk

Some of the markets in which a Fund may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the applicable Fund

to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the applicable Fund to suffer a loss.

Bridge Investments

Certain Funds have the ability to provide interim financing to, or make investments that are intended to be of a temporary nature, in the securities of any portfolio company or any subsidiary thereof in connection with or subsequent to a portfolio investment by such Fund in such portfolio company. Such bridge investments may be convertible into a more permanent, long-term security or refinanced or sold down; however, for reasons not always in a Fund's control, such long-term securities may not be issued or any contemplated refinancing or sell down may not occur and such bridge loans may remain outstanding. To the extent a bridge investment is not repaid, refinanced or otherwise disposed of within a certain period of time (as defined in the applicable Fund's Governing Fund Documents), the bridge investment may be treated as a portfolio investment of such Fund from the date of the original investment. In the event of any such failure to dispose of a bridge investment, a Fund's exposure to such portfolio investment may exceed the exposure the applicable General Partner would otherwise deem appropriate for a Fund's portfolio construction or diversification. If a bridge investment is not repaid, refinanced or otherwise disposed of within a certain period of time (as defined in the applicable Fund's Governing Fund Documents), as a result, the Fund's interest in a portfolio company would exceed the investment limitations set forth in the relevant Governing Fund Documents had the bridge investment been treated as a portfolio investment on the date of the original investment, the General Partner of the Fund will not be deemed to have breached the investment limitations set forth in the Governing Fund Documents and will not have any requirement to sell down the Fund's interest in such portfolio company.

Local Intermediary Risk

Certain of the Funds' transactions may be undertaken through local brokers, banks or other organizations outside the United States, and the Funds will be subject to the risk of default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that the Funds would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the Funds to a variety of risks, including theft, loss and destruction. The Funds will also be dependent upon the general soundness of the banking systems of the countries in which it invests.

Clearance, Settlement and Custody Risks

From time to time, certain securities markets have experienced operational clearance, settlement and custody problems that have resulted in failed trades. To the extent that such problems recur, the Funds could miss attractive investment opportunities if it were unable to consummate securities purchases or, in the event that a Fund was a seller in a trade situation, the market price of the security that was the subject of the failed trade could decline after the time that the trade was entered into and, if a Fund had entered into a contract with the purchaser of the security, such Fund would have the liability to that purchaser.

Risks Associated with Environmental, Social and Governance Considerations

Lightyear has adopted environmental, social and governance guidelines and will evaluate environmental, social and governance (“ESG”) opportunities and risks in connection with certain Funds’ portfolio investments. As part of its review of potential portfolio investments, a Fund may incur expenses in connection with ESG due diligence (including in connection with retaining third-party consultants to assist with such due diligence) of such investments.

A General Partner may make decisions or otherwise pursue courses of action that may not be in the short-term operating or financial interest of a Fund, but instead may be in the interest of achieving certain ESG outcomes. Conversely, a General Partner may make decisions or otherwise pursue courses of action that may not achieve certain ESG outcomes in the interest of targeting financial returns. There can be no assurance that any Fund’s portfolio companies will achieve successful ESG or economic outcomes.

Climate Change-Related Risks

Lightyear and one or more Funds could be exposed to potential physical risks from possible future changes in climate. One or more Fund’s portfolio companies could be exposed to rare catastrophic weather events, such as severe storms or floods. If the frequency of extreme weather events increases due to climate change, Lightyear’s and such Funds’ exposure to these events could increase. In addition, Lightyear and one or more Funds could be adversely impacted by regulatory changes related to climate change as a result of potential impacts of such changes on the supply chain or stricter energy efficiency standards for buildings. Lightyear cannot provide any assurance that any existing or future regulatory changes will not materially and adversely impact Lightyear, its Funds, and their portfolio companies’ operations and business in the future.

Valuation Matters

The fair value of all of a Fund’s investments or of interest received in exchange for any investments will be determined by the applicable General Partner in accordance with U.S. GAAP, the Governing Fund Documents and Lightyear’s valuation policies. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price may be material. The valuation of such investments will be determined by the relevant General Partner in accordance with the policies of Lightyear, which Lightyear may change in its sole discretion. The valuation of investments will affect the amount and timing of the General Partners’ carried interest and, under certain circumstances, the amount of Management Fees payable to the Affiliated Advisers. The valuation of investments may also affect the ability of Lightyear to raise successor funds. As a result, there may be circumstances where a General Partner may be incentivized to determine valuations that are higher than the actual fair value of investments.

Epidemics and Other Health Risks

Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and, most recently, the 2019-nCoV (“Covid-19”). Pandemics, epidemics

and other widespread public health emergencies have resulted 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 Lightyear and its Funds.

In December 2019, an initial outbreak of Covid-19 was reported in Hubei, China. In January 2023, the World Health Organization Director-General determined that the ongoing Covid-19 pandemic continued to constitute a “Public Health Emergency of International Concern.” The ongoing Covid-19 outbreak has resulted in numerous deaths and the imposition by governments at all levels of both local and more widespread “stay-at-home” and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. Businesses have also implemented similar precautionary measures. Such measures significantly disrupted supply chains and economic activity and continue to have an adverse impact on transportation, hospitality, tourism, entertainment and other related industries. Some businesses also ceased, restricted or minimized operations. While circumstances related to Covid-19 have improved in many parts of the world, there is no guarantee that such improvements will continue. New strains of Covid-19, which could be more transmissible and/or more lethal, may give rise to future surges of Covid-19. In such a case, governments and businesses may take aggressive measures to help slow its spread.

In addition, Covid-19 has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment have been impacted by the outbreak and government and other measures seeking to contain its spread. In addition to these developments having potential material and adverse consequences for Services Providers of the Funds and other counterparties, the effects of a public health emergency could materially and adversely impact the value and performance of the Funds’ investments in portfolio companies, the Funds’ ability to source, diligence, manage, and divest its investments in portfolio companies, and the Funds’ ability to achieve their investment objectives. In addition, the operations of the Funds, the Funds’ portfolio companies, the General Partners, and Lightyear could be significantly impacted, or even permanently halted, as a result of government measures, voluntary and precautionary restrictions on travel or meetings, and other factors related to a public health emergency. The Funds’ operations could be disrupted if any member of the investment team or any other key personnel of Lightyear contracts Covid-19. Similar consequences could arise with respect to other comparable infectious diseases. More generally, further negative impact on economic fundamentals and consumer and business confidence, whether due to the continued spread and impact of Covid-19 or other similar causes, will likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of investments made by the Funds, and these or similar events would affect the Funds’ ability to execute their investment strategy.

Proposed SEC Private Funds Regulation

The SEC has proposed a number of new rules and amendments to existing rules under the Advisers Act (the “**Proposed Private Funds Rules**”) including new requirements related to quarterly statements, financial statement audits, prohibited activities and the preferential treatment of certain investors. The Proposed Private Funds Rules include a requirement for detailed quarterly disclosure to investors of private fund performance, fees and expenses (including disclosure of the compensation paid to the investment adviser and its affiliates) and additional portfolio investment-level disclosure.

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

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

The final versions of the Proposed 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 Lightyear, the General Partners, the Investment Adviser, and their respective personnel will be required to devote to reporting and compliance matters. In addition, if adopted as proposed and without the benefit of any “grandfathering” with respect to fund arrangements in place prior to the date of such adoption, the Proposed Rules could require amendments to such fund arrangements, which could be costly. It is also possible that the SEC or one or more other legislative bodies or regulatory agencies proposes to impose other legislative or regulatory changes, or adopts new laws or regulations, that impact the U.S. private funds industry. The effect of the Proposed Rules, and any other future change in law or regulation that impact the U.S. private funds industry, on Lightyear, the General Partners, the Funds, their respective personnel or any of their respective affiliates could be substantial and potentially adverse.

Russian Invasion of Ukraine

Russia launched a large-scale invasion of Ukraine on February 24, 2022. 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, have 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/or 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, which remains ongoing, 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.

CFIUS and National Security Clearance Considerations

Certain Fund investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty, and costs.

In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund’s performance, and the likelihood that CFIUS considerations will be implicated is expected to increase to the extent non-U.S. limited partners comprise a substantial percentage of a Fund. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

Banking Crisis

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

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

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 the Funds’ activities, as well as those of their portfolio

companies. For example, a Distress Event could have a potentially adverse effect on the ability of Lightyear to manage a Fund and its investments, and on the ability of Lightyear, such Fund and/or such Fund's 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 such 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 such 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.

Lightyear 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, some Financial Institutions require, as a condition to using their services or otherwise, that their 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 Lightyear 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, Lightyear is under no obligation to use a minimum number of Financial Institutions with respect to the Funds (and/or their portfolio companies), or to maintain account balances at or below the relevant insured amounts.

Inflation

Inflation risk is the risk that the value of certain investments or income thereon will be worth less in the future, as inflation decreases the value of money. As inflation increases, the real value of a Fund's investments can decline. Deflation risk is the risk that prices decline over time — the opposite of inflation. Deflation could have an adverse effect on the creditworthiness of a Fund's portfolio companies and could make defaults more likely, which would result in a decline in the value of such Fund's investments.

Companies in which a Fund invests could be sensitive to general downward swings in the global economy, including periods of sustained elevated inflation. Inflation in the United States, Europe and other geographies has risen to levels not experienced in recent decades. It is impossible to determine whether these inflationary factors are transitory or should be expected to continue over the 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 the investment opportunities could exist. There can be no assurance that high rates of inflation would not have a material adverse effect on a Fund and its investments.

In addition, many world governments, as well as inter-governmental institutions, have undertaken and in some cases are still undertaking various and in some cases unprecedented 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 a Fund's 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 a Fund's investments as set out above.

A financial crisis could result in additional governmental intervention in the markets, the nature and substance of which are difficult to predict. In addition, the consequences of the extensive changes to the regulation of various markets and market participants are difficult to predict or measure with certainty.

Item 9: Disciplinary Information

Except as described below, there are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

On December 26, 2018, without admitting or denying the SEC's findings, Lightyear consented to the entry of an order (the "**Order**") to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder. According to the Order, Lightyear failed to properly allocate certain expenses (i) to certain Employee Co-Investment Funds, which invest side-by-side on a proportional basis with certain private equity funds advised by Lightyear (the "**Flagship Funds**") and (ii) to certain co-investors that were permitted at times to invest in particular portfolio companies of the Flagship Funds. According to the Order, Lightyear failed to properly offset management fees in connection with undisclosed fee-sharing agreements with certain co-investors. The Order states that Lightyear failed to adopt written policies and procedures reasonably designed to prevent these violations of the Advisers Act and also failed to adopt and implement written policies and procedures related to a representation made in each of the limited partnership agreements of its Flagship Funds which stated that Lightyear would seek to have prospective portfolio companies bear the cost of broken deal expenses. The Order states that, in determining to accept Lightyear's settlement offer, the SEC considered the full reimbursements going back to 2001, with interest, that Lightyear proactively made for the benefit of the Flagship Funds during the pendency of, and just after the exam, and before being contacted by the Division of Enforcement staff. The SEC also considered the cooperation Lightyear afforded the staff throughout the investigation. Lightyear paid a civil monetary penalty of \$400,000.

Item 10: Other Financial Industry Activities and Affiliations

Lightyear and the Affiliated Advisers provide investment advisory services to the Funds.

Each of the General Partners is a sponsor of its related Fund and is affiliated with Lightyear.

Certain of the financial services companies owned by the Funds are, or may become, during the course of the Funds' investment, broker-dealers, investment companies or other pooled investment vehicles, investment advisers, banking or thrift institutions, insurance companies or agencies, or sponsors or syndicators of limited partnerships, among other things. Such financial services companies are operated by management teams that are independent of Lightyear. Lightyear does not believe these relationships pose a material conflict of interest because Lightyear does not use such companies' services.

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

Code of Ethics

Lightyear has adopted a written Code of Ethics to help ensure that Lightyear fulfills its role as a fiduciary to the Funds. The Code of Ethics is designed to address and avoid potential conflicts of interest and is applicable to all employees. The Code of Ethics requires employees to pre-clear certain personal securities transactions, report certain personal securities transactions on at least a quarterly basis, provide a detailed summary of certain holdings over which such employees have direct or indirect beneficial ownership upon commencement of employment and annually thereafter, internally report violations of the Code of Ethics to the Chief Compliance Officer, and certify their compliance with the Code of Ethics on an annual basis.

A copy of Lightyear's Code of Ethics is available upon request by any Limited Partner or prospective investor from the Chief Compliance Officer.

The General Partner of each Fund typically has a material investment in its related Fund. The foregoing relationships and any actual or potential conflicts of interest arising from these types of relationships are disclosed in the respective Governing Fund Documents.

Employee Co-Investment

Employees may be permitted to invest in certain Funds that are organized as Employee Co-Investment Funds. As disclosed in the relevant Governing Fund Documents, each Employee Co-Investment Fund typically invests alongside its related Fund, and investment by such Employee Co-Investment Fund is limited to a specific percentage of the amount available for investment by the related Fund. The Employee Co-Investment Funds are allocated their share of certain expenses, such as legal, organizational, consultant, insurance expenses, and Broken Deal Expenses. Such Employee Co-Investment Funds will pay no Management Fee and no carried interest. To the extent Lightyear or a related person invests in the same securities as a Fund, Lightyear would take appropriate steps to address potential conflicts of interest based on the specific facts and circumstances in accordance with the relevant Governing Fund Documents.

Co-Investment

A General Partner or an affiliate thereof will in its sole discretion provide one or more Limited Partners or third-party co-investors with the opportunity to co-invest (other than in such Limited Partners' capacity as Partners) with a Fund pursuant to the terms of the applicable Fund's Governing Fund Documents either as a direct co-investor or through a Co-Investment Vehicle formed to facilitate such co-investment. A General Partner or an affiliate thereof may allocate any co-investment opportunities and the relative size of such opportunities among interested parties in their sole discretion, including for example (and without limitation), on the basis of such factors as it determines appropriate based on the relevant facts and circumstances, which may include one or more of the following: (a) the investor's stated desire to participate in co-investments; (b) the ability of an investor to commit to invest and execute on such investment in a time period acceptable to the relevant General Partner or such affiliate thereof; (c) the ability of an investor to commit to a significant portion of

such opportunity; (d) the economic terms or commercial considerations on which an investor may agree to participate; (e) whether an investor provides strategic value in respect of such investment, such as by having relevant experience in the sector or existing relationships with management or other relevant parties; (f) the size of an investor's commitment to Lightyear-managed funds, vehicles and other accounts; (g) whether and to what extent an investor has accepted prior co-investment opportunities offered to it; (h) the ability of an investor to provide debt or other financing in connection with such investment; (i) the ability of an investor to enter into an equity commitment letter or similar agreement with respect to such investment on terms acceptable to a General Partner or an affiliate thereof; or (j) any other legal, regulatory or tax consideration or any such other factors as the relevant General Partner or its affiliates deem relevant, which may include subjective determinations such as working relationships and strategic benefits to one or more Funds. There can be no assurances with respect to the existence or amount of any co-investment opportunity that will be made available. There will be circumstances where an amount that could have otherwise been invested by a Fund is instead offered to co-investors, even though the full diversification limitation under such Fund's Governing Fund Documents has not been reached. While such an offer of co-investment opportunity may be in a Fund's interest, for instance in order to increase diversification, such allocation could also involve a benefit to Lightyear including, without limitation, incentivizing Limited Partners to make larger Capital Commitments to a Fund or any Other Sponsored Funds and generating additional fees and carried interest by such co-investors with respect to co-investment opportunities, as further described herein.

A General Partner or an affiliate thereof may offer co-investment opportunities, in their sole discretion, to Limited Partners that have made Capital Commitments to a Fund or Funds in an amount that is greater or less than amounts committed by other Limited Partners. Limited Partners are, absent separate agreement, not required to participate in co-investments offered by the General Partner or an affiliate thereof. A General Partner or an affiliate thereof may also offer co-investment opportunities to affiliates of Lightyear and co-investors that are not Limited Partners (e.g., third parties), as described in the applicable Governing Fund Documents, including affiliates of Limited Partners, strategic and other investors, lenders, former employees, Consultants (including, without limitation, non-employee senior advisors and non-employee operating partners), and former limited partners.

Certain Funds have the ability to provide interim financing for the purpose of bridging a potential co-investment (but only to the extent that the Fund is permitted to make such investment pursuant to the Governing Fund Documents). If a General Partner or an affiliate thereof is unsuccessful in syndicating a portion of its investment to co-investors as planned, such Fund may end up investing a larger amount in an investment than it would otherwise have invested in the absence of a co-investment, which could make the Fund less diversified and more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by a Fund that is not syndicated to co-investors as originally anticipated could materially reduce such Fund's overall investment returns as a result of that Fund being less diversified.

The performance of co-investments is not aggregated with that of the Funds for purposes of determining the General Partners' carried interest under the applicable Governing Fund Documents. The Affiliated Advisers, Lightyear or their affiliates may or may not charge co-investors Management Fees, administrative fees, other fees, carried interest, or expenses (including, without limitation, Broken Deal Expenses and all fees, costs and expenses of Service Providers), in each case prior to or in connection with the acquisition, holding or disposition of any such investment, including in

connection with any follow-on investment, as it determines in its sole discretion. To the extent that, for any reason, a co-investor does not bear its pro rata share of post-closing expenses for consummated investments, such amounts will be borne in their entirety by either (i) the applicable Fund (together with any related parallel fund, Employee Co-Investment Fund, and Co-Investment Vehicle) or (ii) by Lightyear, in each case, pursuant to the terms of each Fund's applicable Governing Fund Documents. The allocation of any co-investment opportunities will directly or indirectly benefit Lightyear as a result of, among other things, the receipt of any such fees or carried interest, Capital Commitments to the Funds, and capital commitments to other funds managed by Lightyear.

With respect to each consummated investment in which a Co-Investment Vehicle or Employee Co-Investment Fund co-invests with a Fund, any expenses or indemnification or repayment obligations related to such investments shall generally be borne by the applicable Fund and any parallel fund and such Co-Investment Vehicle or Employee Co-Investment Fund in proportion to capital invested or committed by each in such investment. Lightyear, the General Partners and/or their affiliates are not typically able to cause certain parties (e.g., co-investors, portfolio companies, or other third parties) to bear their share of these expenses; therefore, even if such parties benefit from the incurrence of such expenses, such amounts will be borne in their entirety by the applicable Fund, any related parallel fund, any related Employee Co-Investment Fund, and any related Co-Investment Vehicle, pursuant to the terms of applicable Governing Fund Documents.

One or more Limited Partners in a Co-Investment Vehicle are (or could also be) Limited Partners of a Fund (or affiliates thereof) and therefore such Limited Partners benefit from certain expenses incurred by that Fund (e.g., costs of attendance at annual or other informational meetings) even though such costs will not be allocated to such Co-Investment Vehicle if such expenses are not permitted to be incurred under the Governing Fund Documents of such Co-Investment Vehicle. For the avoidance of doubt, any fees paid to Lightyear or an affiliate in connection with (and proportionate to the amount of) a co-investment including, but not limited to, management, administration, structuring, advisory or other services, and carried interest shall belong to Lightyear or such affiliate and shall not be for the benefit of the applicable Fund or offset the Management Fee.

The applicable General Partner will structure any co-investment opportunity so that any potential co-investors (other than any Employee Co-Investment Funds) do not bear any expenses in connection with unconsummated investments. As a result, all such Broken Deal Expenses incurred will be borne entirely by the applicable Fund (together with any parallel fund and any Employee Co-Investment Fund).

Committed Co-Investment Vehicles

In addition, Lightyear advises one or more committed co-investment vehicles (the “**Committed Co-Investment Vehicles**”), which may participate in available co-investment opportunities as determined by the applicable General Partner in its discretion. Committed Co-Investment Vehicles will not be allocated any expenses with respect to proposed investments that are ultimately not made. As a result, all Broken Deal Expenses will be borne entirely by the Funds (including any related parallel funds and/or Employee Co-Investment Funds) alongside which the Committed Co-Investment Vehicles invest.

Item 12: Brokerage Practices

The Funds typically invest in private securities and do not ordinarily transact with financial intermediaries such as broker-dealers. To the extent a Fund transacts in public securities (e.g., on exit or partial exit), or transacts in other non-private equity investments (e.g., currency hedging), Lightyear will seek to obtain best execution. Lightyear does not consider, in selecting broker-dealers, the receipt of Limited Partner referrals or research from broker-dealers. Lightyear will consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, the broker's ability to execute large block transactions, the broker's ability to keep information confidential, the value of the broker's proprietary research, and the broker's reputation and responsiveness to requests for trade data and other financial information. Lightyear does not participate in any soft dollar arrangements.

The Funds may invest in the same portfolio companies from time to time. Lightyear will aggregate the purchase and sale of securities for multiple Funds as it deems appropriate and in accordance with each Fund's Governing Fund Documents.

Item 13: Review of Accounts

Each Fund's portfolio companies are reviewed on a periodic basis, but at least annually, by Lightyear's Investment Committee (the "**Investment Committee**"). The Investment Committee is composed of the Managing Partner and other Managing Directors of Lightyear. Lightyear's investment professionals meet regularly to monitor portfolio company activities and discuss other issues related to current portfolio company holdings such as market outlook and company fundamentals.

In accordance with the terms of the applicable Governing Fund Documents, Lightyear generally provides the Limited Partners in certain Funds with the following written reports, among others: (i) audited annual financial statements of the relevant Fund, (ii) unaudited quarterly financial statements of the relevant Fund, (iii) a quarterly statement of capital account related to its investment in the relevant Fund, (iv) a quarterly report containing an overview of the investment activity of the relevant Fund, including valuations, and (v) on an annual basis, such other information as is necessary for the preparation of tax returns. Certain Limited Partners may receive some (but not all) of such written reports while other Limited Partners may receive additional written reports pursuant to relevant provisions within the applicable Governing Fund Documents and any side letters.

Item 14: Client Referrals and Other Compensation

Lightyear typically engages one or more third-party placement agents in respect of the offering of Interests in its Funds to certain prospective investors. To the extent Lightyear engages one or more placement agents on behalf of a Fund, potential investors should be aware that each placement agent will be paid a placement fee, which may be based upon the amount of Capital Commitments to a Fund by Limited Partners. Placement agent fees and expenses will be paid by the applicable Fund and borne by the relevant Limited Partners. Such relevant Limited Partners' share of any Management Fees are reduced on a dollar-for-dollar basis. See Item 5 for additional information regarding placement agents.

Item 15: Custody

Since Lightyear does not advise separate account clients, Limited Partners will not receive statements from any custodians. Instead, the Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Limited Partner. The audited financial statements are prepared in accordance with U.S. GAAP and, in accordance with Rule 206(4)-2 under the Advisers Act, will be distributed within 120 days of each Fund's fiscal year-end.

Item 16: Investment Discretion

Lightyear performs the day-to-day investment operations of the Funds and has discretionary authority to determine, without obtaining specific consent from the Funds or their Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds pursuant to the applicable Governing Fund Documents.

The General Partners may agree with Limited Partners in the Funds to waive or modify the application of certain provisions of the Governing Fund Documents via a side letter, without obtaining the consent of any other Limited Partner in such Fund. Please see Item 8 for additional disclosures related to side letters.

Item 17: Voting Client Securities

Lightyear has authority to vote proxies on behalf of the Funds relating to the portfolio companies in which they invest. In accordance with its fiduciary duty to the Funds and Rule 206(4)-6 under the Advisers Act, Lightyear has adopted and implemented written policies and procedures governing the voting of Fund securities.

The Funds invest primarily in privately-held portfolio companies and may be required to exercise a vote for such companies. Lightyear may also receive proxies in connection with its publicly-traded portfolio companies. In both cases, it is Lightyear's policy to exercise the vote in the best interest of its Funds in accordance with the relevant Governing Fund Documents. If Lightyear believes that a particular vote presents a material conflict of interest, it will determine how to vote, taking into consideration various factors, including the investment objectives and strategies of the relevant Fund, and any procedures set forth in the Governing Fund Documents. In casting votes, Lightyear believes that a material conflict of interest between the Fund and Lightyear does not arise solely as a result of a representative of Lightyear serving as a director of a particular portfolio company. Lightyear will document the factors considered in determining how to vote on a proposal that presents a material conflict of interest.

All proxies that Lightyear receives will be treated in accordance with these policies and procedures. A copy of Lightyear's written proxy voting policies and procedures, as well as a record of how Lightyear has voted, will be maintained and available for review by clients upon written request to the Chief Compliance Officer.

Item 18: Financial Information

Lightyear has not been the subject of a bankruptcy petition at any time during the past ten years and is not aware of any financial condition that is reasonably likely to impair the ability of the Funds to meet their contractual commitments.