

ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

VERITAS CAPITAL FUND MANAGEMENT, L.L.C.

March 2023

Veritas Capital Fund Management, L.L.C.
9 West 57th Street, 32nd Floor
New York, NY 10019
Tel: (212) 415-6700
Fax: (212) 688-9411
Website: www.veritascapital.com

This brochure (this “Brochure”) provides information about the qualifications and business practices of Veritas Capital Fund Management, L.L.C. (the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (212) 415-6700 or info@veritascapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Veritas Capital Fund Management, L.L.C. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2

MATERIAL CHANGES

Veritas Capital Management, L.L.C. (the “Firm”) filed its most recent Form ADV Part 2 (“Firm’s Brochure”) on March 29, 2022. This annual amendment reflects updates to the descriptions of potential conflicts of interest and the business practices of the Firm, and supplements existing disclosures relating to the Firm’s practices and related potential conflicts of interest under “Advisory Business”, “Fees and Compensation”, “Performance-Based Fees and Side-by-Side Management”, “Methods of Analysis, Investment Strategies and Risk of Loss” and “Client Referrals and Other Compensation.” Clients and prospective clients should read the Firm’s Brochure in its entirety.

ITEM 3
TABLE OF CONTENTS

ITEM 1 COVER PAGE.....	i
ITEM 2 MATERIAL CHANGES	ii
ITEM 3 TABLE OF CONTENTS	iii
ITEM 4 ADVISORY BUSINESS	1
ITEM 5 FEES AND COMPENSATION	2
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	14
ITEM 7 TYPES OF CLIENTS	15
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	15
ITEM 9 DISCIPLINARY INFORMATION	85
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	85
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	86
ITEM 12 BROKERAGE PRACTICES.....	87
ITEM 13 REVIEW OF ACCOUNTS.....	87
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.....	88
ITEM 15 CUSTODY	88
ITEM 16 INVESTMENT DISCRETION	89
ITEM 17 VOTING CLIENT SECURITIES.....	89
ITEM 18 FINANCIAL INFORMATION	90
ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS	90

ITEM 4 ADVISORY BUSINESS

Veritas Capital Fund Management, L.L.C., a Delaware limited liability company (the “Firm”), was organized on June 14, 2005 with an office in New York. Ramzi S. Musallam and Hugh D. Evans are the managing partners of the Firm. Veritas Manager Holdings, L.P., a Delaware limited partnership (“Holdings”), is the principal owner of the Firm, Veritas Manager Feeder, L.P., a Delaware limited partnership (“Feeder”), is the principal owner of Holdings and Mr. Musallam is the principal owner of Feeder. As Chief Executive Officer and Managing Partner of the Firm, Mr. Musallam has ultimate responsibility for the management, operations and investment advice provided by the Firm.

The Firm serves as the management company and provides investment advisory services to private pooled investment vehicles, the securities of which are offered to investors (generally referred to herein as “investors” or “limited partners”) on a private placement basis, and related co-investment vehicles (together with the “Account” where applicable (as defined below), each a “Fund” and collectively, the “Funds”). In addition, the Firm provides investment advisory services to an institutional client (“Client”) under a separately managed account (“Account”) arrangement established to permit co-investment across multiple transactions.

Certain of the Funds are flagship private equity funds that invest primarily in private securities and related co-investment vehicles (each, a “Flagship Equity Fund” and collectively, the “Flagship Equity Funds”). The Flagship Equity Funds include The Veritas Capital Fund IV, L.P. (together with its related co-investment vehicles, “Veritas Fund IV”), The Veritas Capital Fund V, L.P. (together with its related co-investment vehicles, “Veritas Fund V”) The Veritas Capital Fund VI, L.P. (together with its related co-investment vehicles, “Veritas Fund VI”), The Veritas Capital Fund VII, L.P. (together with its related co-investment vehicles, “Veritas Fund VII”), and The Veritas Capital Fund VIII, L.P. (together with its related co-investment vehicles, “Veritas Fund VIII”). Each of the Flagship Equity Funds is closed to new capital commitments as of the date hereof.

In addition, certain of the Funds invest primarily in non-control debt instruments and non-control equity securities (each a “Credit Fund,” and collectively with any related alternative investment vehicles, the “Credit Funds”). The Credit Funds include: Veritas Capital Credit Opportunities Fund, L.P., Veritas Capital Credit Opportunities Fund (Onshore), L.P., Veritas Capital Credit Opportunities Fund (Offshore), L.P. (collectively, “Credit Fund I”), Veritas Capital Credit Opportunities Fund II, L.P., Veritas Capital Credit Opportunities Fund II (Onshore), L.P. and Veritas Capital Credit Opportunities Fund II (Offshore), L.P. (collectively, “Credit Fund II”). The investment strategies of the Funds are discussed further in Item 8 of this Brochure.

In addition, The Veritas Capital Vantage Fund, L.P. invests primarily in middle market companies (the “Vantage Fund”, and collectively with the Flagship Equity Funds, the “Equity Funds”). The investment strategies of the Funds are discussed further in Item 8 of this Brochure.

Veritas Capital Partners IV, L.L.C. (“Veritas IV GP”), Veritas Capital Partners V, L.L.C. (“Veritas V GP”), Veritas Capital Partners VI, L.L.C. (“Veritas VI GP”), Veritas Capital Partners VII, L.L.C. (“Veritas VII GP”), Veritas Capital Partners VIII, L.L.C. (“Veritas VIII GP”), Veritas

Capital Credit Opportunities GP, L.L.C. ("Credit Fund I GP"), Veritas Capital Credit Opportunities II GP, L.L.C. ("Credit Fund II GP") and Veritas Capital Vantage GP, L.L.C. ("Vantage GP"), each a Delaware limited liability company and an affiliate of the Firm, serve as the general partner (in such capacity, the "General Partner" and collectively, together with any future affiliated general partner entities, the "General Partners") of Veritas Fund IV, Veritas Fund V, Veritas Fund VI, Veritas Fund VII, Veritas Fund VIII, Credit Fund I, Credit Fund II and the Vantage Fund respectively.

The Firm tailors its investment advisory services with respect to each Fund in accordance with the investment objectives and guidelines set forth in such Fund's limited partnership agreement, offering memorandum and other governing documents. Each of the General Partners has entered into side letter agreements with specific investors, the terms of which include disclosure obligations, co-investment opportunities and notice of certain thresholds pursuant to legal or regulatory requirements applicable to such investors.

The Firm managed \$43,928,399,334 as of December 31, 2022 on a discretionary basis. This amount includes the total unfunded capital committed by investors, as of December 31, 2022, to Veritas Fund IV, Veritas Fund V, Veritas Fund VI, Veritas Fund VII, Veritas Fund VIII, Vantage Fund, Credit Fund I and Credit Fund II. The Firm does not manage any assets on a non-discretionary basis.

This Brochure generally includes information about the Firm and its relationships with its clients and affiliates. While much of this Brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only. This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The Firm may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Firm considers appropriate, subject to each client's investment objectives and guidelines.

ITEM 5

FEES AND COMPENSATION

The management fees and performance-based compensation applicable to each Fund and Client are set forth in detail in such Fund's and Account's governing documents. Generally, each Fund pays the Firm a fee for investment management services (a "Management Fee") and pays its General Partner a performance-based carried interest (the "Carried Interest"), as more fully described below. Additionally, the Firm has established the Account and, from time to time, reserves the right to form other co-invest account partnerships or vehicles that invest alongside the Funds, and co-investors in such vehicles generally will be subject to Management Fees and/or Carried Interest terms and calculations that, in the sole discretion of the Firm, are either the same as, or different from, the terms applicable to what the Funds are subject to under the relevant governing documents of such Funds.

Each Equity Fund pays the Firm a Management Fee quarterly in advance. The Credit Funds pay the Firm a Management Fee quarterly in arrears. Each Fund also pays its General Partner a Carried Interest, if at all, when investments are realized by such Fund. The constituent governing documents of each Fund contain "clawback" or giveback provisions with respect to the Carried

Interest. In the sole discretion of the Firm and each General Partner, the Management Fee and/or the Carried Interest payable by a Fund may be waived or reduced with respect to certain limited partners in such Fund, and have been waived with respect to the limited partners affiliated with the Firm.

The Firm and the General Partners are reimbursed by the Funds for certain partnership expenses, as detailed below. As described under “Other Compensation” below, certain Funds and the portfolio companies also pay the Firm or the General Partners, Other Fees (as defined below), and such Other Fees do not reduce or offset the Management Fee.

Management Fee

Flagship Funds

Veritas Fund IV

The Management Fee payable by Veritas Fund IV is equal to 1% per annum of net invested capital attributable to the limited partners of Veritas Fund IV not affiliated with Veritas IV GP. Although Fund IV continues to accrue the Management Fee, as a result of required reductions to the Management Fee arising out of payments made to the Firm by portfolio companies of Veritas Fund IV, the Management Fee payable by Veritas Fund IV has been reduced to zero.

Veritas Fund V

The Management Fee payable by Veritas Fund V is equal to 1.50% per annum of net invested capital attributable to the limited partners of Veritas Fund V not affiliated with Veritas V GP. Although Fund V continues to accrue the Management Fee, as a result of required reductions to the Management Fee arising out of payments made to the Firm by portfolio companies of Veritas Fund V, the Management Fee payable by Veritas Fund V has been reduced to zero.

Veritas Fund VI

The Management Fee payable by Veritas Fund VI with respect to each limited partner of Veritas Fund VI not affiliated with Veritas VI GP ranges from 1.25% to 1.50% per annum of the net invested capital attributable to such limited partner, depending on the amount of such limited partner’s capital commitment. Although Fund VI continues to accrue the Management Fee, as a result of applicable reductions to the Management Fee arising out of payments made to the Firm by portfolio companies of Veritas Fund VI, the Management Fee payable by Fund VI has been reduced to zero, and the remaining amount of such payments from the portfolio companies will be received by the Firm.

Veritas Fund VII

The Management Fee payable by Veritas Fund VII with respect to each limited partner of Veritas Fund VII not affiliated with the Veritas VII GP generally ranges from 1.40% to 1.75% per annum of the capital commitment of such limited partner, depending on the amount of such limited partner’s aggregate capital commitments to Veritas Fund VII and the Credit Funds. Commencing on the date that is the earlier of the fifth anniversary of the final closing date, or the date on which

the Firm or an affiliate of the Firm accrues or receives a Management Fee from a new pooled investment vehicle or a separately managed account established by Veritas VII GP or its affiliates with an investment strategy substantially similar to that of Veritas Fund VII, the Management Fee payable by Veritas Fund VII with respect to each limited partner of Veritas Fund VII not affiliated with the Veritas VII GP generally ranges from 1.15% to 1.50% per annum of the net invested capital attributable to such limited partner, depending on the amount of such limited partner's aggregate capital commitments to Veritas Fund VII and the Credit Funds.

Veritas Fund VIII

The Management Fee payable by Veritas Fund VIII with respect to each limited partner of Veritas Fund VIII not affiliated with the Veritas VIII GP generally ranges from 1.35% to 1.75% per annum of the capital commitment of such limited partner, depending on the amount of such limited partner's aggregate capital commitments to Veritas Fund VIII. Commencing on the date that is the earlier of the fifth anniversary of the final closing date, or the date on which the Firm or an affiliate of the Firm accrues or receives a Management Fee from a new pooled investment vehicle or a separately managed account established by Veritas VIII GP or its affiliates with an investment strategy substantially similar to that of Veritas Fund VIII, the Management Fee payable by Veritas Fund VIII with respect to each limited partner of Veritas Fund VIII not affiliated with the Veritas VIII GP generally ranges from 1.10% to 1.50% per annum of the net invested capital attributable to such limited partner, depending on the amount of such limited partner's aggregate capital commitments to Veritas Fund VIII.

Credit Fund I

The Management Fee payable by Credit Fund I with respect to each limited partner of Credit Fund I not affiliated with Credit Fund I GP ranges from 1.25% to 1.50% per annum of the net invested capital attributable to such limited partner, depending on whether the limited partner was admitted to Credit Fund I on or after the initial closing date of Credit Fund I. Commencing on the date that is the earlier of the fourth anniversary of the final closing date, the date on which the investment period of Credit Fund I is terminated as a result of a key person event, or the date the investment period is suspended and not subsequently reinstated by a vote of 60%-in-interest of the limited partners, the Management Fee payable by Credit Fund with respect to each limited partner of Credit Fund I not affiliated with Credit Fund I GP ranges from 1.00% to 1.25% per annum of the net invested capital attributable to such limited partner, depending on whether the limited partner was admitted to Credit Fund I on or after the initial closing date of Credit Fund I.

Credit Fund II

The Management Fee payable by Credit Fund II with respect to each limited partner of Credit Fund II not affiliated with Credit Fund II GP generally ranges from 1.00% to 1.50% per annum of the net invested capital attributable to such limited partner, depending on whether the limited partner was admitted to Credit Fund II on or after the initial closing date of Credit Fund II and on the amount of such limited partner's aggregate capital commitments to Credit Fund II. Commencing on the date that is the earlier of the third anniversary of the final closing date, the date on which the investment period of Credit Fund II is terminated as a result of a key person event, or the date the investment period is suspended and not subsequently reinstated by a vote of

75%-in-interest of the limited partners, the Management Fee payable by Credit Fund II with respect to each limited partner of Credit Fund II not affiliated with Credit Fund II GP generally ranges from 0.75% to 1.25% per annum of the net invested capital attributable to such limited partner, depending on whether the limited partner was admitted to Credit Fund II on or after the initial closing date of Credit Fund II and on the amount of such limited partner's aggregate capital commitments to Credit Fund II.

Vantage Fund

The Management Fee payable by the Vantage Fund with respect to each limited partner of the Vantage Fund not affiliated with the Vantage Fund GP is equal to 2% per annum of the capital commitment of such limited partner. Commencing on the date that is the earlier of the fifth anniversary of the final closing date, the date on which the investment period of the Vantage Fund is terminated as a result of a key person event, or the date the investment period is suspended and not subsequently reinstated by a vote of 75%-in-interest of the limited partners, the Management Fee payable by the Vantage Fund with respect to each limited partner of the Vantage Fund not affiliated with the Vantage Fund will equal 2% per annum of the net invested capital attributable to such limited partner, depending on the amount of such limited partner's aggregate capital commitments to the Vantage Fund.

As is generally the case in private funds, each Fund's governing documents provide that the Management Fees will be calculated and charged on a basis that generally is not tied to a Fund's then-current net asset value. As further specified in Equity Fund governing documents, from the effective date of an Equity Fund until a date specified in Equity Fund governing documents (generally representing the earlier of the end of a Fund's investment period and the date the General Partner (or an affiliate thereof) first begins receiving or accruing management fees from a successor fund) (the "Stepdown Date"), Equity Fund Management Fees generally will be charged based on a formula tied to the amount of the Fund's aggregate commitments. Further, after the Stepdown Date, Equity Fund Management Fees generally will be charged and calculated based on a formula tied to the amount of the limited partners' contributions (including aggregate outstanding indebtedness) invested in portfolio companies reduced by proceeds received from disposition representing a return of capital or return of a bridge financing contribution and the cumulative amount of any write-offs and permanent and material write-downs attributable. As further described in Credit Fund governing documents, Credit Fund Management Fees both before and after the Stepdown Date generally will be charged and calculated based on a formula tied to the amount of net invested capital.

Under the Fund governing documents, where the fair market value of an investment in a portfolio company exceeds the total amount from the relevant Fund's limited partners' contributions (including aggregate outstanding indebtedness), post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of the limited partners' contributions (and outstanding indebtedness).

As a result, the amount of Management Fees generally will not correspond with fluctuations in a Fund's net asset value, including following the investment period, and will only be reduced in case of a permanent and material write-down of an investment or write-off for U.S.

federal income tax purposes. Except where the Fund governing documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of a portfolio company, unless the aggregate value of all remaining investment in such portfolio company is less than the aggregate existing and former investments made by a Fund in such portfolio company.

Where applicable, in many circumstances, the cost basis component of such post-Stepdown Date Management Fees will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Fund governing documents in the event of realizations, or permanent and material write-downs or write-offs that occur partway through the relevant calculation period.

The Fund governing documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Fund governing documents until they are reduced in the circumstances and on the date(s) specified therein.

The General Partners reserve the right, in their sole discretion, to waive or reduce the Management Fee payable by investors, including limited partners who are affiliates or employees of the relevant General Partner, including with respect to the Firm's commitment.]

Carried Interest

Other than with respect to the Vantage Fund, each of the General Partners is entitled to receive a 20% Carried Interest from its respective Fund, which is calculated after the limited partners of such Fund receive a return of their capital contributions to such Fund and a preferred return equal to 7 to 8% per annum, as disclosed in each Fund's limited partnership agreement, compounded annually, on their capital contributions to such Fund, subject to catch-up payments to such General Partner after such preferred return payments are made to the limited partners of such Fund. The Vantage Fund GP is entitled to receive a Carried Interest of either 20% or 25%, depending on the amount of cumulative distributions of proceeds to the Vantage Fund's limited partners, as set forth in further detail in the Vantage Fund's governing documents.

Operating Expenses

As set forth in detail in each Fund's limited partnership agreement, the Firm and the General Partners are entitled to be reimbursed for expenses that are required to be borne by each of the Funds and incurred in connection with operating such Fund. Those expenses generally include: (i) the fees, costs, expenses, liabilities and obligations that are not borne or reimbursed by portfolio companies (which, subject to limitations on travel expenses that are Broken Deal Expenses (as defined below) as set forth in the applicable governing documents, includes travel, lodging, meals and any other expense incurred in connection with a portfolio investment) directly or indirectly arising out of, relating to or attributable to a Fund's and/or its direct or indirect subsidiaries' or other holding companies' activities, business and actual or potential portfolio investments, (ii) the fees, costs, expenses, liabilities and obligations of professional advisors, such as legal counsel (including secondments or similar arrangements for services that would otherwise be provided by third parties), consultants (including, without limitation, the costs of any consulting

and retainer services and other compensation paid to any Industry Advisors, consultants performing investment initiatives or other similar services with respect to a Fund or one or more portfolio investments), accountants, tax advisors, auditors and administrators, (iii) expenses of the investor advisory committee of such Fund, including the reasonable travel expenses of members of the advisory committee incurred in attending meetings thereof, (iv) annual and other periodic meetings or calls generally open to the partners (including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), (v) the cost of insurance, including directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance, (vi) investor portal fees, (vii) fees, costs, expenses, liabilities and obligations associated with developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity software and software as a service, cloud-based applications or similar services) or other administrative or reporting tools (including software as a service, cloud-based applications or similar services), technology and systems development costs to the extent attributable to activities undertaken for the benefit of a Fund or its partners, (viii) fees, costs, expenses, liabilities and obligations associated with any activities with respect to protecting the confidential or non-public nature of any information or data (including any costs incurred in connection with the EU Data Protection Law or FOIA), (ix) fees, costs, expenses, liabilities and obligations associated with the investigating, developing, holding (including expenses of portfolio tracking facilities) and disposition of portfolio investments, including expenses associated with negotiating, structuring, consummating, purchasing, bidding on, operating, originating, holding, trading, settling, hedging, monitoring, rating, valuing, dissolving, winding up, liquidating, restructuring, selling, taking public or private portfolio investments, including any travel (including, where appropriate, the cost of chartering private aircraft or portion thereof not in excess of the cost of first class commercial airfare, car or ride sharing services, other modes of transportation, lodging and entertainment), meals or entertainment relating to portfolio investment activities, or otherwise seeking to do any of the foregoing (including any associated legal, financing, banking, commitment, transaction or other fees and expenses payable to attorneys, accountants, lenders, financing sources, diligence providers, software or service providers, advisors, consultants and similar professionals, respectively, in connection therewith (including in respect of transactions that have been offered to or contemplated to include co-investors), interest and expenses on money borrowed by a Fund, the Firm, the General Partner on behalf of such Fund, expenses incurred in connection with credit facilities, registration fees and expenses and related expenses and commitment, real estate title, survey, brokerage, finders', custodial and other fees), and communications regarding the foregoing, whether or not any contemplated investment, transaction or project (or co-investment) is consummated and whether or not such activities are successful; indebtedness of, or guarantees made by, a Fund, its General Partner or any affiliates made on behalf of or in respect of a Fund (including any margin loan, credit facility, letter of credit or similar credit support), including interest with respect thereto and penalties and fees thereon (including registration, commitment, real estate title survey, brokerage, finders', custodial and other fees, or evaluating, negotiating or seeking to put in place any such indebtedness or guarantee; debt service fees, origination or other fees and expenses; expenses that are reimbursed to the Firm by portfolio investments and are incurred in connection with the Firm's monitoring and advisory services; fees, costs, and expenses of brokerage, custodial, depository, agent bank and other bank, transfer, registration, trustee, record keeping, account and similar services; fees, costs, expenses,

liabilities and obligations of engaging any broker, dealer, underwriter (including both commissions and discounts), loan administrator, private placement fees, sales commissions, investment banker, finders', financing, appraisal (including, without limitation, the costs of any third-party valuation agents or pricing services), and similar services, (x) fees, costs, expenses, liabilities and obligations associated with the acquisition of investments not consummated, including, but not limited to, reverse break-up, termination and other similar fees, and the fees and expenses of professional advisors (collectively, "Broken Deal Expenses"), (xi) fees, costs, expenses, liabilities and obligations associated with any third-party experts, including independent appraisers, engaged by a General Partner in connection with a Fund considering, making or holding an investment in the same entity as one or more other investment vehicles sponsored by the Firm, (xii) expenses associated with organizing and managing any subsidiary of the Funds or an investment vehicle sponsored by the Firm, (xiii) extraordinary expenses (such as costs and expenses relating to actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution processes and indemnification, and the amount of any judgments, other awards or settlements paid in connection therewith), (xiv) any taxes, fees or other governmental charges levied against the Funds and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund (other than any such amounts that are reimbursed by or treated as distributed to such Fund pursuant to such Fund's partnership agreement), (xv) fees, costs, expenses, liabilities and obligations associated with the preparation or distribution of the Funds' administrative, regulatory or other Fund-related reporting or filing (excluding, for the avoidance of doubt, the fees, costs, expenses, liabilities and obligations related to the preparation and filing of Form PF, the Firm's Form ADV and any other registration or filing obligations of the General Partners and/or the Firm not directly related to the relevant Fund but including, but not limited to, U.S. securities law filings, such as Form 3, Form 4, Form 13F, Form 13H, Schedule D and Schedule 13G), (xvi) all other expenses required to be borne by the Funds as provided in the constituent governing documents of the Funds, including the costs of reports, financial statements and tax returns and estimates or other information required to be delivered to the limited partners of such Fund, (xvii) investor-related services and administering side letters entered into with limited partners of the Funds (including the process of compiling compendiums of side letter provisions and tracking and implementing applicability in accordance with any "most favored nations" clauses in side letters and expenses incurred in connection with a Fund's compliance checklists), (xviii) Bloomberg fees, research and software expenses and other expenses incurred in connection with data services providing price feeds, news feeds, securities and company information, company fundamental data, and "S&P Index Alerts" attributable to such investments; (xix) other third party research (including calls, meetings and conferences hosted by third party research providers), news, industry information, analytics and expert networks/research resources; (xx) support services (including data processing, trading, settlement, client relations, reporting, accounting, legal, compliance and tax support and other services) outsourced to third party service providers (including third-party administrators (including administrators that perform anti-money laundering diligence in connection with the ongoing participation of investors in a Fund) and including service providers that may be exclusive to the Firm), and (xxi) tax structuring (including tax structuring during the organizational process); provided, that as provided in the limited partnership agreement and the governing documents of certain Funds, the Firm is required to bear certain travel expenses incurred during each calendar year in respect of portfolio investments that are not consummated by such Funds.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

The Firm allocates fees and expenses for products and services purchased or utilized by more than one Fund (such as fees for certain technologies used for investor reporting or meetings of investors for more than one Fund) among the Funds (including co-investment vehicles, but generally not individual co-investors) in a manner that the Firm believes, in good faith, is fair and equitable under the circumstances and considering such factors as the Firm deems relevant, but in its sole discretion, subject to each relevant Fund's limited partnership agreement and the Firm's internal expense allocation policies. As a general matter, costs incurred in connection with services performed for the sole benefit of a Fund are generally charged to the specific Fund. For Captive Investments (defined below), expenses specifically attributable to the negotiation of control-equity and control-oriented debt agreements and related diligence, if determinable, will be allocated to the Equity Fund(s) and any applicable co-investing entities. Expenses specifically attributable to the negotiation of non-control-oriented equity and debt agreements and related diligence, if determinable, will be allocated to the Credit Funds and/or any applicable co-investing entities, in general, unless such non-control investment is made by an Equity Fund. In exercising its discretion to allocate shared expenses (including co-investment expenses) among the relevant Funds and co-investment vehicles, the Firm will take into account various factors, such as the relative amount of committed capital to such Fund or co-investment vehicle, the relative amounts invested by the relevant Funds and co-investment vehicles and the relative benefits received by the relevant Funds and co-investment vehicles from the applicable product or service generating an expense. Factors such as scope of services, time frame of the services provided, and benefit/utilization by each vehicle are also considered. Shared expenses typically will be allocated among the relevant Funds (including co-investment expenses) required to bear the applicable expenses. The allocations of such expenses will not be proportional in all cases, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment. Further, the Firm reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses, and as a general matter will not allocate expenses associated with one Fund's equity investment to a different Fund's credit investment, even if the two investments are in the same portfolio company.

Co-investors generally bear their pro rata share of fees, costs, expenses, liabilities and obligations related to acquiring, holding, managing, operating, valuing, dissolving, winding up, liquidating, restructuring, taking public or private or otherwise disposing the investments in which they participate. However, co-investors generally do not agree in advance to pay their pro rata share of Broken Deal Expenses. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise have been beneficial, in the judgment of the

General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction are likely to be borne entirely by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction, even if identified, subject to certain exceptions when a Fund planned to participate in such unconsummated transaction alongside another Fund, which in such cases, Broken Deal Expenses will generally be allocated pro rata based on the proposed investment to be made by the participating Funds. As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Firm's practice of allocating Broken Deal Expenses among investing Funds is discussed under "Methods of Analysis, Investment Strategies and Risk of Loss," below. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the governing documents, such interests are permitted to be issued to the Firm and its personnel. Each Fund also generally will bear the costs of implementing, reporting (as applicable, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the governing documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which a Fund invests.

In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by the Firm or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The Funds have different reimbursement terms, including with respect to Management Fee offsets, which are expected to result in a Fund bearing different levels of expenses with respect to the same investment. With respect to expenses reimbursable to a Fund, it is possible that another Fund could default on its obligation to reimburse such Fund, although the Firm believes such circumstances to be highly unlikely.

Organizational Expenses

Generally, expenses incurred in connection with the organization and start-up of each Fund, its General Partner and any Fund-specific affiliated entities, including travel (including, where appropriate, the cost of chartering private aircraft), printing, legal, filing, capital raising, accounting fees and expenses, regulatory compliance, and any administrative or other filings (excluding, for the avoidance of doubt, the fees, costs and expenses related to the preparation and filing of Form PF, the Firm's Form ADV and any other registration or filing obligations of such Fund's General Partner and/or the Firm not directly related to such Fund), and other organizational

expenses (“Organizational Expenses”), shall be borne by such Fund; *provided*, that such amount shall not exceed any limit set forth in such Fund’s governing documents.

Placement Fees

Generally, placement fees due to any Placement Agents (as defined in Item 8) initially will be paid by a Fund; however, the Management Fee payable by the relevant Fund generally is reduced by all or a portion of any placement fees and out-of-pocket expenses of any Placement Agents paid by such Fund to such Placement Agents.

Other Compensation

Other Fees

Subject to each Fund’s relevant governing documents, portfolio companies of a Fund pay transaction fees, monitoring fees and other fees, including permitted directors fees, advisory fees, financial consulting fees, closing fees, origination fees, structuring fees, commitment fees, consent fees, amendment fees, financing fees and syndication fees directly to the Firm or its affiliates from time to time (“Other Fees”). In that case, the Management Fee payable by such Fund is reduced by all or a portion of such fees, as prorated among the applicable Fund and its affiliates that have also invested in such portfolio companies and among the limited partners of such Fund who bear Management Fees. In addition, the Management Fee is also reduced by all or a portion of any break-up fees paid to the Firm or its affiliates by a prospective portfolio company in connection with a terminated transaction, prorated as described above. Various costs and expenses will reduce Other Fees (and therefore corresponding amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the relevant General Partner in connection with any consummated or unconsummated transactions. Moreover, subject to each Fund’s limited partnership agreement, Other Fees will not include any amounts received by the relevant General Partner, its affiliates, their respective employees or any other person from a portfolio company as (i) reimbursement for expenses related to a portfolio company, (ii) compensation, including fees, incentive equity or other stock awards, for services rendered by (x) an affiliate of the General Partner (or a member thereof or of the Operations Group, as defined below) or their respective employees, or (y) an Operating Advisor (defined below), to a portfolio company or prospective portfolio company, and (iii) fees for services related to arranging debt financing of portfolio companies of the Funds by the Firm (including with respect to syndications or placements of debt instruments issued by such portfolio companies or entities formed to invest therein) (see Item 8 — “Methods of Analysis, Investment Strategies and Risk of Loss”— “Fees and Expenses”). Additionally, if an affiliate of the Firm registers as a broker-dealer to advise on the issuance of debt or equity securities and related services requiring such registration, and should any such business receive underwriting fees, placement commissions, syndication fees, solicitation fees, arranger fees, financing fees, dealer-manager fees, brokerage fees, interest payments or other compensation with respect to such activities, including discounts, commissions, concessions, spreads or fees from portfolio companies of the Funds, any such spreads or fees will not be treated as Other Fees even if paid by or on behalf of, or are otherwise derived from, portfolio companies and will not be offset against the Management Fee.

The Funds generally will benefit from any Management Fee reduction only with respect to the portion of any such Other Fees allocable to non-affiliated partners and not the portion of any fee allocable to any other investor or potential investor (including other Funds) in a portfolio company. In certain cases it is possible that another Fund will receive the benefit of any Management Fee offsets with respect to any Other Fees, as applicable.

Operations Group; Portfolio Optimization Group

The Firm has created a Portfolio Optimization Group that provides optimization services to portfolio investments of the Funds. Members of the Portfolio Optimization Group are employed by the Firm, and expenses, fees and compensation relating to their services are borne by the Firm, not the Funds.

Pursuant to each Fund's governing documents, the Firm also has the option to create an operations group (the "Operations Group") comprised of persons retained by the Firm or any of its affiliates primarily to provide manufacturing, sales, marketing, technology, human resources, acquisition integration/rationalization and/or other operations services, acquisition or other due diligence, or other services to the Funds, any alternative investment vehicle or any portfolio company or prospective portfolio company of the Funds or any alternative investment vehicles. If such a group is created, any compensation, including fees, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by members of the Operations Group are permitted to be paid by a portfolio company or prospective portfolio company (which payments are not included as Other Fees, as described above) of the Funds or directly by the Funds, and in such cases, no such amounts would offset or reduce the Management Fee.

Operating Advisors

In addition, the Firm reserves the right to retain, from time to time, one or more operating partners (including entities formed for the benefit of such persons and/or to facilitate the provision of their services), senior executives, consultants, advisors, "strategic partners," "executive partners," "industry advisors" and other professionals (which include employees or former employees of the Firm or its affiliates) (the "Operating Advisors" or "Industry Advisors") to provide services to, or in connection with, the Fund in relation to its activities or to one or more portfolio companies of the Funds ("Services") (see Item 8 — "Methods of Analysis, Investment Strategies and Risk of Loss" — "Operating Advisors"). Fees and expenses associated with the Services (collectively "Consulting Fees and Expenses") are likely to be paid and/or reimbursed by applicable portfolio companies and/or the Funds, including through reimbursement of the Firm or its affiliates, and such Consulting Fees and Expenses will not offset or reduce the Management Fee. Consulting Fees and Expenses are expected to be structured in various forms, negotiated individually with the relevant Operating Advisor, including cash payments, retainers, discretionary bonuses (whether or not based on pre-determined milestones), profits, guaranteed minimums, stock awards, equity and/or other incentive-based interests in portfolio companies, which could be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operating Advisor, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged, or believed to be charged, by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Additionally, portfolio companies could, from time to

time, provide opportunities for Operating Advisors to invest in such portfolio company (on a preferred, no fee or other basis) and reimburse costs and expenses incurred by Operating Advisors. Operating Advisors also have the potential to invest in the Funds or co-invest in the Funds' portfolio investments, and the Firm reserves the right to reduce or waive the Management Fee and/or Carried Interest for such limited partners, and to include such limited partners' commitments as part of the Firm's commitment to such Fund.

To the extent that a Fund owns or holds an equity investment in any portfolio company, compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally would have a dilutive impact on a Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and a Fund typically would bear all or a portion (to the extent any such costs are shared with any other Fund) of the costs of Operating Advisor compensation as well as fees, costs and expenses of structuring Operating Advisor arrangements. To the extent that Operating Advisors are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operating Advisor's services at a time when fewer portfolio companies or Funds make use of such Operating Advisor. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or written work product generated by the Operating Advisors. Operating Advisors could also from time to time receive remuneration from the relevant General Partner and/or the Fund or their respective affiliates, and the use of Operating Advisors is expected to fluctuate and/or expand over time. Such investment opportunities, reimbursements and other compensation paid to an Operating Advisor will not offset or reduce the Management Fee. See Item 8 — "Methods of Analysis, Investment Strategies and Risk of Loss" — "Operating Advisors" for additional information regarding the risks and conflicts of interest associated with the use of Operating Advisors.

The Firm is permitted to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or Carried Interest, including members of the Firm and any other person designated by the Firm, such as "friends and family" of the Firm or its personnel, or other investors meeting certain qualification requirements based on commitment size. With respect to any affiliates and any other clients or investors that do not pay the Firm any Management Fee, the Firm retains the portion of such transaction fees, monitoring fees, break-up fees and other fees allocable to such affiliates or such other clients or investors, which may be significant. In certain circumstances, the Firm is expected to structure its compensation from investors and agree to invoice an investor directly for Management Fees or other compensation rather than deducting such amounts from the investor's capital account(s). As described above, the Firm receives Other Fees in connection with portfolio investments made by a Fund, and such Other Fees do not offset or reduce the Management Fee.

Employees of the Firm generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, Carried Interest or other compensation received by the Firm or its affiliates. Certain former employees are entitled to receive compensation derived from, and in certain cases including a portion of, Carried Interest or other compensation received by the Firm or its affiliates.

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above, the General Partners accept performance-based fees from the Funds. Because the Carried Interest is based on a percentage of net realized profits, the existence of Carried Interest arrangements with the Funds could create an incentive for the General Partners to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such arrangements, although the Firm generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the governing documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

Additionally, although the limited partners of the Funds are generally charged the Carried Interest at the same rates, the Firm's personnel could be assigned varying percentages of carried interest from the Funds, and as such, the Firm and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. Moreover, Carried Interest arrangements with respect to future investment funds advised by the Firm may differ from those arrangements with the Funds. Such variation could create an incentive to direct investment opportunities to investment funds that pay or allocate a higher Carried Interest, where such discretion is permitted.

The Firm seeks to address such conflicts on a fair and equitable basis in its good faith discretion and has established policies and procedures to address the potential conflicts of interest described above through careful review of investment opportunities, including review of available capital, anticipated duration of the investment, likelihood of profitability, portfolio diversification requirements, liquidity requirements and other appropriate factors.

The General Partners allocate investment opportunities in accordance with the investment guidelines of each Fund and the Firm's allocation policy and offer co-investment opportunities in accordance with the terms of the limited partnership agreements of the Funds and side letter agreements, as applicable. The General Partners reserve the right to allocate co-investment opportunities to one or more persons for any number of reasons. In exercising its discretion in connection with co-investment opportunities, the General Partner will consider some or all of a wide range of factors. Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of such Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, a Fund can in certain circumstances be liable for actions of its third-party co-venturer or partner.

For further discussion of the conflicts discussed in this Item 6, see Item 8 of this Brochure.

ITEM 7 TYPES OF CLIENTS

The clients to whom the Firm provides investment advisory services are primarily private investment funds, the securities of which are offered to investors on a private placement basis, that invest primarily in private equity. The Firm is also expected to provide investment advisory services to one or more institutional clients under a management agreement. References through this Brochure to “clients” and to the Firm’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The descriptions set forth in this Brochure of specific advisory services that the Firm offers to clients, and investment strategies pursued and investments made by the Firm on behalf of its clients, should not be understood to limit in any way the Firm’s investment activities. The Firm is permitted to offer advisory services, engage in investment strategy and make investments, including any not described in this Brochure, that the Firm considers appropriate, subject to each client’s investment objectives and guidelines and the terms of the partnership agreements of the Funds. The investment strategies the Firm pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

Flagship Equity Funds - General

The Firm provides investment advice to the Flagship Equity Funds by primarily seeking equity investments in companies that provide critical products, software, and services, primarily technology or technology-enabled solutions, to government and commercial customers worldwide in industries and sectors supported by a government-related customer base or impacted by government regulation or policy. Utilizing the operating expertise of its investment professionals, the Firm seeks to increase and sustain the value of investments made by the Flagship Equity Funds. The Firm advises the Flagship Equity Funds to generally make investments with the ultimate objective of obtaining control or the right to influence management, although the Flagship Equity Funds are permitted to make investments in companies in which a Flagship Equity Fund does not obtain control or the right to influence management on a limited basis, subject to the terms of their governing documents.

Credit Funds - General

The Firm provides investment advice to the Credit Funds that seek to generate current income and realize capital appreciation primarily through a flexible credit strategy focused on credit, credit-related and non-controlling equity investments—principally issued by, or related to, companies that provide critical products and services, primarily technology or technology-enabled solutions, to government and commercial customers worldwide in the target industries of aerospace & defense, communications, education, energy, government services, healthcare, national security, software and other sectors supported by a government-related customer base or impacted by government regulation or policy.

Vantage Fund - General

The Firm provides investment advice to the Vantage Fund by primarily seeking control investments in middle-market companies that provide critical products and services, primarily involving technology or technology-enabled solutions, to governments, government-influenced markets and commercial customers worldwide in the target industries of aerospace & defense, communications, education, energy, government services, healthcare, national security, software and other sectors supported by a government-related customer base or impacted by government regulation or policy. The Firm advises the Vantage Fund to generally make investments with the ultimate objective of obtaining control or the right to influence management, although the Vantage Fund has the flexibility to make investments in companies in which the Vantage Fund does not obtain control or the right to influence management on a limited basis, subject to the terms of its governing documents.

The Firm uses various methods of investment analysis to provide what it believes is sound investment advice. Notwithstanding the Firm's investment analysis, investing in securities involves a risk of loss.

The following risk factors do not purport to be a complete list or explanation of the risks involved in investments made by the Funds. These risk factors include only those risks the Firm believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis currently employed by the Firm. For the avoidance of doubt, these risk factors include risks applicable to Funds with various investment strategies and permitted instruments, as set forth in the relevant governing documents, and managed by the Firm.

Use of Leverage at the Portfolio Company Level. In certain circumstances, the Firm intends to use leverage by, for example, having a portfolio company or intermediate entity incur debt to finance a portion of a Fund's investment, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines). The state of the broader credit markets is difficult to accurately forecast and, as a result, it may be difficult at times for a Fund to obtain or maintain the desired degree of leverage. In these circumstances, a Fund would be required to deploy additional commitments, to the extent available, which would further increase concentration. The use of leverage also typically imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a portfolio company's condition or industry sector, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flows to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund

determines that it is desirable to sell all or a part of a portfolio company, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant governing documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

Principal and interest payments on indebtedness (including loans having "balloon" payments) may be required regardless of the sufficiency of cash flow from the investments. Loans requiring "balloon" payments may involve greater risks than loans where the principal amount is fully or partially amortized over the term of the loan, since the ability to repay the outstanding principal amount of a "balloon" loan may be dependent upon the liquidity of the portfolio company or the ability to obtain adequate replacement financing, which will, in turn, be dependent upon interest rates and lenders' policies at the time of refinancing, economic conditions in general and the value of the underlying investment. There is no assurance that replacement financing will be available to make "balloon" payments or that any replacement financing available will be on favorable terms. Lenders or other holders of senior positions to a Fund's equity will be entitled to a preferred cash flow prior to a Fund receiving a return on leveraged portfolio companies, and in the event a portfolio company is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness or where there is a breach of a performance covenant, the value of a Fund's equity investment in such portfolio company could be significantly reduced or even eliminated and distributions may be reduced or suspended to repay the borrowings.

Leverage magnifies gains and losses attributable to other investment policies and practices, such as investing in below investment grade instruments. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the portfolio company may default on its debt agreements or be forced into bankruptcy resulting in a restructuring of the company's capital structure or liquidation of the company and a Fund may suffer a partial or total loss of capital invested in the portfolio company. A default by a borrower may result in a Fund being unable to liquidate the applicable portfolio investment prior to the termination of the Fund (including in connection with any necessary restructuring of such portfolio investments). As a result, upon the termination of a Fund, the limited partners therein may receive in-kind distributions in respect of such portfolio investment and may be unable to protect their interests effectively. Furthermore, to the extent companies in which the Fund has invested become insolvent such Fund may determine, in cooperation with other debt holders or on its own, to engage, at the Fund's expense in whole or in part, counsel and other advisors in connection therewith. In addition to leverage in the capital structure of portfolio companies, the General Partner may incur leverage on behalf of the Fund.

Fund-Level Borrowing. In certain circumstances, Funds, on an individual or multi-fund basis, borrow funds and incur other indebtedness ("leverage") on a committed, uncommitted, demand or other basis, from time to time, to the extent not prohibited by the relevant limited partnership agreement, for investment or other business purposes pending receipt of capital contributions and to provide guarantees of portfolio companies, subject to certain limitations provided in the relevant limited partnership agreement. The use of leverage by a Fund also generally will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to a Fund or appreciation of its investments. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line,

an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Such borrowing may be used for, among other purposes, the purchase of portfolio investments as they become available in advance of the receipt of anticipated funds from capital contributions or realizations or otherwise when capital contributions are not available and to provide guarantees of portfolio companies. As a condition of incurrence of any leverage, the lender or counterparty can request that a General Partner require a Fund to provide such lender or other counterparty with certain documentation in connection with “know your customer” and other rules. Subject to the governing documents, a General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the Firm for expenses incurred on behalf of the Fund. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. As security for such leverage, such Fund may grant liens on any of such Fund’s assets to the lender or other counterparty (i.e., asset-backed facilities), which assets may not necessarily be limited to one or more of a Fund’s portfolio investments, or a Fund’s interest in any capital contributions made by its limited partners. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a limited partner of such Fund to such assets in an insolvency event or proceeding. With respect to any asset-backed facility entered into by a Fund, a significant or sudden decrease in the market value of such Fund’s investments would increase the effective amount of leverage and could result in the possibility of a violation of financial covenants or financial ratios, which could potentially cause the relevant Fund to suffer foreclosure or forced liquidation of one or more portfolio investments that have been pledged at a time when the relevant General Partner would not otherwise seek to dispose of such assets.

In addition, to support leverage, a Fund has the right to pledge all or a portion of such Fund’s uncalled capital commitments, the right of such Fund’s General Partner to deliver notices to such Fund’s limited partners demanding capital contributions, and the right of such Fund’s General Partner to enforce all rights and powers arising out of such Fund’s right to receive capital contributions. Although borrowings by a Fund could enhance overall returns, they also have the potential to further diminish returns (or increase losses) to the extent returns during the borrowing are less than such Fund’s cost of funds or in the event of default. In borrowing on behalf of a Fund, the Firm is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund’s preferred return, is expected to have incentives to cause a Fund to borrow in this manner rather than drawing down capital commitments. It is expected that costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. Accordingly, any event that adversely affects the value of a portfolio investment would be magnified to the extent leverage is used. The extent to which a Fund uses leverage could have important consequences to its partners, including, but not limited to, the following: (i) greater fluctuations in the net assets of such Fund, (ii) use of cash flow for debt service, distributions, or other purposes, (iii) to the extent that Fund revenues are required to meet principal payments, the partners may be allocated income (and therefore tax liability) in excess of cash available for distribution, (iv) in certain circumstances a Fund may be required to prematurely harvest portfolio investments to service its debt obligations, (v) limitations

on the flexibility of a Fund to make distributions to investors or sell assets that are pledged to secure the leverage, and (vi) increased interest expense if interest rate levels were to increase significantly. There can also be no assurance that a Fund will have sufficient cash flow to meet its debt service obligations. As a result, a fund's exposure to losses may be increased due to the illiquidity of its investments generally. Additionally, a Fund may choose to make all investments during the early life of a Fund entirely on a leveraged basis, prior to a Fund calling any (or a significant amount of) capital contributions from its partners. Unfavorable performance of a small number of such investments may result in amplified losses for a Fund and limit such Fund's ability to invest in the future.

Required repayments of debt and related interest can adversely affect a Fund's operating performance. A Fund may have significant credit facilities as well as holding and operating company debt for which such Fund provides a guarantee or equity support agreement, each of which may be subject to these various risks. A Fund may also incur additional debt in connection with future acquisitions or investments by such Fund or portfolio companies. A Fund, in some instances, may incur leverage under an existing credit facility or incur leverage under a new line of credit to acquire portfolio investments. In addition, a Fund may incur or increase its leverage by obtaining loans secured by a portfolio of some or all of the portfolio investments acquired. In the event that a Fund is unable to repay any leverage from its cash flows, such Fund may be required to dispose of investments to repay the lender(s). If a Fund is required to dispose of investments in order to repay lender(s) at an inopportune time or on an expedited basis, it may not realize as much value upon such disposition as it would receive in connection with an orderly disposition.

A Fund's lines of credit frequently will contain restrictions, requirements and other limitations on such Fund's ability to incur additional indebtedness, including financial covenants and asset-level covenants in the case of non-recourse financing. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the relevant General Partner generally is authorized to request certain financial information and other documentation from limited partners to share with lenders, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary. A Fund's ability to borrow under its credit facilities and, in certain cases, its ability to respond to changes in the performance of its investments are subject to these financial and other covenants. A Fund may also have to pay break funding costs if it satisfies a debt fully or partially within a certain period of incurring the debt. A Fund may be limited in its ability to respond to changing operational circumstances with respect to an investment in ways it would have done had it not been subject to asset-level covenants. The interest rate of any applicable line of credit may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing would negatively impact a limited partner's

overall individual financial returns even if it increases the relevant Fund's reported net returns in certain methods of calculation. For administrative convenience, capital calls, including those used to pay interest on subscription lines of credit and other indebtedness, may be "batched" together into larger, less frequent capital calls, with a Fund's interim capital needs being satisfied by such Fund borrowing money from such lines of credit. The batching of capital calls may amplify the magnitude of potential defaults by limited partners as a result of there being fewer but larger capital calls.

Prospective investors should note that calculations of IRRs in respect of investment and performance data included and/or referred to herein, and with respect to the Firm, as reported to limited partners from time to time, are based on the payment date of capital contributions received from limited partners. This treatment also applies in instances where the Firm utilizes leverage under subscription-based lines of credit in advance of receiving capital contributions from limited partners to repay any such borrowings and related interest expense, to the extent the Firm utilizes such a line of credit. As a result, use of a subscription-based line of credit generally will result in a higher reported IRR than if the facility had not been utilized and instead such limited partners' capital had been contributed at the inception of an investment.

Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the governing documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

If a limited partner defaults on its obligations to fund a capital call to a Fund or potentially its obligation to fund a capital call to another private investment fund, a Fund may no longer be able to borrow against such limited partner's available capital commitment and a lender could require an immediate repayment of any outstanding Partnership leverage. In this situation, a Fund would be required to dispose of portfolio investments earlier than expected, which may be at a loss, in order to repay the indebtedness. Where a lender enforces its remedies and calls capital directly from its limited partners to cause a Fund to satisfy its obligations to such lender, there is no requirement that the lender exercise such remedy pro rata among limited partners, thereby potentially causing an uneven outcome among the limited partners. In addition, even where a limited partner is excused from participating in a portfolio investment, such limited partner may

be required to contribute capital in order to repay borrowings. Furthermore, to the extent that a Fund enters into multiple financing arrangements, such arrangements may contain cross-default provisions that could magnify the effect of a default. If a cross-default provision were exercised, this could result in a substantial loss for such Fund.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, and the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the governing documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Recourse to the Fund's Assets. A Fund's assets, including all investments made by such Fund and any capital held by such Fund, are available to satisfy all liabilities and other obligations of such Fund, including indemnification of the applicable General Partner and other persons as provided in the relevant Fund's governing documents or certain other contractual counterparty arrangements. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to a Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. The likelihood of a liability extending beyond the specific investment giving rise to the particular claim is greater than in other investment funds due to the fact that a Fund could reinvest current income and investment proceeds from one portfolio company in other portfolio companies. Accordingly, limited partners could find their interests in a Fund's assets adversely affected by a liability arising out of an investment in which they did not participate in the event that, for example, they were excluded or excused from such investment by the General Partner.

Fees and Expenses. As discussed above under Item 5 of this Brochure, subject to the applicable Fund's limited partnership agreement, a Fund will pay and bear all expenses related to its operations, including the Management Fee and the costs of holding, monitoring, maintaining and disposing of investments in portfolio investments, including investment banking fees and consulting fees, whether or not the Fund makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses are likely to be substantial and have the potential to surpass a Fund's operating income. In addition, such expenses will reduce the actual returns realized by limited partners on their investments in a Fund and may, under certain circumstances, reduce the amount of capital available to be deployed by a Fund for investments. Such expenses include recurring and regular items, as well as extraordinary items for which it may be difficult to budget or forecast. As a result, the aggregate amount of such expenses over the life of a Fund and/or the amount called at any one time by the relevant General Partner in respect of such expenses may exceed expectations. Although organizational expenses of a Fund are separately categorized and subject to certain restrictions under the limited partnership agreement, with all organizational

expenses in excess of a certain limit being borne ultimately by the relevant General Partner and/or the Firm, there are ongoing operating expenses to be borne by the limited partners that are not classified as organizational expenses under the limited partnership agreement, including, for example, the costs and expenses of administering side letters entered into with limited partners (including the process of distributing and implementing applicable elections pursuant to the “most favored nations” rights contemplated by any side letters) and other expenses incurred in connection with Fund compliance. An investment in a Fund should be viewed as a long-term investment and the management and operation of a Fund has the potential to continue for an indefinite period of time, subject to any applicable limitations set forth in the limited partnership agreement. As a result, there can be no assurance that the relevant General Partner will be able to anticipate and describe in the relevant governing documents all of the fees, costs and expenses that will be incurred and borne by a Fund in connection with its operation. To the extent that a fee, cost or expense is not contemplated in the applicable governing documents of the Fund, the General Partner preserves the right to categorize such fee, cost or expense in such manner as the General Partner determines in its sole discretion is consistent with the spirit and intent of the expense provisions set forth in the limited partnership agreement, which may include charging such amounts to the Fund.

Fund expenses will also include fees paid to the Firm and/or its affiliates for certain services provided to the Fund (or any direct or indirect subsidiary thereof), a portfolio company or the underlying issuer of a portfolio investment or prospective portfolio investment. Such services are expected to include services related to arranging debt financing of portfolio companies of other Funds and/or any other vehicle sponsored by the Firm (including with respect to syndications or placements of debt instruments issued by such portfolio companies or entities formed to invest therein (collectively, “In-House Services”). None of the fees relating to any In-House Services will reduce or offset the Management Fee. Payment of such fees by a Fund (or any direct or indirect subsidiary thereof), a portfolio company or the underlying issuer of a portfolio investment or prospective portfolio investment in connection with such In-House Services have the potential to incentivize Veritas to favor the retention of such In-House Services even if a better price and/or quality of service could be obtained from another person or to make investments on behalf of the Fund that it otherwise would not have been made. The Firm will allocate such costs and expenses among the relevant Funds and/or investment vehicles sponsored by the Firm, as applicable, in a fair and equitable manner in accordance with the Firm’s expense allocation policy and the applicable governing documents of each such Fund. Although the Firm generally expects to set the amount of any fees charged for In-House Services at rates that it believes to be appropriate in relation to the services provided, the Firm undertakes no minimum amount of benchmarking of such fees against any fees charged by other providers with respect to similar services. Moreover, even if such benchmarking is in fact undertaken in the future, the Firm does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets or services to which such rates or terms relate.

Bridge Financings. The Funds expect to provide bridge financing (or commit funds) to facilitate portfolio company investments, including on behalf of identified or potential co-investors. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Fund’s limited partnership agreement, in which case the investment would be treated as a permanent investment of such Fund but will not be deemed to breach applicable concentration limits. For reasons not always in a Fund’s control, long-term securities issuance or

other refinancing or sell-down may not occur and a bridge financing investment may remain outstanding and be treated as a permanent investment in such portfolio company or the in an effort to comply with the investment limitations, a Fund may sell excess investments (or portions thereof) on less favorable terms than would otherwise be available and, as a consequence, a Fund will typically bear a larger portion of any fees, costs and expenses related to such investment, or hold a larger than expected investment in such portfolio company. As a result, such Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which may exclude bridge financing investments. If a Fund is unable to refinance or sell-down a bridge financing and a Fund's investment in such portfolio company yields a loss, the bridge financing will exacerbate any such loss.

Available Investments; Limited Liquidity of Investments. The private equity investment industry in which the Funds are engaged is highly competitive. Further, the identification of suitable investments is a difficult task, and there can be no assurance that the Funds will be able to implement their respective investment objectives. There is no assurance that a General Partner will be able to identify sufficient attractive investment opportunities to enable the full amount of capital committed to the relevant Fund to be invested. However, limited partners of a Fund will be required to pay annual Management Fees as described in Item 5 of this Brochure. In the case of SPACs, if the Firm and/or its affiliates are also permitted to sponsor one or more SPACs (without the Funds participating in sponsoring the SPAC) and, in connection therewith, receive sponsor shares in such SPAC, any amounts earned with respect thereof will not reduce the applicable Management Fee or be for the benefit of a Fund, except to the extent expressly provided in the relevant governing documents. A General Partner also may encounter significant competition for many of the investments it selects. Many of the Funds' (and the Firm's) competitors may have greater financial and other resources and may have better access to suitable investment opportunities. Potential competitors include private equity investment partnerships, corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar or overlapping investment objectives may be formed in the future by other unrelated parties. As the size of the Funds has increased, competitors may change and some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the Firm, the General Partners, the Funds and their affiliates. The Firm expects that competition for appropriate investment opportunities will continue to increase, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which portfolio investments can be made. Participating in auctions will also increase the pressure on the Funds with respect to pricing of a transaction. For example, given the increasingly more competitive investment environment, it may become more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate a transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, there is ongoing pressure on the U.S. federal government to cut costs and complete more activities internally, thereby limiting opportunities for government services contracts.

An investment in a Fund should be viewed as an illiquid investment with no certainty of return. While an investment generally may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Furthermore, a Fund's exit strategy with respect to one or more investments can be affected adversely by numerous factors, many of which may be unforeseen or unexpected at the time the investment is made. Moreover, the limited liquidity of investments may adversely affect a Fund's ability to implement its exit strategies in the face of unexpected developments. In addition, in some cases, a Fund may be prohibited or limited by contract from selling certain interests for a period of time and, as a result, may not be able to dispose of a portfolio investment at a time or price it might otherwise desire to do so. The market prices, if any, for illiquid assets tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict, including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financing condition of the obligors on a Fund's assets.

It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. Moreover, limited partners of a Fund may be allocated taxable income although they have not received any distributions. Furthermore, the costs and expenses incurred in connection with operating a Fund (including Management Fees) may exceed such Fund's income, thereby requiring that the difference be paid from such Fund's capital, including uncalled capital commitments.

Non-Investment Grade Investments. Certain Funds may acquire interests in obligations that are rated in the non-investment grade categories by the various credit rating agencies or are not rated. Such instruments are subject to greater risk of loss of principal and interest than higher-rated obligations and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than obligations with higher ratings in the case of deterioration of general economic conditions, and the yields and prices of such obligations may be more volatile than those for higher-rated debt. The market for non-investment grade and non-rated obligations is often less liquid than that for higher-rated debt, which can adversely affect the prices at which these instruments can be sold and may even make it impractical to sell such obligations. The limited liquidity of the market may also adversely affect the ability of the relevant calculating party to arrive at a fair value for certain non-investment grade and non-rated obligations at certain times and could make it difficult for a Fund to sell or dispose of certain obligations.

Investments in Junior Instruments. Certain Funds may invest in equity interests that may be among the most junior in a portfolio company's capital structure (including common or similarly situated equity instruments) and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investments in such junior instruments once made.

Hybrid Instruments. Certain Funds may obtain exposure to a Portfolio Company by investing in hybrid instruments, which contain characteristics of both debt and equity. Therefore, hybrid instruments are subject to the risks of equity and the risks of debt. The terms of hybrid instruments may vary substantially, and certain hybrid instruments may be subject to similar risks as preferred

stocks, such as interest rate risk, issuer risk, dividend risk, call risk and extension risk. The claims of holders of hybrid instruments of an issuer are generally subordinated to those of holders of traditional debt in bankruptcy, and thus hybrid instruments may be more volatile and subject to greater risk than traditional debt, and may in certain circumstances even be more volatile than traditional equity. At the same time, hybrid instruments may not fully participate in gains of their issuer and thus potential returns of such instruments are generally more limited than traditional equity, which would participate in such gains. Hybrid instruments may also be more limited in their rights to participate in management decisions of an issuer. Certain hybrid instruments may be more thinly traded and less liquid than either publicly issued equity or debt, especially hybrid instruments that are “customized” to meet the needs of particular investors, potentially making it difficult for the relevant Fund to sell such instruments at a favorable price or at all. Any of these features could cause a loss in market value of hybrid instruments held by the relevant Fund.

Credit-Linked Instruments. Credit-linked instruments are typically privately negotiated transactions between two or more parties. A Fund bears the risk that the issuer of the credit-linked instrument will default or become bankrupt. A Fund bears the risk of loss of its principal investment, and the periodic interest payments expected to be received for the duration of its investment in the credit-linked instrument. Credit-linked instruments are also subject to credit risk of the corporate or other credits underlying the instrument. If one of the underlying credits defaults, a Fund may receive the instrument that has defaulted, and such Fund’s principal investment would be reduced by the corresponding face value of the defaulted instrument.

The market for credit-linked instruments may be, or suddenly can become, illiquid. The other parties to the transaction may be the only investors with sufficient understanding of the transaction to be interested in bidding for it. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for credit-linked instruments. In certain cases, a market price for a credit-linked instrument may not be available.

Structured Finance Instruments. Certain Funds are permitted to invest in structured finance instruments such as, for example, collateralized loan obligations (“CLOs”) or other asset-backed instruments backed by corporate and consumer receivables (both that have and that do not have a CUSIP number) or similar instruments. Structured finance instruments may present risks similar to those of the other types of investments in which a Fund may invest and, in fact, such risks may be of greater significance in the case of structured finance instruments. Moreover, investing in structured finance instruments may entail a variety of unique risks. Among other risks, structured finance instruments may be subject to prepayment risk. In addition, the performance of a structured finance security or instruments will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, whether collateral represents a fixed set of specific assets or accounts, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Certain structured finance instruments (particularly subordinated structured finance instruments) may also provide that the non-payment of interest in cash on such instruments will not constitute an event of default in certain circumstances and the holders of such instruments will not have

available to them any associated default remedies. Interest not paid in cash will often be capitalized and added to the outstanding principal balance of the related security or instrument. Any such deferral will reduce the yield on such structured finance instruments. Distributions on structured finance instruments depend solely upon the amount and timing of payments and other collections on the related underlying collateral, the amount of which is typically established to withstand certain assumed deficiencies in payment occasioned by defaults of the underlying collateral. However, if any deficiencies exceed such assumed levels, payments on the related structured finance instruments could be adversely affected by defaults.

Structured finance instruments are generally limited recourse obligations of the issuer payable solely from the underlying collateral of the issuer or proceeds thereof, and the structured finance instruments will not be guaranteed by any person. Consequently, holders of structured finance instruments must rely solely on distributions on the underlying collateral or proceeds thereof for payment in respect thereof, and to the extent the underlying collateral is insufficient to pay the structured finance instruments in full the issuer will not have any other assets that can satisfy any deficiencies.

Risks Associated with Revolver or Delayed-Draw Investments. A Fund may from time to time incur contingent liabilities in connection with an investment. For example, a Fund may participate in one or more investments that are structured as “revolvers” or “delayed-draws.” These types of investments generally have funding obligations that extend over a period of time and which may extend beyond the Fund’s investment period, and if a portfolio company subsequently draws down on the delayed-draw facility, a Fund would be obligated to fund the amounts due. In such circumstances, a Fund may be required to reserve undrawn commitments for future funding obligations and may be required to fund such obligations after the termination of the Fund’s investment period. However, there can be no assurance that an issuer will ultimately draw down on any such obligation, in which case a Fund may never fund the investment (in full or in part), which may result in a Fund not fully deploying their committed capital.

Exit Financing. A Fund may invest in portfolio companies that are in the process of exiting, or that have recently exited, the bankruptcy process. Post-reorganization investments typically entail a higher degree of risk than investments in companies that have not undergone a reorganization or restructuring. Moreover, post-reorganization instruments can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If the Firm’s evaluation of the anticipated outcome of an investment situation should prove incorrect, a Fund could experience a loss.

No Diversification Requirement; Risk of Loss. Although the Firm expects that each Fund’s portfolio will have a moderate degree of diversification, each General Partner is authorized, at any time, to invest the relevant Fund’s assets in only a few investments, subject to the restrictions set forth in such Fund’s limited partnership agreement, and each Fund is generally expected to invest exclusively in the Firm’s target industries. Thus, the unfavorable performance by investments in one industrial or economic sector could have a substantial adverse impact on the aggregate returns realized by investors. In addition, although the Firm expects that most investments will include the characteristics identified in the relevant Fund’s governing documents, the Funds may also make opportunistic investments in other assets.

Reliance on the General Partners and Portfolio Company Management. Control over the operation of each Fund will be vested with its General Partner, and the profitability of a Fund depends largely upon the business and investment acumen of the Firm's principals and other senior investment professionals and the actions of such Fund's General Partner. No limited partner of a Fund has the right, power or authority to participate in the ordinary and routine management of the affairs of such Fund or to exercise any control over the decisions of such Fund's General Partner. The loss or reduction of service of one or more of the Firm's principals or other senior investment professionals could have an adverse effect on a Fund's ability to identify investment opportunities and/or realize its investment objectives. In addition, certain changes in the Firm or circumstances relating to the Firm would, if they were to occur, have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Each Fund's General Partner monitors the performance of each investment made by such Fund, however, it is primarily the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Funds generally seek to invest in portfolio companies with strong management or recruit strong management to such portfolio companies, there can be no assurance that the management of such portfolio companies will be able or willing to successfully operate a portfolio company in accordance with any of the relevant Fund's objectives. Additionally, portfolio companies will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate or retain suitable members of their management teams and, as a result, the Funds and their investments may be adversely affected.

Reliance on Government Contracts. The Funds invest in portfolio companies that are heavily dependent on U.S. federal government contracts, which may be only partially funded. These contracts are, and will remain, subject to the U.S. federal government's political and budgetary constraints, changes in short-range and long-range plans and identity or views of political leaders, the timing of contract awards, the congressional budget authorization and appropriation processes, the U.S. federal government's ability to terminate contracts for convenience, a policy change, a difference of interpretation, or a default, as well as other risks such as contractor debarment in the event of certain violations of legal and regulatory requirements. Portfolio companies providing services under U.S. federal government contracts are also subject to extensive regulation and audit by agencies of the U.S. federal government, and may be required to obtain and/or maintain certain facilities clearances and/or to require their employees servicing the contacts to obtain and/or maintain certain levels of security clearance. Obtaining and maintaining security clearances for employees and facilities clearances for portfolio companies is a lengthy and expensive process, and losing any such clearance could be detrimental to the success of such portfolio company. In addition, actions that may be taken with respect to fiscal stimulus programs, an extended federal government shutdown resulting from the failure to pass budget appropriations or adopt continuing funding resolutions, the debt ceiling, international trade and tariffs, among other things, could potentially delay award of contracts and timing of payments and cause significant economic, market, political and regulatory uncertainty in some of the Target Industries, which could adversely affect the performance of portfolio companies and a Fund. Moreover, government contracts and/or disputes under such contacts may become publicized, and any negative publicity

with respect to such contracts or disputes could have an adverse effect on a portfolio company's reputation and ability to obtain government contracts in the future.

Furthermore, potential portfolio companies in the government contract space, often team with other companies to fulfill their obligations under government contracts, and failure by a portfolio company's partner to fulfill such portfolio company's obligations under a government contract may affect the portfolio company's ability to receive compensation under the relevant government contract.

Contingent Liabilities on Disposition. In connection with the disposition of an investment, a Fund and/or its General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties (e.g., about the business and financial affairs of a portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses) and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the relevant Fund and, ultimately, its limited partners. A General Partner may establish reserves as appropriate to provide for such contingent liabilities. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of the relevant Fund, such Fund's limited partners may be required to repay to such Fund all or a portion of distributions previously received by them in respect of such portfolio company.

Mandatory Withdrawal. Under the limited partnership agreement of the applicable Fund, the General Partner is permitted to require a limited partner to withdraw from such Fund if, among other things, failure to do so would, as determined by the General Partner in its sole discretion, materially adversely affect either the Fund, the General Partner, the Firm, any portfolio company or certain of their respective affiliates subject to the terms of the limited partnership agreement. In such an instance, the withdrawing limited partner shall not contribute additional capital to the Fund in respect of any subsequent capital call and the withdrawing limited partner's interest in the Fund will be entirely terminated (and such limited partner's commitment will be reduced to zero).

Risk of Minority Positions in Portfolio Companies; Lack of Unilateral Control. If, as part of its overall investment strategy, a Fund elects at any time to hold a minority position in one or more portfolio companies, it may not be able to exercise control over such companies. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be if the Fund had owned a controlling interest in such portfolio company. The amount of non-control investments that a Fund is permitted to make is restricted by the constituent governing documents of such Fund. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio company may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other

considerations that differ from or are inconsistent with those of the relevant Fund or its limited partners. Such third parties may be in a position to take action contrary to such Fund's business, tax or other interests, and such Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Furthermore, common equity, preferred equity, mezzanine debt or other subordinated debt investments that a Fund may acquire are typically junior to the obligations of a borrower to senior creditors, senior secured creditors and trade creditors, and, consequently, in such cases the ability of a Fund to use its position as a holder of such instruments to influence a borrower's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors and senior secured creditors. Further, debt obligations may be syndicated to a number of different financial market participants and the terms of such debt obligations may require either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a credit pursuant to a bankruptcy plan of reorganization is done on a class basis. As a result of these voting regimes, a Fund may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring, or reorganization of debts owed to such Fund.

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

Libor, and Other Benchmark Interest Rates. To the extent a Fund's investments (whether made, acquired or otherwise) are subject to a variable interest rate based on (or calculated with reference to) the London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate ("EURIBOR"), the Canadian Dollar Offered Rate ("CDOR") or any other offered rate, benchmark or index (collectively, "Benchmark Rates"), such Fund will be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase

volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; create disputes and litigation between lenders and borrowers; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

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

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of the Firm or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Firm or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, the Firm, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances the Firm reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the

transaction, there can be no assurance that the Firm will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, the Firm reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant governing documents.

Need for Follow On Investments. Following its initial investment in a given portfolio company, a Fund is permitted to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow on investments or will have sufficient funds to, or be permitted to, make all or any of such investments. Any decision by a Fund not to make follow on investments or its inability to make such investments for various reasons could have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or result in a lost opportunity for such Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership and/or governance in a portfolio company if a third party or co-investor is permitted to invest. Follow-on investments will at times be necessary to support existing portfolio investments but returns on such new capital can be limited. Furthermore, no assurance can be made that any follow-on investment made by a Fund will be profitable to such Fund. Additionally, co-investors that participated in an initial investment may choose not to participate in a follow-on investment, which may increase a Fund's exposure to such investment.

Toehold Investments. A Fund may accumulate minority positions in the securities of potential portfolio companies, including public companies, and including in furtherance of a longer-term control investment strategy. While the Firm reserves the right to seek to achieve such accumulation through investments such as open market purchases, registered tender offers, negotiated transactions or private placements or gain exposure to such companies by acquiring swaps or other derivative investments, a Fund may be unable to accumulate a sufficiently large position in a target company to execute its strategy. Moreover, a Fund may otherwise be unsuccessful in executing its strategy or may forego further implementation of its strategy. In addition, a Fund may dispose of its position in the target company at an inopportune time and there can be no assurance that the price at which a Fund can sell such securities will not have declined since the time of acquisition. This may be exacerbated by the fact that (i) securities of the companies that a Fund may target may be thinly traded, (ii) a Fund's position may nevertheless have become substantial, (iii) speculation following a Fund's investment, particularly if such interest becomes public, may increase the securities' price as a Fund accumulates positions, and (iv) a Fund's disposal may depress the market price for such securities, all of which will increase the risk of loss. Also, if a toehold investment is in publicly listed securities, certain filings may be required under the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, in respect of such toehold investment, including, without limitation, Form 3, Form 4, Form 13F, Form 13H, Schedule 13D filings and Schedule 13G filings, which will be expenses of the relevant Fund. Acquisition by the Funds of equity securities may also result in reporting and compliance obligations under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the Clayton Antitrust Act of 1914, as amended, and other similar laws, rules and regulations in non-U.S. jurisdictions ("Antitrust Laws"). In addition, filings

with other regulatory agencies may be required if the investment is in a company that is in a regulated industry. Certain of these regulatory filing obligations will result in increased filing and legal costs and could delay, impede or prevent a Fund from executing its investment strategy, or require advance disclosure of a Fund's plans, proposals or intentions pertaining thereto, any of which could negatively impact a Fund's investments or investment opportunities.

Recycling/Reinvestment. Subject to certain limitations set forth in a Fund's limited partnership agreement, the General Partner expects to reinvest or recall, as applicable, proceeds of fully realized or partially realized investments up to an amount equal to aggregate capital contributions (including any borrowing related to investments in connection with any subscription facilities) attributable to investments. Any portion of an investment that has been syndicated, refinanced or otherwise sold within a stated time frame is also permitted to be subject to reinvestment or recall. Accordingly, an investor in such Fund may be required to make aggregate capital contributions in excess of its commitment to such Fund, or amounts may be deemed distributed but be reinvested, and to the extent such recalled or retained amounts are reinvested in investments, an investor in a Fund will remain subject to investment and other risks associated with such investments. Delays in receiving distributions or realizing investments due to market or other conditions may result in a lack of available capital for recycling, including for consummation of follow-on investments, which could affect a Fund.

Certain Significant Limited Partners. One or more limited partners are expected to make significant commitments to a Fund (a "Significant LP"). If a Significant LP defaults on its obligations to make capital contributions to a Fund or is excused or excluded from all or a portion of an investment, it could, among other adverse consequences to a Fund and the other limited partners, leave the Fund with insufficient capital to meet its obligations, reduce a Fund's borrowing base (and thus, its ability to borrow or keep existing borrowings outstanding) and cause a Fund to fail to achieve its investment objectives. In particular, the other limited partners may be required to contribute additional capital to make up for a shortfall with respect to an investment, and as a result their exposure to the applicable investment may be significantly more concentrated and a Fund may not be able to achieve the desired level of investment diversification, and likely reduce the Fund's returns. Also, there could be additional unintended consequences of Significant LPs investing in a Fund that may be adverse to the Fund and the other limited partners, including where a Significant LP participates in a vote of the limited partners if such Significant LP's interests are not aligned in whole or in part with the other limited partners.

Credit Risks of Investments in Debt Instruments. Credit instruments are subject to credit risk, which is the likelihood that a company will default in the payment of principal and/or interest on its obligations, among other covenants and requirements. Financial strength and solvency of a company are key factors influencing credit risk. Portfolio companies may face intense competition, changing business and economic conditions or other developments that may adversely affect their performance and increase credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an investment. In addition, portfolio companies may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce mortgage obligations. If any of the above occurred, each Credit Fund's ability to make anticipated distributions to its limited partners could be delayed or otherwise adversely affected.

Portfolio companies could present a high degree of business and credit risk. Portfolio investments could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or economic and financial market downturns and dislocations. As a result, portfolio companies that the Credit Funds expected to be stable or improve may operate, or be expected to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

Nature of Investments in Senior Loans. Some of the senior secured loans acquired by the Credit Funds may be rated below investment grade or may not be rated by a credit rating agency. In terms of liquidity with respect to such investments, there can be no assurance that levels of supply and demand in senior secured loan trading will provide an adequate degree of liquidity for the investments therein.

The factors affecting an issuer's first and second lien leveraged loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company), or involve first liens only on specified assets of an issuer (e.g., excluding real estate). Issuers of first lien loans may have multiple tranches of first lien debt outstanding, each of which may have first liens on separate collateral or may share first liens on the same collateral with one or more other tranches of first lien debt. Furthermore, liens with respect to primarily U.S. financings generally only cover U.S. assets, and non-U.S. assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-U.S. subsidiaries). In the event of Chapter 11 filing by an issuer, the U.S. Bankruptcy Code authorizes the issuer to use a creditor's collateral and to obtain additional credit by grant of a prior lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides what the presiding bankruptcy judge considers to be "adequate protection," which may but need not always consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of prior liens on the Credit Funds' collateral would adversely affect the priority of the liens and claims held by the Credit Funds and could adversely affect the Credit Funds' recovery on their senior leveraged loans.

Any secured debt is secured only to the extent of the grant of security by the debtor to the secured party and only to the extent of the value of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow the Credit Funds to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be sufficient to satisfy the amount of principal and interest owing to the Credit Funds in respect of their investment.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the

terms of a restructuring of a credit pursuant to a Chapter 11 plan of reorganization is done on a class basis. As a result of these voting regimes, the Credit Funds may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to the Credit Funds.

Senior secured loans are also subject to other risks, including (i) the possible invalidation of a debt or lien as a “fraudulent conveyance,” (ii) the recovery as a “preference” of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) “lender liability” claims by the issuer of the obligations, (v) environmental and/or other liabilities that may arise with respect to collateral securing the obligations, (vi) recharacterization claims in which certain creditors may seek to have each Credit Fund’s debt positions recharacterized as equity and therefore subordinate each Credit Fund’s claims to such creditors’ claims and (vii) designating the vote (i.e., ignoring the customary class vote system) under a Chapter 11 plan of reorganization in which lenders are entitled to vote as a class. Decisions in bankruptcy cases have held that a secondary loan market assignee can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance, or if such prior holder engaged in conduct that would qualify for equitable subordination.

Nature of Mezzanine Debt and Other Subordinated investments. Portfolio investments may consist of debt and equity and/or other instruments, loans or interests in pools of securities and/or other instruments that are subordinated or may be subordinated in right of payment and ranked junior to other instruments issued by, or loans made to, obligors. Mezzanine and other subordinated debt investments involve a high degree of risk with no certainty of any return of capital. Although subordinated debt generally is senior to common stock and other equity instruments in the capital structure, it may be subordinated to large amounts of senior debt and is often unsecured.

While subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of such investments and may benefit from cross-default provisions, some or all of such terms may not be part of particular investments. In addition, the ability of the subordinated debt holders to influence a company’s affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the mezzanine debt or other exercises by the subordinated creditors of their rights. Accordingly, the Credit Funds may not be able to take the steps necessary to protect their investments in a timely manner or at all. Further, the unsecured debt in which the Credit Funds may invest may not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity, and may not be rated by a credit rating agency.

Subordinated debt investments may increase each Credit Fund’s exposure to adverse economic factors such as significantly rising interest rates, severe downturns in the economy, or deterioration in the condition of the portfolio company on the subordinated debt investment. Conversely, mezzanine loans and other subordinated debt investments are often less risky than equity investments because the claims of subordinated debt investors are typically senior to those of equity holders in the company. In the event that any portfolio company on a mezzanine loan or other subordinated debt investment is unable to generate sufficient cash flow to meet the principal

and interest payments on its indebtedness, the value of each Credit Fund's investment in such loan could be significantly reduced or even eliminated.

If a portfolio company becomes subject to insolvency proceedings in any jurisdiction, the rights of holders of mezzanine and subordinated debt may be adversely affected. Such proceedings and related laws and remedies may vary substantially from jurisdiction to jurisdiction, may create the right of such portfolio company to avoid certain unfavorable contracts or obligations and may result in significant delay and/or limitations on repayment of amounts owed to each Credit Fund. With respect to portfolio investments in the form of subordinated debt instruments, upon any distribution to the relevant borrower's creditors in a bankruptcy, liquidation, or reorganization, or similar proceeding, the holders of such borrower's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on such portfolio investments. In the event of a bankruptcy, liquidation, or reorganization, or similar proceeding relating to such a borrower, the Credit Funds will typically participate with all other holders of such borrower's indebtedness in the assets remaining after the borrower has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). Such borrower may not have sufficient funds to pay all of its creditors, and the Credit Funds may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such borrower or the holders of indebtedness that is not subordinated.

Nature of High Yield Debt. The Credit Funds may invest in debt that may be classified as "higher-yielding" (and, therefore, higher-risk) debt. In most cases, such debt will be rated below "investment grade" or will be unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. The market for high yield debt has experienced periods of volatility and reduced liquidity. Debt in the lower rated categories and comparable non-rated debt is subject to greater risk of loss of principal and interest than higher rated and comparable non-rated debt and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than debt with higher ratings or comparable non-rated debt in the case of deterioration of general economic conditions. High yield debt may or may not be subordinated to certain other outstanding debt and obligations of the issuer, which may be secured by all or substantially all of the issuer's assets. High yield debt may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these debt instruments may reflect individual corporate developments. General economic recession or a major decline in the demand for products or services offered by the issuer would likely have a materially adverse impact on the value of such instruments or could adversely affect the ability of the issuers of such debt to repay principal and pay interest thereon and increase the incidence of default of such debt. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these high yield debt instruments.

Covenant-Lite Loans. There may be instances in which the loan investments made by a Fund do not have maintenance financial covenants ("Covenant-Lite Loans") in the related loan documentation. An investment in a Covenant-Lite Loan may potentially hinder the ability to re-price credit risk associated with a portfolio company's performance and reduce the creditors' ability to restructure a non-performing loan and mitigate potential loss. As a result, the Credit

Funds' exposure to losses may be increased, which could result in an adverse impact on the Credit Funds' return to their limited partners.

Risks of Acquiring Non-Performing Debt Instruments, Loans and Participations. Debt instruments and loans acquired by the Credit Funds may be or become non-performing following their acquisition for a wide variety of reasons. Such non-performing instruments or loans may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial writedown of principal. It is possible that a General Partner may find it necessary or desirable to foreclose on collateral securing one or more debt instruments purchased by the Credit Funds. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions, which often prolongs and complicates an already difficult and time consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral assets and may result in disrupting ongoing management of the company. There can be no assurance as to the amount and timing of payments, if any, with respect to any such debt instruments.

Issuer Fraud; Breach of Covenant. Each Credit Fund will generally seek to obtain structural, covenant and other contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect and potential investors should regard an investment in the Credit Funds as being speculative and having a high degree of risk. A concern in investments in loans or debt securities is the possibility of material misrepresentation or omission on the part of the borrower or issuers of debt securities. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or debt securities (if any) or may adversely affect the ability of the Credit Funds to perfect or effectuate a lien on any collateral securing the loan or debt securities. Each Credit Fund will rely upon the accuracy and completeness of representations made by borrowers and issuers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Credit Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Disposition of Loan Origination Investments. If each Credit Fund desires to sell or assign a loan that it originates, but is unable to sell, assign or successfully close transactions for assignments or participations in such loan, each Credit Fund will be forced to hold such loan until such time as it can be disposed, during which time a Fund may be "overweighted" with respect to a particular borrower.

Loans to Private Companies. A portion of the Credit Funds' portfolio may consist of loans to medium-sized, privately owned businesses. Compared to larger, publicly owned firms, such companies generally have limited financial resources and access to capital, as well as higher funding costs. They may be in a weaker financial position and may need more capital to expand or compete. These companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to

competitors' actions and market conditions, as well as general economic downturns. There may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality. These companies are also more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations. The above challenges increase the risk of these companies defaulting on their obligations.

Participation on Creditor's Committees. Each Credit Fund may serve on committees formed by creditors ("Creditors' Committees") to negotiate with the equity owners and management of financially troubled companies that may or may not be in bankruptcy. Each Credit Fund may also seek to negotiate directly with companies with respect to restructuring issues. Even if each Credit Fund chooses to join a Creditors' Committee, there can be no assurance that each Credit Fund would be successful in obtaining results favorable to it in such proceedings, and each Credit Fund may incur significant legal fees and/or other expenses in attempting to do so, as Creditors' Committees generally consist of many participants, each of which attempts to obtain an outcome that is in its individual best interests. While such representation may enable the relevant General Partner to enhance the value of the investments, it may also prevent a Credit Fund from disposing of the investments in a timely and profitable manner, because serving on a Creditors Committee increases the possibility that a Credit Fund will be deemed an "insider" or a "fiduciary" of the portfolio company. As a result of each Credit Fund's service on such Creditors' Committees, such Credit Fund may be deemed to have duties to other creditors represented by the Creditors' Committees, which might thereby expose such Credit Fund to liability to such other creditors who disagree with such Credit Fund's actions. If representation on a Creditors Committee causes a Credit Fund or the relevant General Partner to be deemed an affiliate or related party of the portfolio company, the instruments of such portfolio company held by a Credit Fund may become restricted and not freely tradable. Typically, the Credit Funds will not have representation on Creditors' Committees when it invests alongside an Equity Fund. Participation on a Creditors' Committee and/or board representation may also subject a Credit Fund to additional liability to which it would not otherwise be subject as an ordinary course, third-party investor

The General Partner or the Credit Funds' key personnel, on behalf of such Credit Fund, may elect to serve on Creditors' Committees or other groups to ensure preservation or enhancement of each Credit Fund's position and recovery as a creditor. A member of any such Creditors' Committee or group may owe certain obligations generally to all parties similarly situated that the Creditors' Committee represents. If the General Partner concludes that its obligations owed to the other parties as a Creditors' Committee or group member conflict with its duties owed to the Credit Funds, it will resign from that Creditors' Committee or group, and such Credit Fund may not realize the benefits, if any, of the General Partner's service on the Creditors' Committee or group.

Cross-Collateralization. A Fund may engage in financings where several investments are cross-collateralized, thereby subjecting multiple investments to the risk of loss. As a result, such Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments.

Future Investment Techniques and Instruments. A Fund may employ other investment techniques and invest in other instruments that the relevant General Partner believes will help

achieve such Fund's investment objective, whether or not such investment techniques or instruments are specifically described herein. Consistent with its investment objective, a Fund may invest in financial instruments of any and all types, which exist now or are hereafter created. Such investments may entail risks not described herein.

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

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest, a shutdown of the U.S. federal government or declaration of a national emergency or war. Many business leaders expect the U.S. and Western Europe to enter into a recessionary period. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to achieve attractive dispositions of their businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

While the Firm expects that the current environment will yield attractive investment opportunities for the Funds, there can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of the portfolio investments, its access to capital for leverage, a portfolio company or each Fund's overall performance. A recession, slowdown and/or sustained downturn in the global economy (or any particular segment thereof) could have a pronounced impact on a Fund and could adversely affect such Fund's profitability, impede the ability of the portfolio companies to perform under or refinance their existing obligations, and impair a Fund's ability to effectively deploy its capital or realize its investments on favorable terms. In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions

and world markets and, in turn, could adversely affect a Fund's performance. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's or a Fund's capital structure.

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

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and has contributed to volatility in financial markets, demand across most categories of consumers and businesses, as well as in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio

companies, the General Partners and the Firm may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related there to, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

United States Government Shutdown Risk. Given certain Funds' focus on companies with government-related customer bases, a government shutdown could give rise to various risks and uncertainties that could negatively impact the performance of portfolio companies and the relevant Funds, each of which is beyond the control of the Firm.

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

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of the Firm and its affiliates, the Firm frequently comes into possession of confidential or material nonpublic information. Therefore, the Firm and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Firm's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Firm or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and

trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC.

The Firm has adopted policies designed to comply with these laws and requirements, and reserves the right to vary or supplement these policies in the future. Additional restrictions may also be placed on a Fund or the Firm by a portfolio company's insider trading policy, in which case covered may be restricted from sharing such information with a Fund, a Fund may not be free to act upon any such information, and the possession of information by persons associated with the Firm may preclude a Fund from engaging in transactions that it might otherwise have undertaken.

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

Antitrust Laws, Regulation and Enforcement. Antitrust Laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. The growth of the private equity industry and the increasing size and reach of private equity transactions has prompted additional governmental attention from such regulators and government bodies to the industry and its practices, including with respect to acquisitions by private investment funds in the healthcare, technology and education industries. As a result, compliance with Antitrust Laws by the Funds and current and prospective portfolio companies could significantly delay the closing of a transaction, lead to deal abandonment, increase the cost of operating the Funds and portfolio companies, require a portfolio company to divest of certain assets, require a Fund to remove certain portfolio company directors, and/or infringe upon the ability of the Funds and their portfolio companies to engage in certain transactions.

Cybersecurity Risks. Cyber-attacks and other malicious internet-based activity continue to increase in frequency and magnitude. Recent events have illustrated such ongoing cybersecurity risks to which operating companies are subject. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners (including vendors and portfolio companies), may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. As part of its business, the Firm processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the limited partners. Similarly, service providers of each General Partner and/or the Funds, especially any administrator, may process, store and transmit such information. A Fund's and its portfolio companies' information and technology systems may be vulnerable to damage or interruption from

computer viruses, network failures, computer and telecommunication failures, denial-of-service attacks, infiltration by unauthorized persons and security breaches, usage errors or malfeasance or malfeasance by their respective professionals or service providers; power, communication or other service outages; and catastrophic events such as fires, tornadoes, floods, hurricanes, typhoons, earthquakes, wars, terrorist attacks and other similar events.

Although each Fund's General Partner has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, a General Partner, a Fund and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. To the extent that the Firm, a General Partner, a Fund, a portfolio company or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In addition, in the event of a cyber-attack or other unauthorized access to information and technology systems, numerous unforeseen costs may arise including, but not limited to, litigation costs, preventative and protective costs and remediation costs.

In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Additionally, a General Partner's, the Firm's, a Fund's and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates or counterparties for incurred liabilities. Any of such circumstances could subject a portfolio company, or a Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm.

In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Firm or one of its service providers holding its financial or investor data, the Firm, its affiliates and/or one or more Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under the Firm's policies and practices.

Changes in Cybersecurity and Data Protection Laws and Regulations. The Funds and certain portfolio companies may be subject to the provisions in the U.S. federal Gramm-Leach-Bliley Act (the “GLBA”), which limits the disclosure of non-public personal information about a consumer to non-affiliated third parties and requires financial institutions (including insurance companies) to disclose certain privacy policies and practices with respect to their information sharing with both affiliates and non-affiliated third parties. A number of U.S. states have also enacted privacy and data security laws requiring safeguards on the privacy and security of consumers’ personally identifiable information (together with the GLBA, “Privacy Laws”). Other U.S. federal and state statutes deal with obligations to safeguard and dispose of private information in a manner designed to avoid its dissemination. Privacy rules adopted by the U.S. Federal Trade Commission (the “FTC”) implement the GLBA and other requirements that govern the disclosure of consumer financial information by certain financial institutions, ranging from banks to private investment funds. In addition, the Funds and certain portfolio companies could be subject to state data security laws, depending on whether the information obtained is considered non-public personally identifiable information under those state laws. Any violations of the state data security laws by a Fund or its portfolio companies could subject such party to fines, penalties, or other regulatory action on a state-by-state basis, which, individually or in the aggregate, could have a material adverse effect on the Fund due to the compliance costs related to any violations as well as costs to ensure compliance with such laws on an on-going basis. Additionally, any violations of the GLBA by a Fund or its portfolio companies could subject such party to regulatory action by the FTC, which could require the Fund and/or such portfolio companies to, inter alia, implement a more comprehensive information security and reporting program and to be subject to audits on an on-going basis.

Additionally, the adoption, interpretation and application of consumer and data protection laws or regulations in the United States, Europe and elsewhere are often uncertain and in flux, and in some cases, laws or regulations in one country may be inconsistent with, or contrary to, those of another country. U.S. federal, state, and non-U.S. government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy. Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Firm, the General Partners, the Funds and/or their portfolio companies. The failure of portfolio companies, their third-party partners, and their customers to comply with applicable laws and regulations could negatively impact the General Partners, the Funds and/or their portfolio companies.

United Kingdom (“UK”) Exit from the European Union (the “EU”). The UK formally left the EU on January 31, 2020 (“Brexit”), and entered a transition period that ended on December 31, 2020. On December 30, 2020, the UK government and the EU Commission signed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period. However, this agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the

provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions).

There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including the Firm and Fund portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Russia-Ukraine Conflict. The ongoing military conflict between Russia and Ukraine has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Operational Risk. Each Fund depends on its General Partner to develop and implement appropriate systems for its activities. Certain of a Fund's, its General Partner's and the Firm's activities will be dependent upon systems operated by third parties, and the General Partner and the Firms may not be in a position to verify the risks or reliability of such third-party systems. Such systems could include software utilities used for purposes including diligence, research and information synthesis, from which there can be no guarantee that the information provided will be accurate or complete. Failures in the systems employed by a General Partner, the Firm and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruption to third-party critical service providers, such as a Fund's auditors, external counsel and custodian, may result in other disruptions in such Fund's operations. Disruptions in a Fund's operations may cause such Fund to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on a Fund and the investors' investments therein.

Impact of Government Regulation, Reimbursement and Reform. Certain or all of the Firm's target industries are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain or all of the Firm's target industries may be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in portfolio companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the portfolio companies in which the Funds invest. By way of example, the healthcare and financial services industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to the healthcare industry are introduced from time to time, which, if adopted, could have a significant impact on such industry in general and/or on portfolio companies in which the Funds may invest. In addition, various agencies and departments of the U.S. federal government regulate the defense and aerospace industries. New and existing regulations and burdens of regulatory compliance may have a material adverse effect on portfolio companies that operate in these industries. Further, the ability of a Fund to make an investment could depend on obtaining required security clearance or the consent or approval of certain regulatory authorities. The portfolio companies could be adversely affected to the extent regulations or applicable laws change or become increasingly stringent as a result of judicial or administrative interpretations with respect to such issuers. Moreover, additional regulatory approvals may become applicable in the future as a result of the foregoing or for other reasons. There can be no assurance that the portfolio companies in which a Fund invests will be able to obtain all required regulatory approvals or, once obtained, to maintain such approvals in accordance with the requirements applicable thereto. Failure or delay in obtaining and maintaining any applicable regulatory approvals could adversely affect the business of a Fund.

Additionally, certain portfolio companies may have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject any such portfolio company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover,

a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition. Any such problems additionally may bring scrutiny and attention to a Fund itself, which could adversely affect such Fund's ability to implement its investment objectives.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of the Firm and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Firm and its affiliates, the Fund and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Fund.

Investments in Less Established Companies. In the event that a Fund invests a portion of its assets in the securities of less established companies, such investments may involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for such securities held by such 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 tend to have shorter operating histories by which to judge performance and, in many cases, have negative cash flow. 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. Additionally, such companies are more likely to depend on the talents of management and the efforts of a small group of individuals. Therefore, the death, disability, resignation or termination of one or more of these individuals could have a material adverse impact on investments that a Fund holds and, in turn, on such Fund. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which a Fund invests, such Fund may suffer a partial or total loss of capital invested in that company. 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 Countries Outside the United States. Subject to the restrictions set forth in the governing documents, the Funds may invest in portfolio companies that are organized, headquartered or whose primary office is located or have substantial sales or operations outside of the United States, its territories, and possessions. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into

another and capital repatriation regulations; (ii) 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; (iii) non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies; (iv) governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies; (v) less extensive regulation of the securities markets; (vi) 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, including civil disturbances, the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (vii) the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the investors with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or the investors; (viii) less developed corporate laws regarding fiduciary duties and the protection of investors; (ix) longer settlement periods for securities transactions; (x) less reliable judicial systems to enforce contracts and applicable law; (xi) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (xii) political hostility to investments by foreign or private equity investors; (xiii) less publicly available information; (xiv) restrictions on imports/exports; and (xv) nationalization and expropriation of private assets.

Currency and Foreign Exchange Risks. The Funds may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories and possessions, and therefore, such investments, and the income received by the Funds with respect to such investments may, therefore, be denominated in various non-U.S. currencies. However, the Funds' books and records will be maintained, and capital contributions to and distributions from the Funds will generally be made, in United States dollars. Accordingly, changes in currencies may adversely affect the U.S. dollar value of investments, interest and other revenue streams received by the Funds, gains and losses realized on the disposition of investments and the amount of distributions, if any, made by the Funds. The General Partners may (but are not required to) enter into hedging transactions designed to reduce such currency risks.

Hedging Arrangements; Registration Requirements. The General Partner is authorized (but is not obligated) to endeavor to manage the relevant Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures using hedging techniques where available and determined by the such General Partner to be appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (“CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or portfolio company to hedge its exposures becomes limited by such requirements.

Counterparty, Settlement and Local Intermediary Risk. From time to time, certain financial markets have experienced operational clearance and settlement problems that have resulted in failed trades. These problems could cause a Fund to miss attractive investment opportunities or result in a Fund’s liability to third parties by virtue of an inability to perform a Fund’s contractual obligation to deliver investments. In addition, delays and inefficiencies of the local postal, transport and banking systems could result in the loss of investment opportunities, the loss of funds (including dividends) and exposure to currency fluctuations. The General Partner has instituted a counterparty oversight process, however, there is no guarantee that such process will be able to adequately evaluate any such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Fund.

Because certain purchases, sales, securities lending, derivatives, repurchase/reverse repurchase transactions and other transactions in which a Fund will engage involve instruments that are not traded on an exchange, but are instead traded between counterparties based on contractual relationships, a Fund is subject to the risk that a counterparty will not perform its obligations under the related contracts, as well as risks of transfer, clearance or settlement default. Such risks may be exacerbated with respect to non-U.S. investments or transactions with non-U.S. counterparties. There can be no assurance that a counterparty will not default and that a Fund will not sustain a loss on a transaction as a result. Such risks may differ materially from those entailed in exchange traded transactions that generally are backed by clearing organization guarantees, daily marking to market and settlement of positions and segregation and minimum capital requirements applicable to intermediaries. There can be no assurance that the Firm’s monitoring activities will be sufficient to adequately control counterparty risk.

In situations where a Fund places assets in the care of a custodian or is required to post margin or other collateral with a counterparty, the custodian or counterparty may fail to segregate such assets or collateral, as applicable, or may commingle the assets or collateral with the relevant custodian’s or counterparty’s own assets or collateral, as applicable. As a result, in the event of the bankruptcy or insolvency of any custodian or counterparty, a Fund’s excess assets and collateral may be subject to the conflicting claims of the creditors of the relevant custodian or counterparty, and a Fund may be exposed to the risk of a court treating a Fund as a general unsecured creditor of such custodian or counterparty, rather than as the owner of such assets or collateral, as the case may be.

Certain of a Fund’s transactions may be undertaken through local brokers, banks or other organizations in the countries in which a Fund makes investments, and such Fund will be subject to the risk of default, insolvency or fraud of such organizations. The collection, transfer and deposit of bearer securities and cash expose a Fund to a variety of risks, including theft, loss and destruction. Finally, a Fund will be dependent upon the general soundness of the banking systems of countries in which investments will be made.

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

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

Institutional Risk. The institutions, including brokerage firms and banks, with which a Fund directly or indirectly will do business, or to which investments will be entrusted for custodial and prime brokerage purposes, may encounter financial difficulties, fail or otherwise become unable to meet their obligations and may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the activities and operations of a Fund. Prime brokers engaged by a Fund may experience financial difficulties, and such Fund might therefore be exposed to similar or other financial problems resulting from the insolvency or financial difficulties of one or more of a Fund’s prime brokers.

A Fund may, from time to time, purchase, sell, or lend portfolio investments through either a U.S. prime broker or a non-U.S. affiliate of such prime broker and have assets held at accounts of such prime broker or its non-U.S. affiliate. If a Fund’s assets are held at a U.S. prime broker, in the event of the bankruptcy or insolvency of such prime broker, even if assets are segregated, a Fund is subject to the risk that it will not receive a complete return of those assets. Under SEC (as defined below) rules, the prime broker must segregate “fully paid” customer securities and “excess margin securities” for the benefit of customers. In addition, pursuant to the SEC reserve formula, the prime broker must place customer funds in a segregated account for the benefit of customers to assure that there will be sufficient assets to satisfy all customer claims. Nonetheless, except with respect to physical securities held in a Fund’s name, a Fund will not have a right to the return of specific assets but rather will generally have a claim based on the net equity in its account. A customer’s

net equity claim equals the dollar value of (a) all cash held in a customer's account for the purchase of securities (including proceeds from the sale of securities) plus (b) the value of securities held in such account (determined as of the date of the bankruptcy petition filing), less any amounts owed by the customer to the broker dealer. With respect to securities, a Fund will be entitled to its proportionate share of securities held by the prime broker on behalf of all customers. If there is a shortfall, the customers will share proportionally in the loss. With respect to cash, there will be a net calculation whereby all obligations owed to the prime broker are netted against all cash owed to customers. Securities Investor Protection Corporation ("SIPC") will guarantee the shortfall up to \$500,000 per customer account with a maximum of \$250,000 in cash. Many firms have additional liquidation insurance which may supplement the SIPC insurance coverage. In the event that there are still customer shortfalls after all of the insurance coverage has been exhausted, a Fund will become a general unsecured creditor of the prime broker for the remainder of its claim. In the event that a Fund's assets are used to support margin loans or are otherwise re hypothecated pursuant to a Fund's permission, the assets will not be protected under the SEC segregation requirement, reserve formula or SIPC liquidation insurance.

Further, not all activities or transactions conducted with the prime broker are subject to these customer protection rules. If the assets are custodied with a non-U.S. broker dealer, the above U.S. regulations do not apply and the law in the local jurisdiction will govern the disposition of assets of the broker dealer upon liquidation. Such proceedings may be time consuming and costly. In some cases, a Fund may become an unsecured creditor of the non-U.S. entity where a Fund's assets were held.

If one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"), the Fund or its portfolio companies could experience losses. Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Firm, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the FDIC or SIPC, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Firm to manage the Funds and their investments, and on the ability of the Firm, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability

of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although the Firm expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

Execution with Broker Dealers and Financing Sources. Conflicts of interest may exist with respect to the relevant General Partner's selection of brokers, dealers and transaction agents and counterparties (collectively "Broker Dealers") and financing sources for the execution of transactions by a Fund. When engaging the services of Broker Dealers and financing sources, a General Partner is permitted, subject to best execution, to take into consideration a variety of factors, including, to the extent applicable, the ability to achieve prompt and reliable execution, competitive pricing, transaction costs, operational efficiency with which transactions are effected, access to deal flow and precedent transactions, and the financial stability and reputation of the particular Broker Dealer, as well as other factors that such General Partner deems appropriate to consider under the circumstances. Broker Dealers and financing sources are expected to provide other services that are beneficial to a General Partner, the Firm, and their affiliates, but that are not necessarily beneficial to a Fund, including capital introductions, other marketing assistance, client and personnel referrals, consulting services, and research related services. These other services and items may influence a General Partner's selection of Broker Dealers and financing sources.

Broker-Dealer Affiliate and Activities. The Firm is in the process of forming and registering an affiliate, Veritas Capital Securities, L.L.C. ("VCS"), that is intended to be registered as a broker-dealer with the SEC and a member of FINRA. VCS will be authorized to conduct private placements (including on behalf of Funds) and to engage in certain capital markets and lending activities, including (i) managing or otherwise participating in underwriting syndicates and/or selling groups with respect to portfolio companies of a Fund (either entirely or in part) and (ii) engaging in the private placement of debt or equity securities or instruments issued by a Fund's portfolio companies and non-controlling entities in or through which a Fund may invest. Subject to certain consents, as applicable, VCS is expected to engage in such activities on behalf of multiple Funds sponsored by the Firm, including serving as an arranger, lead lender or in another capacity with respect to loans or other credit activities. As a consequence of such activities, VCS is expected from time to time to hold positions in instruments and securities issued by a Fund's portfolio companies on an interim basis. Furthermore, the business and activities of VCS are expected to continue to evolve and expand over time, and it is anticipated that VCS will engage in other transactions and activities over time. Although VCS initially intends to provide services only with respect to certain Funds and their portfolio companies, it reserves the right in the future to provide such services to third parties.

Subject to applicable law, VCS will generally receive compensation with respect to such activities, including but not limited to underwriting fees, placement commissions, syndication fees, solicitation fees, arranger fees, financing fees, dealer-manager fees, brokerage fees, interest payments or other compensation, including discounts, commissions, concessions, spreads or fees from portfolio companies (the “Broker Dealer Fees”), any such Broker Dealer Fees will not be treated as Offsettable Fees even if paid by or on behalf of, or are otherwise derived from, portfolio companies and such Broker Dealer Fees will not be offset against the Management Fee. The amount and terms of the Broker Dealer Fees will vary based on the activity, but in some cases will be derived based on a percentage of transaction value or a percentage of the offering underwritten by VCS, and is generally expected to be significant. There is no limitation on the amount of Broker Dealer Fees, costs and expenses that may be borne by a Fund. The Broker Dealer Fees payable to VCS also creates an incentive for a General Partner and its affiliates to seek to refer, allocate or recommend an investment or transaction to a Fund that it might not otherwise if the potential for Broker Dealer Fees did not exist, and the lack of offset against the Management Fee provides an incentive to seek higher Broker Dealer Fees. In addition, a General Partner may be incentivized to structure an investment in a manner that would create an opportunity for Broker Dealer Fees to be received by VCS when an alternative structure would have given rise to a more favorable transaction for a Fund. The terms of such Broker Dealer Fees generally will be determined among the transacting parties, including the applicable portfolio company, VCS and other participants (e.g., other underwriters or syndicate members). The Firm and its affiliates are subject to potential conflicts of interest to the extent they negotiate, determine or approve any such compensation, and while the Firm will seek compensation that it believes is reasonable and generally charged at market rates, such compensation may not in each case be negotiated at arm’s length, and there can be no assurance that a third party would not have provided better or more cost effective services. Where VCS acts to place a Fund’s limited partner interests, no commission or other compensation will be received from the relevant Fund for such placement services.

Where VCS serves as underwriter with respect to a portfolio company’s securities, the relevant Fund may be subject to a “lockup” period following the offering under applicable regulations or agreements during which time its ability to sell any securities that it continues to hold is restricted. This may prejudice such Fund’s ability to dispose of such securities at an opportune time.

In addition, in circumstances where a portfolio company becomes distressed and the participants in an offering undertaken by such portfolio company have a valid claim against the underwriter, the relevant Fund would have a conflict in determining whether to sue a Firm broker-dealer. In circumstances where the non-affiliate broker-dealer has underwritten an offering, the issuer of which becomes distressed, aa Fund may also have a conflict in determining whether to bring a claim on the basis of concerns regarding the Firm’s relationship with the broker-dealer.

The Firm’s relationship with VCS gives rise to potential conflicts of interest between the Firm, on the one hand, and the Funds that have an interest in any portfolio company or other entity to which VCS provides services, on the other hand. The Firm and VCS intend to share certain personnel and enter into compensation and expense sharing arrangements. The Firm generally has an incentive to exercise its control or influence over portfolio companies and their management teams such that they retain VCS instead of other service providers. The Firm will evaluate transactions on a case-by-case basis to seek to mitigate such conflicts in light of the Firm’s ongoing obligations to the Funds. To the extent any Fund engages in a “principal transaction” with VCS, or VCS acts

as a compensated broker in connection with an “agency cross transaction” involving a Fund, the Firm will review the related transaction in an effort to ensure compliance with the requirements of Section 206(3) of the Advisers Act and the relevant Fund’s governing documents.

Use of Swaps. The relevant General Partners have invested some of the assets of the Funds, for hedging purposes or otherwise, by entering into one or more credit default swaps or total return swaps, the returns from which are based on the performance of a single asset or a portfolio of assets selected by such General Partners (the “Reference Assets”). The Funds have invested and may seek to invest in the Reference Assets through credit default swaps or total return swaps on a leveraged basis. Returns to the Funds under a credit default swap or total return swap are related to the performance of the underlying Reference Asset(s) of such swap. The value of a credit default swap depends largely upon creditworthiness of the reference obligor(s), and the value of a total return swap depends largely upon changes in market value of the Reference Asset(s). The terms of individual credit default swaps and total return swaps will differ by counterparty and may change from time to time. Each Fund will typically be required to post collateral in connection with entering into such swaps and to add (or receive a return of) collateral from time to time based on changes in the market value of the Reference Asset, regardless of whether such swaps are centrally cleared. In a total return swap structure, a Fund deposits cash in a bank account (the “Collateral Account”) on which a Fund receives interest income. The bank then purchases specific bank loans at the instruction of a Fund onto its balance. Each month there is a settlement of net interest proceeds and gains and losses between the bank and the Fund’s Collateral Account. In certain circumstances, including if a Fund does not have sufficient assets or is unable to provide the requisite amount of collateral, the counterparty may terminate the credit default swap or total return swap in whole or in part. In evaluating the risks and contractual obligations associated with a particular swap transaction, it is important to consider that a swap transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Therefore, it may not be possible for a Fund to modify, terminate or offset its obligations under a swap or its exposure to the risks associated with a swap prior to its scheduled termination date.

Timing Risk. A Fund’s investments may be subject to certain timing risks. For instance, many agency, corporate and municipal bonds, leveraged loans, and most mortgage-backed securities, contain a provision that allows the issuer to “call” all or part of the issue before the debt’s maturity date. The issuer usually retains the right to refinance the debt in the future if market interest rates decline below the coupon rate. By investing in debt with a call provision, a Fund is exposed to a disadvantage in that the cash flow pattern of such an instrument is not known with certainty. Moreover, because the issuer will call such debt when interest rates or spreads have dropped, the Fund is exposed to reinvestment rate risk in that it may have to reinvest the proceeds it receives from such investments at such time and therefore at lower returns. Furthermore, a Fund’s potential capital appreciation in relation to callable debt will be reduced because the price of such an instrument may not rise above the price at which the issuer or borrower may call the debt.

Repurchase and Reverse Repurchase Agreements. Certain Funds may enter into repurchase and reverse repurchase agreements. When a Fund enters into a repurchase agreement, it will purchase an asset and concurrently agree to resell such asset (or an equivalent asset) at a date in the future at a price roughly equal to the original purchase price plus a negotiated interest rate. When a Fund enters into a reverse repurchase agreement, it will sell an asset and concurrently

agree to repurchase such asset (or an equivalent asset) at a date in the future at a price roughly equal to the original purchase price plus a negotiated interest rate. In the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to the Fund or, in the case of a reverse repurchase agreement, the assets sold by the Fund, may be delayed. Because reverse repurchase agreements may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. If the Fund reinvests the proceeds of a reverse repurchase agreement at a rate lower than the cost of the agreement, entering into the agreement may adversely affect the Fund's returns.

Software Sector Risks. The Funds may make investments in the software sector. Software companies serve virtually every vertical market. The vertical market focus of such companies is often a core reason for their stability and longevity, as these businesses offer their customers unique, industry specific capabilities typically not available from general purpose software vendors or new technology startups. The software industry is, however, challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, changing consumer preferences and investor sentiments with regard to software sector investments, short product life cycles, the possibility of lawsuits related to patents and other intellectual property and their associated rights, services and/or improvements in existing products. The software sector as a whole is highly cyclical. Certain portfolio companies will compete in this potentially volatile environment. In addition, certain countries in which the Funds may invest may have less-developed laws regarding the protection of intellectual property rights. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges, such as the scarcity of and high demand for management, technical, scientific, research and marketing personnel with appropriate training. Moreover, competition can result in significant downward pressure on pricing. Instability, fluctuation or an overall decline within the software industry will likely not be balanced by investments in other industries not so affected. In the event that the software sector as a whole declines, returns to limited partners may decrease.

Competition in the Software Sector. Competitors of a Fund and its portfolio companies will range in size from diversified global companies with significant research and development resources to small, specialized firms whose narrower product lines may let them be more effective in deploying technical, marketing and/or financial resources. Barriers to entry in the software sector are low, and software products can be distributed broadly and quickly at relatively low cost. Many of the areas in which a Fund and its portfolio companies are expected to participate evolve rapidly with changing and disruptive technologies, shifting user needs, and frequent introductions of new products and services. The emerging nature and rapid evolution of technology products and services generally require companies in the Software sector to continually improve the performance, features and reliability of their products and/or services, particularly in response to competitive offerings. There can be no assurance that any portfolio company will be successful in achieving widespread acceptance of their products and/or services before competitors offer products and services with similar or improved performance, features and reliability. In addition, the widespread adoption of new technologies or standards could require substantial expenditures by such portfolio companies to modify or adapt their products or services.

Education and Training Sector Risks. Certain Funds may invest in portfolio companies that operate in the education and training sector, and such portfolio companies may be subject to extensive and varied government regulation, licensing and accreditation requirements at the U.S. and/or non-U.S. federal, state and local level. The education sector is highly regulated and, as a result, investments in education companies may be affected by changes in U.S. and non-U.S. laws and regulations. Any further changes in laws or regulations, or changes in the interpretation of existing laws or regulations or in the persons charged with oversight of such laws or regulations, may adversely impact the Partnership's investments or limit the attractiveness of investment opportunities in the education sector.

For example, postsecondary education and adult education and training companies that operate higher educational facilities participating in the various federal student financial aid programs under Title IV ("Title IV Programs") of the United States Higher Education Act of 1965 (the "HEA") and related regulations are subject to significant regulatory scrutiny and could be adversely affected by a loss of or limitations placed on such companies' participation in Title IV Programs, which may result from, for example, (i) the loss of state authorization and accreditation allowing such institutions to operate and to grant degrees or diplomas, (ii) student loan defaults in excess of certain prescribed limits, (iii) the failure to demonstrate requisite "administrative capability" pursuant to applicable regulations, (iv) a failure to meet "financial responsibility" standards imposed by the HEA and related regulations, (v) a change in ownership resulting in a change of control of an institution participating in Title IV Programs (e.g., resulting from a significant investment in the operator of such institution), (vi) the failure to return to appropriate lenders or Title IV Programs any excess Title IV Program funds that an institution received in connection with a withdrawing student, (vii) receipt by an institution of more than 90% of its applicable revenues for a fiscal year from Title IV Programs, (viii) the failure of an institution to be accredited by an agency recognized by the Department of Education, (ix) the admission of students whose educational credentials fail to meet minimum requirements, (x) the violation of prescribed limitations on "distance education" courses and (xi) the failure to demonstrate proper "cash management" procedures pursuant to applicable regulations.

Companies in the education and training sector also face significant competition in the often fragmented markets in which they operate. For example, (i) for-profit postsecondary education companies compete with traditional public and private not-for-profit schools and alternatives to higher education, such as employment and military service, which are often lower cost providers as a result of, in part, government subsidies, foundation grants and the receipt of tax-deductible contributions and (ii) for-profit adult education and training providers compete for students with vocational and technical training schools, degree-granting colleges and universities, continuing education programs and commercial training programs, many of which offer programs similar to those offered by such providers at a lower tuition cost due in part to government subsidies, foundation grants, tax-deductible contributions or other financial resources not available to for-profit institutions.

Many postsecondary adult education and training companies offer training programs and services for rapidly changing information technology. The introduction of information products embodying new technologies and the emergence of new information system standards or services may require postsecondary adult education companies to make substantial expenditures to develop new

programs and services and to acquire new faculty, equipment and facilities. A failure to do so may adversely affect such companies.

Aerospace Sector Risks. The aerospace industry is cyclical and has experienced downturns. The downturns can occur at any time as a result of events that are industry specific or macroeconomic, and in the event of a downturn, the Firm will have no way of knowing if, when and to what extent there might be a recovery. Deterioration in the market for aerospace products has often reduced demand for, and prices of, advanced composite materials, structures and assemblies. The aerospace industry continues to experience consolidation among suppliers and customers, primarily as it pertains to the airlines. Suppliers have consolidated and formed alliances to broaden their product and integrated system offerings and achieve critical mass. This supplier consolidation is in part attributable to aircraft manufacturers more frequently awarding long-term sole-source or preferred supplier contracts to the most capable suppliers, thus reducing the total number of suppliers. This consolidation could cause certain prospective portfolio companies in the aerospace sector to compete against certain competitors with greater financial resources, market penetration and purchasing power.

Defense and National Security Sector Risks. The global defense industry is highly regulated. Various agencies and departments of the U.S. federal government and, as applicable, non-U.S. governments, regulate the defense industry, and new and existing regulations and burdens of regulatory compliance may have a material adverse effect on portfolio companies that operate in the defense and national security sector. Further, the ability of a Fund to complete an investment in a company that operates in the defense and national security sector may depend on obtaining required security clearance. In addition, the changing regulatory landscape may adversely affect a Fund's investment in any portfolio company operating within the defense or national security sectors. Such portfolio companies may be subject to investigation and audit for compliance with the requirements governing government contracts, including requirements related to procurement integrity, manufacturing practices and quality procedures, export control, employment practices, the accuracy of records and the recording of costs and information security requirements. A failure to comply with these requirements could result in suspension of these contracts, and suspension or debarment from government contracting or subcontracting. Failure to comply with any of these regulations could result in civil and criminal liability, monetary and non-monetary penalties, fines, disruptions to business, limitations on the ability to export products and services, and damage to a portfolio company's reputation that, in each case, would negatively impact a Fund.

Competition in the Technology Sector. Competitors of the Funds and their portfolio companies range in size from diversified global companies with significant research and development resources to small, specialized firms whose narrower product lines may let them be more effective in deploying technical, marketing and/or financial resources. Barriers to entry in the software and technology industries are low and software products can be distributed broadly and quickly at relatively low cost. Many of the areas in which the Funds and their portfolio companies participate evolve rapidly with changing and disruptive technologies, shifting user needs, and frequent introductions of new products and services.

Governmental Export and Import Controls. Companies may be subject to U.S. and other jurisdictions' export controls for software and for incorporating encryption technology into any customer service platforms enabled through mobile applications. Such products incorporating

encryption technology may only be exported with the required export authorizations, including by license, a license exception or other appropriate government authorizations, for example the filing of an encryption registration. Also, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit the ability of companies to offer or distribute their products. Further, U.S. and other jurisdictions' export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by economic sanctions. Such governmental export and import controls could negatively impact the Firm and the Funds by impairing the abilities of portfolio companies to compete in international markets or subject them to liability for violations, including possible civil and criminal penalties and repercussions.

Proprietary Rights. Many target portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that a Fund or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the U.S. is significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. A Fund may also make investments that are, or may become, subject to CFIUS requirements based on pre-existing foreign ownership and control; in such cases, CFIUS requirements may adversely impact a portfolio company's ability to obtain or retain business or otherwise make it more difficult for a Fund to realize a profit from an investment. Under a Fund's governing documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' (including non-US. limited partners from higher-risk jurisdictions, which are expected to invest in the Funds from time-to-time) ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow a Fund to proceed with or maintain any investment, or to

avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

The implementation of outbound investment controls regulating U.S. investment to countries and companies deemed to be adverse to U.S. national security and foreign policy interests is currently being contemplated in the United States, and may be implemented in the near term under the auspices of an executive order or by legislation. These restrictions are likely to target investments in specific industries in the first instance, including artificial intelligence, quantum computing, and semiconductors. Any restrictions on U.S. outbound investment could limit the universe of prospective investments available to a Fund, making it more difficult to deploy capital, and/or adversely affect the governance and operations of such Fund's investments and thus the performance of such Fund.

Disruptive Technology Risk. There are currently a number of scientific research institutions (supported by governments, universities, and major venture capital firms and corporations) seeking to develop disruptive technologies. In the event that a disruptive technology in any of the target industries is successfully developed and implemented, a Fund's investments might be adversely affected.

Healthcare Sector Risks. The Funds may invest in the healthcare and/or healthcare services sector. Various segments of the healthcare sector are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. Certain aspects of a portfolio company's operations may not have been subject to judicial or regulatory interpretation, and an adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements or reimbursement programs, could have a material adverse effect on the operations of such portfolio companies. Recent legislative changes have had, and will likely continue to have, a significant impact on the healthcare services sector. In addition, various legislative proposals related to the healthcare services sector are introduced from time to time at the United States federal and state level, and any such proposal, if adopted, could have a significant impact on the healthcare services sector and certain of the Funds' portfolio companies.

General Risks of Investments in Healthcare Companies. While investments in healthcare companies offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total losses. Healthcare services companies may face intense competition, including competition from companies with greater financial resources, more extensive research and development, sales and marketing, customer services and support and other capabilities and a larger number of qualified managerial and technical personnel. Healthcare portfolio companies in which a Fund may invest could deteriorate for a variety of reasons, including an adverse development in their business, a change in the competitive environment, changes in the regulatory environment, or an economic downturn. Portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources.

Impact of Government Healthcare Regulation, Reimbursement and Reform. Various segments of the healthcare industry are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While the Funds intend to make investments in companies that comply with applicable law and regulations, the law and regulations relating to certain industries, including the healthcare industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretative guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or the financial performance of the companies in which the Funds invest. Recent legislative changes have had, and will likely continue to have, a significant impact on the healthcare industry. In addition, various legislative proposals related to the healthcare industry are introduced from time to time at the federal and state levels in the United States and internationally, and any such proposals, if adopted, could have a significant impact on the healthcare industry. The U.S. healthcare industry continues to undergo significant changes designed to increase access to medical care, improve safety and contain costs. Generally, Medicare and Medicaid reimbursement levels have declined and the use of managed care has increased; distributors, manufacturers, healthcare providers and pharmacy claims have consolidated and large purchasing groups are more prevalent.

Telecommunications. The Funds may make investments in communications companies. Communications companies are subject to changes in their businesses due to evolving levels of governmental regulation or deregulation as well as the development of communication technologies. Competitive pressures within the communications industry are intense and the securities of communications companies may be subject to significant price volatility. In addition, because the communications industry is subject to significant changes in technology, the companies that the Funds may invest in may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete. Finally, while all companies may be susceptible to network security breaches, certain technology and communication companies may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Energy, Energy Services and Natural Resources Industries Risks. Investments in the energy and energy services sectors by the Funds may be subject to a variety of risks including, but not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iii) environmental liability and catastrophic environmental disaster risks related to energy properties and projects; (iv) risks of equipment failures, industrial accidents, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage (if any), inability to obtain desirable amounts of insurance at economic rates and acts of God or other catastrophes; (v) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels; (vi) risks related to border disputes; (vii) risks related to the inability to obtain key inputs, (viii) risks related to changes in demand for crude oil and natural gas, (ix) risks related to unavailable or inadequate essential infrastructure and transportation; (x) risks related to the

inability to obtain, or maintain, necessary approvals, permits and licenses and risks related to undeveloped acreage and construction. Corruption and security may raise additional significant risks with respect to oil and gas deposits located in emerging market countries, in addition to the other risks of investing in emerging markets. In addition, investments in the energy and energy services sectors are subject to force majeure and other catastrophic events, such as fires, earthquakes, adverse weather and climate conditions, changes in law, eminent domain, war, riots, terrorist attacks, labor strikes and similar risks. These events could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects.

Legal and Regulatory Matters related to Energy Investments. Energy investments generally, as well as other related industries are extensively regulated in most countries; legislative and regulatory requirements may include those related to energy, mining, zoning, environmental, safety and labor. Failure to obtain, or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operation of an investment and result in fines or additional costs.

Moreover, the adoption of new laws or regulations (e.g., regulations related to the emission of greenhouse gases or hydraulic fracturing), or changes in the interpretation of existing laws or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a material adverse effect upon a portfolio company and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

Environmental, Social and Governance (“ESG”) Matters. The Firm maintains an ESG policy and intends to apply that policy to the Funds’ investment activities. There is no guarantee that the Firm will be able to successfully implement its ESG policy while achieving its investment strategy. Depending on the investment, certain ESG factors could have a material effect on the return and risk of the investment. Each applicable General Partner endeavors to consider material ESG factors in connection with its investment activities. However, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by a General Partner or a third-party ESG advisor or any judgment exercised by a General Partner will reflect the beliefs or values of any particular limited partner or align with the practices of other asset managers or with market trends. There are significant differences in interpretations of what positive ESG characteristics by region, industry and topic, as well as the interpretations of their scope and materiality. The Firm’s interpretations and decisions may differ from others’ views and could also evolve over time. Considering ESG factors when evaluating an investment may cause a Fund not to make the investment that it would have made in the absence of such consideration. Additionally, ESG factors are only some of the many factors a General Partner may consider in making a portfolio investment, and there is no guarantee that consideration of ESG factors will enhance long-term limited partner value and financial returns. Although each General Partner believes its ESG policy will not detract from the performance of the applicable portfolio companies in which the Funds invest over the long-term while also possibly having a beneficial impact on the environment in some instances, no General Partner can guarantee that its ESG program will positively impact the financial or ESG performance of any individual investment or a Fund as a whole. Similarly, to the extent a General Partner or a third-party ESG advisor engages with portfolio companies on ESG-related practices and potential enhancements

thereto, there is no guarantee that such engagements will improve the financial or ESG performance of any portfolio investment. Successful engagement efforts on the part of a General Partner or a third-party ESG advisor will depend on a General Partner's skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful. In addition, a General Partner's ESG programs and policies may change over time. It is possible that market dynamics or other factors will make it impractical, inadvisable or impossible for a General Partner to adhere to all elements of a Fund's investment strategy, including ESG considerations, whether with respect to one or more individual portfolio investments or to a Fund's portfolio generally. Similarly, in evaluating a company, each General Partner often depends upon information and data provided by the company or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause such General Partner to incorrectly assess the company's ESG practices and/or related risks and opportunities. The Firm does not intend independently to verify all ESG information reported by investments or third parties. Although each General Partner will endeavor on occasion to present ESG reports to limited partners, the content of such reports will be based on the General Partner's sole and subjective determination of what to include in such reports. Further, the General Partner is not obligated to produce such reports. For the avoidance of doubt, however, the Firm does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and the Firm's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. The Firm's ESG policies could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

Different Terms for Employee Investors. It is expected that certain employees and personnel of the Firm and/or its affiliates will invest in the Funds. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external limited partner in a Fund. For example, employee investors generally will not be subject to a Management Fee or Carried Interest with respect to their investment, may receive capital calls, distributions and information regarding investments at different times than external limited partners and may benefit from different credit facility arrangements than a Fund.

Placement Agents. The Firm reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties to act as placement agents (each a "Placement Agent" and together, the "Placement Agents") for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. It is expected that the Firm will pay, or cause a Fund to pay, each Placement Agent a placement fee that is based upon the amount of Fund interests committed to by investors, subject to certain exclusions. At various times, the Placement Agents will act as

placement agents for other fund sponsors and funds, including unaffiliated fund sponsors and funds, which offer interests that are similar to the interests offered by the Funds. Those unaffiliated sponsors may pay placement fees on terms different from the fees that the Placement Agents will receive from the Firm in connection with the offerings of the Funds, and this difference in fees may influence the Placement Agents to introduce or not introduce potential investors to the Firm. Furthermore, certain Placement Agents may seek to do business with and earn fees or commissions from other Firm-advised funds, their portfolio companies and/or affiliates of the Firm. Examples of such business may include, without limitation, provision of financing or other investment banking services; lending or arranging credit; and provision of prime brokerage.

In the ordinary course of the Firm conducting its activities, the interests of a Fund have the potential to conflict with the interests of the Firm, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed below and in Items 6, 11 and 17 of this Brochure. For the avoidance of doubt, this section describes only those certain conflicts applicable to the private equity funds managed by the Firm.

Conflicts of Interest Generally. The Firm seeks to devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner and in accordance with their respective limited partnership agreements, although the Funds and their respective investments place varying levels of demand on these over time. In the ordinary course of the Firm conducting its activities, the interest of a Fund likely will conflict with the interest of the Firm, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. As a general matter, the Firm determines all matters relating to structuring the Funds' transactions and operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject to the limited partnership agreements of the relevant Fund(s), and in certain cases, to approval by the advisory committee of each relevant Fund. From time to time, the Firm will be presented with investment opportunities that would be suitable not only for one Fund, but also for other Funds or other investment vehicles operated by the Firm or its advisory affiliates. In determining which investment vehicles should participate in such investment opportunities, the Firm and its affiliates are subject to conflicts of interest among the investors in such investment vehicles.

Other Activities. The Firm and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of the Funds, and providing transaction-related, investment advisory, legal, management and other services to the Funds and their portfolio companies. To the extent not prohibited by the governing documents of the applicable Funds, the Firm's personnel who work on behalf of a Fund may also work on behalf of one or more other Funds, and conflicts of interest may arise in allocating management time, services or functions among such entities. It is possible that a Fund will invest in a portfolio company that is or becomes a competitor of a portfolio company of another Fund. Such investment could create a conflict between such Funds. In providing advice and recommendations to, or with respect to, such investments and in dealing with such investments on behalf of other Funds, to the extent not prohibited by law, the Firm will not take into consideration the interests of all Funds and their portfolio companies. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Funds or the portfolio companies.

During the investment period of a Fund, the Firm generally pursues all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions set out in such Fund's limited partnership agreement. Following the investment period of a Fund, the Firm's principals likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments. The Firm's personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Firm's principals and the Firm's investment staff will continue to manage and monitor such investments until their realization. Moreover, unless restricted by the Funds' governing documents, the Firm's personnel are permitted to serve on boards or act in other roles unaffiliated with the Firm, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and to receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

The Firm believes that the significant investment of the General Partners and their affiliates in the Funds, as well as each General Partner's Carried Interest, operate to align, to some extent, the interests of each General Partner with the interests of its Fund and the limited partners of such Fund, although a General Partner and its affiliated persons generally have economic interests in other Funds as well and receive Management Fees and Carried Interest relating to other Funds. The other Funds and investments that the Firm and/or its affiliated persons expect from time to time to control or manage generally have the potential to compete with a Fund or portfolio companies acquired by a Fund. Following the investment period of a Fund, the Firm's principals and personnel reserve their right to, and likely will, focus their investment activities on other opportunities and areas that may or may not be related to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in the Firm's sole discretion, the Firm and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. In the event that Firm personnel buy securities in transactions deemed unsuitable for a Fund, such personnel will not be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by a Fund in connection with the Fund's consideration of the relevant investment opportunity.

Except to the extent prohibited by the governing documents, the Firm and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the governing documents and anti-"assignment" provisions of the Advisers Act, the Firm and its personnel are also permitted to offer, restructure and monetize interests in the Firm.

Allocation of Investment and Co-Investment Opportunities. Until such time as the Firm is permitted to raise a successor fund to a Fund pursuant to the terms of such Fund's limited partnership agreement, the Firm will pursue appropriate investment opportunities meeting the Fund's investment criteria primarily through such Fund's limited partnership agreement, subject to certain limited exceptions set out in such Fund's limited partnership agreement and the Firm's

allocation policy. If a successor fund is organized and commences investing prior to the end of the applicable investment period of a Fund, then such successor fund, when investing, generally can only do so if it co-invests alongside the Fund until a stated percentage of such Fund's aggregate commitments have been used or committed to actual or prospective portfolio investments (including follow-on investments) and expenses of the Fund, subject to certain limitations and stated allocation guidelines.

In addition, Veritas currently and expects in the future, to manage multiple investment funds and vehicles whose investment strategies will differ from one another and from the Funds in terms of strategy, asset class size, scope or duration but nevertheless whose investment strategies could include some common and overlapping objectives as those of the Funds, and investments similar to the portfolio investments of the Funds, and is expected to direct certain applicable investment opportunities to those investment funds and investments vehicles, subject to the Funds' limited partnership agreements and the Firm's allocation policy.

As discussed in the applicable governing documents of the Funds, the allocations of investment opportunities are determined by the Firm and the relevant General Partner generally based upon the size of their respective undrawn capital commitments, their respective target investment sizes, the size of the investment opportunities and their respective minimum investment size. When it is determined that it would be appropriate for a Fund and other Funds to participate in an investment, the Firm will generally allocate such investment among all of the participating Funds on a fair and equitable basis, taking into account such factors as the Firm deems appropriate, including, without limitation: Each Fund's investment restrictions and objectives (including those set forth in the relevant Fund's limited partnership agreement, where applicable), strategy, capital structure, the overall liquidity profile and risk profile of each Fund's respective investment portfolio, the type of asset or instrument available, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life-cycle and structure, each Fund's size (including as set forth in the relevant Fund's governing documents, where applicable), the potential for withdrawals from the applicable Funds, the transferability of such investments, the minimum denominations of such investments, the availability of price quotes with respect to such investments, the structural and operational differences between (and any applicable investment limitations, including, without limitation, exposure limits, hedging limits, and diversification considerations of) the applicable Funds, the eligibility of the Funds to make such investment under applicable laws and regulations, and any other applicable tax, legal, regulatory, compliance, operational or administrative issues. Moreover, where authorized by the applicable governing documents of the relevant Funds, the Firm could seek consent from the investor committees of the relevant Funds prior to allocating investments that are suitable to such Funds.

There can be no assurance that the application of the factors set forth above will result in a Fund participating in all investment opportunities that fall within its investment objectives. The application of the above allocation requirements and factors will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. To the extent a certain strategy desires to take advantage of any market dislocation or favorable market condition and make an investment alongside another strategy, such investment opportunities will be allocated based on the factors identified above and in accordance with the

Firm's allocation policy. Even where a Fund and one or more other Funds have overlapping investment objectives and invest in the same securities and/or instruments, purchase and sales of such securities and/or instruments may not be combined but, rather, could occur at different times and/or in different proportions or amounts, for different reasons (e.g., differences in availability of investible capital, differences in applicable investment guidelines or restrictions, differences in sensitivity to applicable tax or regulatory issues and other considerations). Such differences could lead to purchases and/or sales that are effected at less favorable prices for a Fund. The Firm generally makes allocation determinations based on the Firm's expectations at the time such investments are made, and investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for a Fund in hindsight. In certain circumstances, during the period that a portfolio company is owned by a Fund, it could acquire size, revenue or other characteristics that would make it a suitable investment for one or more other Funds.

A Fund generally reserves the right to invest together with other Funds in the manner set forth in the relevant Funds' limited partnership agreements. Generally, investment opportunities that are expected to result in equity and debt control of a portfolio company are suitable for the Equity Funds, and non-controlling investment opportunities in portfolio investments are suitable for the Credit Funds, other than certain portfolio investments deemed more appropriate for other Funds, including the Equity Funds, subject in each case, to certain limited exceptions set forth in the relevant Funds' governing documents and the Firm's allocation policy. Moreover, without limitation on the foregoing, the Firm expects to allocate control-oriented private equity, public equity or debt securities, including "toehold" investments to the Equity Funds and credit, credit-related and non-controlling equity investments to the Credit Funds. Among the Equity Funds, the Firm expects to allocate to the Vantage Fund those investments where the amount of initial equity or equity-related platform investment will generally not exceed \$360 million and expects to allocate to the Flagship Equity Funds investments where the amount of initial equity or equity-related platform investment will generally exceed \$500 million. With respect to investments where the amount of initial equity or equity-related platform investment exceeds \$360 million but is less than \$500 million, the Firm will be required to make a determination with respect to the allocation of such investment opportunities between the Flagship Equity Funds and the Vantage Fund based on factors such as those listed above. Any such investment allocation determinations by the Firm relating to the allocation of such investments between the Funds has the potential to involve conflicts of interest. There can be no assurance that any Fund will participate in all investment opportunities that fall within the investment objectives of such Fund. The Firm will, over time, develop additional policies, procedures and methodologies that govern the allocation of investment opportunities, which, among other things, are expected to set forth more detailed priorities and presumptions regarding allocations between the Funds.

Over time, certain investment opportunities suitable for other investment funds sponsored by the Firm or its affiliates are also likely to be suitable for a Fund. In determining which investment funds should participate in such investment opportunities, the Firm is subject to potential conflicts of interest among the limited partners and investors in such other investment funds. In certain circumstances, the Firm expects that it will evaluate an investment opportunity for allocating to a Fund and upon further review and diligence, the Firm is permitted to determine that a potential investment may be more suited for another Fund, in any such cases a Fund may typically incur fees and expenses with respect to the initial diligence of such investment that are not reimbursed

to such Fund by the other Fund that benefits from the investment. Veritas generally makes allocation determinations based on Veritas' expectations at the time such investments are made, however, and investments and their characteristics are subject to change and there can be no assurance that an investment may prove to have been more suitable for a Fund in hindsight.

Following such determination of allocation among Funds, the Firm will determine whether the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and the Firm reserves the right to offer any such excess to one or more potential co-investors, including limited partners of the Funds and/or third parties, as determined in accordance with such Fund's governing documents, any relevant side letters and the Firm's procedures regarding investment allocation. This can occur on an investment by investment basis, or the General Partner reserves the right to seek to arrange for a pool of standing capital to facilitate or administer investments in one or multiple opportunities. Conflicts of interest have the potential to arise in the allocation of co-investment opportunities. The allocation of co-investment opportunities, which are expected to be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, will not always be in the best interests of a Fund or any individual limited partner. In exercising its discretion in connection with co-investment opportunities, the General Partner is permitted to consider some or all of a wide range of factors, including the size of an investor's interest in a Fund. The General Partner also reserves the right, in its sole discretion, to charge a management fee and obtain a "carried interest" in respect of any such co-investment. A Fund will not participate in and receive the benefit of, including through a reduction or offset the Management Fee paid by such Fund, any fees and other co-investor-related compensation received by the Firm. If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by a Fund. In the event that a transaction in which a co-investment was to be sought ultimately is not consummated, typically all obligations, liabilities and out-of-pocket and/or breakup fees, costs and expenses relating to such unconsummated transaction will be borne by a Fund and not by any prospective co-investors that were to have participated in such transaction.

If a standing or multi-investment co-investment vehicle is formed for some or all co-investors, co-investment opportunities are expected to arise, if at all, in circumstances where a Fund and other strategic co-investors do not commit the full equity portion in respect of such investment opportunity. The Firm believes that standing capital could enhance the investment opportunity set for a Fund by improving the probability of closing larger investment opportunities, potentially limiting certain risk associated with relying solely on a typical equity co-investment syndication process in the case of sizable transactions, and allowing for greater control of companies in which the Partnership sources such co-investments. Investing in a Fund generally does not give limited partners any rights, entitlements or priority to co-investment opportunities; conversely, rights agreed with co-investors relating to co-investment vehicles generally will not be offered to limited partners under a Fund's governing documents' "most favored nation" provisions..

The Firm intends to first offer co-investment opportunities to investors whose participation reasonably can be expected to provide the relevant Fund or portfolio investment with a strategic advantage. An investor will be considered strategic as a result of, among other considerations, ability to provide strategic benefits in connection with sourcing or consummating the investment opportunity or following consummation of the investment, such as, among other things, operational or similar strategic benefits, committed financing or lending support, certainty or

expediency of closing, support in diligence or industry expertise, provision of directors, benefits to the investment in terms of regulatory or tax profile, or otherwise.

Absent such overriding strategic considerations, the Firm has the discretion to offer, in its sole discretion, co-investment opportunities to one or more of the relevant Fund's current or prospective limited partners or other third parties (including other sponsors, market participants, finders, consultants and other service providers, the Firm's personnel and/or certain other persons associated with the Firm and/or its affiliates, including on terms that differ from the terms of the relevant Fund's limited partnership agreement, any relevant side letters and the Firm's procedures regarding investment allocation. The Firm's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: the size of the prospective co-investor's interest in a Fund, expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; the Firm's perception of the prospective co-investor's ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations; confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; size of commitment to a Fund by the prospective co-investor; additional commitments of capital through separately managed accounts; the Firm's perception of ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; the Firm's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the relevant General Partner's ability to execute the relevant transaction in the desired time or on desired terms; the Firm's perception of the ability of the co-investors to continue to support the investment in the event of subsequent financings; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; existence of a formal or informal strategic relationship with the prospective co-investor; additional commitments of capital through separately managed accounts; perceived public relations and reputational benefits or costs; and whether Veritas believes that allocating investment opportunities to an investor or other person or entity will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, the Fund or the General Partner or its affiliates; and other factors that the Firm considers important in connection with the specific transaction or investment. Moreover, the General Partners have entered into, and reserve the right in the future to enter into, side letters with certain limited partners of the Funds (including but not limited to limited partners whose capital commitments meet minimum thresholds established by the relevant General Partner) (such limited partners, "Major Investors") with respect to co-investment opportunities, and the Firm is consequently obligated, in certain circumstances, to allocate pro rata co-investment opportunities to such Major Investors based on size-based criteria, *i.e.*, the size of such Major Investor's capital commitment to a Fund, pursuant to their side letter agreements. Any cutbacks or reductions of the co-investment amounts of Major Investors and other limited partners shall generally be made on a pro rata basis, calculated based on their respective allocations to the applicable co-investment opportunity; provided that, the General Partner may determine, in good faith, to re-allocate such initial allocations for strategic or contractual reasons. Notwithstanding the foregoing, depending on the circumstances of the underlying portfolio investment transaction, the relevant General Partner shall have discretion to agree with certain co-investors and Major Investors that have elected to co-invest that their co-investment amount shall not be cutback or reduced below a certain

amount. Although the Firm reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness will not be the sole determining factor considered by the Firm in identifying co-investors. Additionally, the Firm reserves the right to permit Operating Advisors, vendors or service providers to co-invest alongside the Funds.

Furthermore, the Firm or related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund limited partners, subject to the co-investment rights granted to certain limited partners in side letters, as described above, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and the Firm expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's governing documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that employees and related persons of the Firm and its affiliates make capital investments in or alongside a Fund, the Firm and its affiliates are subject to conflicting interests in connection with these investments.

The Firm's allocation of investment and co-investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While the Firm will allocate investment and co-investment opportunities in a way that it believes is fair and equitable to a Fund, there can be no assurance that such Fund's actual allocation of an investment or co-investment opportunity, if any, or terms on which the allocation is made, will be

as favorable as they would be if the potential conflicts of interest to which the Firm expects to be subject did not exist.

Potential conflicts are expected to arise when and to the extent a Fund makes an investment in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a portfolio company in which another Fund has already made an investment. In addition, under certain circumstances (generally when such Fund has invested the maximum amount permitted under its governing documents with respect to such portfolio company), the Firm and/or its related persons generally are permitted to invest in a Fund's portfolio company on the same terms and conditions as such Fund. Such Fund will likely not, for example, invest through the same investment vehicles or have the same tax structuring needs, have the same investment horizon, have the same access to available capital commitments or credit or employ the same hedging or investment strategies as the Firm and/or its related persons. This will likely result in differences in price, terms, leverage and associated costs between a Fund and the Firm and/or its related persons.

Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. The Firm generally will not pass on Broken Deal Expenses relating to the Equity Funds to the Credit Funds, regardless of whether a portfolio company potentially could have been a suitable investment for a Credit Fund at the time of the "broken deal" or as of a potential future date. Depending on the circumstances and subject to the Funds' governing documents, (i) a Fund is permitted to acquire an interest in a portfolio company at the same or substantially the same time as another Fund makes or agrees to make an investment in such portfolio company (and following such initial investment, there may be times when one, but not both, entities makes follow-on investments); (ii) a Fund is permitted to acquire an interest in a portfolio company in which another Fund has previously invested or provided credit to, has agreed to invest or has considered investing; (iii) another Fund (*e.g.*, a Credit Fund) is permitted to acquire instruments of, invested in, or provide credit to, a portfolio company in which a Fund (*e.g.*, an Equity Fund) has previously invested, has agreed to invest or has considered investing and have done so from time to time; or (iv) another Fund could acquire instruments of a portfolio company or a spun-off division of a portfolio company in which the Fund has previously invested, agreed to invest, considered investing or holds an interest. There can be no assurance that a Fund and any other Fund with which it co-invests will, in fact, be able to exit such investment at the same time or on the same terms. Given that the nature of the instruments in which the Equity Funds and the Credit Funds invest generally will be different, it should not be expected that the return on a portfolio investment will be the same, and further, there can be no assurance that a Fund's return on a portfolio investment will be the same as the returns obtained by any other Fund, and a Fund could lose money when another Fund does not. The Firm and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to all Funds.

The Firm is permitted to, in its discretion, recommend to a Fund investments in portfolio companies in which another Fund has an investment, even though the Firm may not have otherwise recommended such an investment, and the Firm is permitted to take into consideration potential benefits to another Fund when recommending an investment.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt investments should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring can raise potential conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by its General Partner in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, if two or more Funds invest in different securities within the same portfolio companies, the Firm expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint, joint and several or cross-collateralized basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, the Firm expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In certain circumstances Funds may be prohibited from exercising (or the Firm may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other are expected to be subject to creditor claims regarding subordination of interests. The Firm intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness.

To the extent that an Equity Fund invests in a portfolio company in which a Credit Fund holds an interest, the Firm's duties to the Credit Fund will create conflicts of interest vis-à-vis its duties to the Equity Fund. In addition, from time to time, an Equity Fund may participate in the recapitalization of a portfolio company in which another Fund has invested, and vice versa. Recapitalization transactions present conflicts of interest, including determinations of whether such other Fund is potentially being bought out of an investment with a negative outlook (and whether a Fund is supporting such exit with its portfolio investment), and whether a Fund is paying a higher or lower price than market value or transacting on terms that are more or less favorable than would be available for comparable transactions. Conversely, another Fund could participate in the refinancing of a portfolio investment of the Fund, potentially shortening the duration of an attractive portfolio investment. Similarly, a Fund could agree to an amendment, extension,

refinancing or similar transaction involving an existing portfolio investment, and such transaction may create an investment opportunity for other Funds.

Each Credit Fund will have the ability, but not the obligation, to invest (whether as an initial portfolio investment or a follow-on investment) in instruments issued by the portfolio companies of Equity Funds, and to hold an interest or to contemporaneously invest in, an investment in such portfolio companies (a “Captive Investment”). In such circumstances, the limited partnership agreements of the Credit Funds will set forth certain approaches, including causing the Credit Funds to take certain actions that, in the absence of such conflict, the Credit Funds would not take, that are intended to ameliorate and/or manage such conflicts of interest to the extent possible. For example, with respect to Captive Investments, each Credit Fund’s limited partnership agreement provides that, unless consented to by the applicable investor advisory committee of the relevant Credit Fund, (i) such Credit Fund will not invest more than 15% of its committed capital (i.e., commitments plus utilized and available leverage at any given time) (measured at the time of investment) in Captive Investments, and (ii) with respect to each Captive Investment, such Credit Fund will not hold more than 20% of any class of portfolio investments of the relevant portfolio company. In addition and as set forth in the relevant governing documents, the Credit Funds will generally be limited to making investments in Captive Investments on substantially the same terms as have been accepted by investors holding, in the aggregate, a majority-in-interest of the issuance of the class of debt that are not affiliates of the Credit Funds’ General Partner. Accordingly, it should not be expected that when resolving issues relating to the holding of such debt, that the Firm will or will be able to influence the decision making of the debtholders to benefit the Credit Funds, and in any event it would face conflicts in doing so. Furthermore, the limited partnership agreement of the Credit Funds provides that, in each instance where the Credit Funds are permitted to vote, provide consent or take a similar action as an investor in a Captive Investment, the Credit Funds’ General Partner, on behalf of the Credit Funds, will take such action that is consistent with that of unaffiliated investors holding, in the aggregate, a majority-in-interest of the class of debt securities in which the Credit Funds hold. The Equity Funds will have the right to acquire instruments of a portfolio company without any specific limitations, except as set forth in the relevant Equity Funds’ governing documents (e.g., limitations resulting from the receipt of material non-public information), and any such transactions will not be subject to investor approvals, except as required in the operative documents of the relevant Equity Fund.

Conflicts will arise subsequently between the Credit Funds and an Equity Fund in negotiating matters related to the relevant investment, including negotiations with unaffiliated, third-party investors acquiring at substantially the same time, in the aggregate, a majority-in-interest of the issuance of the class of portfolio investment that such Credit Fund is acquiring, as to the price of the portfolio investment, the characterization of such portfolio investment, the terms of inter-creditor agreements, the interest rate or stated dividend yield of such portfolio investment, commitment fees, the nature of the covenants running in favor of creditors, and the other terms and conditions of investment or in addressing subsequent amendments or waivers. The General Partner of an Equity Fund will likely have an incentive to favor potential investments in issuers that offer terms preferable to the Equity Funds. Conflicts will arise to the extent that an Equity Fund desires optimal flexibility to grow the portfolio company, while the unaffiliated, third-party investors holding interests in the class of portfolio investment in which the Credit Funds hold will likely want to place tighter restrictions on the type and the amounts of permitted investments and acquisitions. In any such situation, an Equity Fund will not exert influence for the benefit of such

Credit Fund. Further, because of the different legal rights associated with debt and equity investments of the same portfolio company, the Firm will likely face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, each Credit Fund versus an Equity Fund.

Furthermore, if each Credit Fund and an Equity Fund invest in a Captive Investment, such Credit Fund's ability to influence such commonly held portfolio company will likely be restricted by the involvement of the Firm's personnel at both the equity and debt levels, including because strategic information exchanges between the Firm and fellow investors in such portfolio company could be inhibited. Additionally, in certain circumstances, the Credit Funds and/or the Equity Funds may be limited in their ability to exercise their respective rights in respect of a Captive Investment due to their affiliation, conflicts provisions or other agreements. Questions will likely arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt investments should be refinanced or restructured. If additional financing is necessary as a result of financial or other difficulties, it is possible that it will not be in the best interests of the Credit Funds to provide such additional financing. If an Equity Fund had the potential to incur a loss on its investment as a result of such difficulties, the Firm's ability to recommend actions in the best interests of the Credit Funds might be impaired.

Recognizing the inherent potential conflict arising from the Credit Funds making investments in the debt of portfolio companies in which the Equity Funds have an equity interest, the Firm has established additional procedures to mitigate such potential conflicts. In addition, the relevant General Partner may choose to, and in certain cases will be required to, consult with the investor advisory committee of the relevant Fund in the event of an actual or potential conflict of interest between an Equity Fund and a Credit Fund relating to an investment that has experienced a material event of default or payment default. However, given the nature of such conflicts and applicable legal constraints (including bankruptcy laws), there can be no assurance that any such conflict will be resolved in a manner that is beneficial to a Fund. Any investment by an Equity Fund in an entity in which a Credit Fund has a pre-existing investment (or vice versa) could be viewed, especially in hindsight, to have been made based on a non-arms-length valuation. Similarly, the Credit Funds may later invest in entities in which an Equity Fund has invested, subject to any limitations in each such fund's operating agreement as briefly described above, as applicable, which may have an effect (either positive or negative) on the market price of the portfolio investments and the value of the interest held by an Equity Fund. In some cases, a decision by the General Partner and/or the Firm (including a decision to forego remedies, request less aggressive terms or, conversely, a decision to invest into underperforming companies) to take any such step could have the effect of benefiting another investment vehicle sponsored by the Firm (and, incidentally, may also have the effect of benefiting the relevant General Partner or an affiliate) and therefore may not have been in the best interests of, and may be adverse to, a Fund.

From time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) could purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Where appropriate, and in the Firm's sole discretion, the Firm reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and

to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

The Firm is expected to receive various fees in connection with investments in debt securities (e.g., debt origination, original issue discount, amendment, administration, agency or similar fees in connection with the Credit Funds). The Funds would not benefit or participate, through an offset or otherwise, any such fees, or benefit from an offset in respect thereof, although such fees might reduce assets available at the portfolio company.

Positions with Portfolio Companies. As a result of the Funds' controlling interests in portfolio companies, the Firm and/or its affiliates typically have the right to appoint portfolio company board members, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members will approve compensation and/or other amounts payable to the Firm and/or its affiliates. Such amounts will be in addition to any Management Fees or Carried Interest paid by a Fund. Although the interests of each Fund and its portfolio companies typically are closely aligned, in certain limited circumstances, actions that are in the best interest of a portfolio company are not in the best interests of the relevant Fund, and vice versa. The Firm's personnel serving on the boards of portfolio companies will consider all relevant facts before coming to a decision or making a recommendation.

Additionally, a portfolio company typically will reimburse the Firm or service providers retained at the Firm's discretion for expenses (including without limitation travel expenses) incurred by the Firm or such service providers in connection with the performance of services for such portfolio company, to the extent applicable. This subjects the Firm and its affiliates to conflicts of interest because the Funds generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial.

In connection with its services to the Funds and their investments, the Firm, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Firm's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Firm and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Firm Information"). In many cases, the Firm Information will include tools, procedures and resources developed by the Firm to organize or systematize Firm Information for ongoing or future use. Although the Firm expects its Funds and their portfolio companies generally to benefit from the Firm's possession of Firm Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by the Firm and its personnel) and not by a Fund or portfolio company from which Firm Information was originally received. Firm Information will be the sole intellectual property of Firm and solely for the use of the Firm. The Firm reserves the right to use, share, license, sell or monetize Firm Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates,

discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

The Firm generally exercises its discretion to recommend to a Fund or to a portfolio company that it contract for services with certain service providers, and from time to time, such service providers are expected to include: (i) the Firm or a related person of the Firm (which may include a portfolio company or another Fund); (ii) an entity with which the Firm or its affiliates or current or former members of their personnel have a relationship, including relationships with joint venturers or co-venturers, family relationships between the Firm's personnel and personnel of the entity, or relationships where the Firm's personnel are seconded, or from which the Firm receives secondees; (iii) an entity from which the Firm or its affiliates or their personnel derive financial or other benefits, including entities in which the Firm or its Employees have equity interests; or (iv) certain Fund limited partners or their respective affiliates. For example, the Firm expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners of one or more Funds or their respective affiliates that are engaged in lending or related business, and the Firm has, with consent of the relevant Funds' advisory boards, recommended that a portfolio company transact with an IT service provider in which the Firm's personnel and their family members held a personal financial interest. This discretion subjects the Firm to conflicts of interest because although the Firm selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, the Firm has a potential incentive to recommend the related or other person (including a Fund limited partner) because of its financial or other business interest. There is a possibility that the Firm, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Fund or the Firm), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. The Firm will not necessarily seek out the lowest cost options when incurring (or causing a Fund or portfolio company to incur) such expenses. Although the Firm generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other other factors in retaining or recommending service providers. In certain circumstances where the Firm commits or has committed to seek "market" or "arms-length" rates or terms, the Firm will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. The Firm reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value and on terms that are "arms-length." Consequently, the Firm undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, the Firm reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the Firm has a relationship with or receives financial or other benefit from recommending a particular service provider, there

can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, the Firm reserves the right from time to time to cause a Fund to enter into a transaction whereby a Fund purchases securities from, or sells securities to, other Funds managed by the Firm, or co-investors or co-investment vehicles. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there can be no assurance that the price at which such transactions are entered into will represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Fund's governing documents or otherwise in the sole discretion of the Firm, the Firm reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the Firm) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. In certain circumstances, the Firm reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions. The Firm intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

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

The Firm and/or its affiliates reserves the right to employ personnel with pre-existing ownership interests in portfolio companies currently or previously invested in by the Funds or other investment vehicles advised by the Firm; conversely, current or former personnel or executives of the Firm and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by the Firm. Similarly, the Firm, its affiliates and/or its personnel maintain relationships with (and are permitted to invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive

finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contact of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Funds and/or the Firm and/or its affiliates. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through the Firm's entities, whether or not relating to financing Firm personnel obligations to fund General Partner commitment obligations) to the Firm's personnel and their estate planning vehicles. The Firm expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company owned by such Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Firm information about markets and industries in which the Firm operates (or is contemplating operations) or will provide other services that are beneficial to the Firm or one or more of other Funds. In most cases, the relevant Fund(s) will not consent to, participate in the negotiations of or be directly involved in such arrangements. The Firm expects to be subject to a potential conflict of interest in making such recommendations, in that the Firm has an incentive to maintain goodwill between itself and the existing and potential portfolio companies of the Funds, while the products or services recommended will not necessarily always be the best available to a particular portfolio company or Fund.

Operating Advisors. As discussed under Item 5 — “Fees and Compensation” — “Other Compensation,” the General Partners, the Funds and/or certain portfolio companies of such Funds, as applicable, expect from time to time, to employ or retain one or more Operating Advisors. The arrangements with Operating Advisors are expected to be structured as joint ventures or contractual service provider relationships between such Operating Advisor and the Firm, the applicable Fund, and/or portfolio company. Operating Advisors may have significant industry, transactional, investment, corporate management, operating or other business experience. Some Operating Advisors are expected to be sector specialists who focus on a particular industry or asset class. Operating Advisors could be embedded within or serve as board members for portfolio companies and given responsibility for narrowly defined initiatives that are part of a broader value-creation plan, such as sourcing, supply-chain management or new product introduction. They sometimes also act as interim members of management for portfolio companies. Operating Advisors also provide specialized operational services, including, but not limited to operational support, specialized operations and consulting services and similar or related services in connection with the identification, diligencing, acquisition, holding and disposition of investments (including potential investments). These Services are expected to include, among other things, support or analysis regarding a portfolio company's management (including serving in management positions or participating in the determination of corporate strategy) and other similar operational matters.

Depending on their function, certain Operating Advisors (namely those that are current employees of the General Partner or its affiliates) are subject to the Firm's compliance policies, but other Operating Advisors are not subject to all of the restrictions on the Firm's employees related to conflicts of interest and allocation of investment opportunities. Where such an Operating Advisor is engaged, it is possible the Firm will not have the opportunity to diligence the individual

investments in which a Fund participates and, instead, will be relying on its contractual relationship with, and ongoing diligence of, the sourcing partner whose interests may differ from those of such Fund. In certain circumstances, it is possible the Firm will commit to invest in a pre-agreed amount of investments negotiated by the sourcing partner and/or the Firm will commit to invest in one or more transactions for which the Operating Advisor led the due diligence and negotiation processes and the Firm is given only a limited opportunity to perform due diligence and participate in negotiation of transactional terms. Investors should be aware that Operating Advisors are not expected to owe any fiduciary duties to the Funds or the limited partners thereof.

In some instances, an Operating Advisor could be initially engaged as a consultant and later transitioned to an employee of a General Partner or the Firm or their affiliates. Conversely, an Operating Advisor could initially be an employee of a General Partner or the Firm or their affiliates and later become an Operating Advisor. Employees that transition to an Operating Advisor role could be rehired by the relevant General Partner or the Firm or their affiliates when their work at a portfolio company has been completed. The relevant General Partner or the Firm reserve the right to determine, in their discretion, whether to engage an employee as an Operating Advisor. Consequently, the determination of whether individuals are Operating Advisors is expected to vary and/or be revisited from time to time, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that the Firm otherwise would be required to bear. Such determination regarding whether to engage an employee as an Operating Advisor has the potential to give rise to conflicts of interest because, in general, the compensation costs for Operating Advisors is generally paid by a Fund, and/or a portfolio company, as described above. In certain cases, a General Partner or the Firm reserves the right to pay an Operating Advisor a retainer, and if such Operating Advisor subsequently receives fees from a portfolio company, such General Partner or the Firm will require such Operating Advisor to reimburse the previously paid retainer.

Although the use of Operating Advisors and the allocation of compensation paid to them by the General Partner, Firm, their affiliates and/or the relevant portfolio companies subjects the General Partner, the Firm and/or their affiliates to potential conflicts of interest, the Firm believes that such potential conflicts are mitigated in part by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of a Fund) that will result if the cost of the Operating Advisor is lower than market rates for the services provided and/or if the services of the Operating Advisor align with the General Partner's or the Firm's model for the portfolio company and improve portfolio company performance. Although the Firm seeks to retain Operating Advisors with a view to reducing costs to portfolio companies (and, ultimately, a Fund) and/or improving portfolio company performance, a number of factors could result in limited or no cost savings from such retention. The Firm also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Firm believes will align such persons' interests with those of a Fund's limited partners, and seeks to retain only Operating Advisors and service providers which a General Partner believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The involvement of Operating Advisors has the potential to present a number of risks primarily relating to a General Partner's reduced control of the functions that are outsourced. The relevant

General Partner or the Firm may not be in a position to verify the risks or reliability of Operating Advisors. The Funds could suffer adverse consequences from actions, errors or failures to act by such Operating Advisors. While no Operating Advisor providing services to a Fund will have any fiduciary duties to such Fund or its limited partners, they are expected from time to time to be entitled to indemnification under the terms of the service contracts or other arrangements entered into with such Fund, its General Partner or the Firm, which costs and expenses of such indemnification would be borne by a Fund. In certain circumstances, the applicable General Partner, the Firm or their affiliates and/or employees are expected to have other commercial or personal relationships with Operating Advisors which make such General Partner or the Firm more likely to engage that Operating Advisor.

In some instances, the Firm, the relevant General Partner, or a Fund could be expected to pay retainers, closing, monitoring, performance or other fees to Operating Advisors. Such retainer fees have the potential to be netted against payment from a portfolio company, if applicable, in connection with the related investment. However, if no such investment is consummated, there is a potential for the relevant Fund to bear any retainer amounts as an expense. In addition, to the extent the compensation of an Operating Advisor is based on the performance of the relevant investments, the Operating Advisor has the potential to have an incentive to take riskier actions or positions than it would have under a different compensation structure. In this regard, an Operating Advisor could receive incentive compensation at the expense of a Fund, even though such Fund has not realized sufficient gains to distribute Carried Interest, since a Fund will generally only receive gains once a transaction has closed. The expenses of Operating Advisors have the potential to be substantial. In certain circumstances, a Fund or portfolio company in which a Fund invests could pay fees to Operating Advisors in consideration for services, including where the General Partner or the Firm may have otherwise provided those services without charge. In other circumstances, Operating Advisors could receive certain third-party fees (such as upfront fees, commitment fees, origination fees, amendment fees, ticking fees and break-up fees as well as prepayment premiums) in respect of an investment, and no such fees will offset or otherwise reduce the Management Fee payable by limited partners. The existence of such fees has the potential to result in a Fund paying fees twice, once to the Firm in the form of Management Fees and once to the Operating Advisors to service or manage the same assets.

Conflicting Investor Interests. The limited partners in the Funds will be a diverse group that have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual limited partners relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest will arise in connection with the decisions made by the General Partners, including with respect to the nature or structuring of investments that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In addition, a Fund may make investments that may have a negative impact on related investments made by limited partners in separate transactions. In selecting and structuring investments appropriate for a Fund, its General Partner will consider the investment and tax objectives of a Fund and its limited partners as a whole, not the investment, tax or other objectives of any limited partner individually.

The Firm has entered, and is expected to enter, into strategic partnerships directly or indirectly with investors that commit significant capital to a range of Funds. Such arrangements are expected

to include the Firm granting certain preferential terms to such investors, including blended fee and carried interest rates that are lower than those applicable to a Fund when applied to the entire strategic partnership. Such preferential terms are generally not electable pursuant to any “most favored nation” provisions applicable to a Fund.

Industry and Investor Relationships. The Firm and its personnel also have developed many relationships with other third parties which could raise potential conflicts of interest, including investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of the Firm. Certain of these third parties could potentially: (i) introduce investment opportunities to the Firm; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to the Firm, the Funds, or portfolio companies. Such third parties could potentially also provide goods or services to or have business, personal, political, financial or other relationships with the Firm and its personnel. In addition, such third parties could potentially invest in one or more Funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to the Firm, the Funds and/or their portfolio companies. The existence and development of these relationships has a potential influence on whether or not a General Partner undertakes a particular investment on behalf of the relevant Fund and, if so, the form and level of such investment, since a General Partner is permitted to take the existence and development of such relationships into consideration in its management of a Fund and its investments. Similarly, a General Partner would have a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company owned by such if such recommendation, for example, were motivated by a belief that the service provider or its affiliate(s) would continue to invest in one or more Funds, would provide Firm information about markets and industries in which the Firm operates (or is contemplating operations) or would provide other services that were beneficial to the Firm. The Firm would have a potential conflict of interest in making such recommendations, in that the Firm would have an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for Funds and investment vehicles that the Firm advises, while the products or services recommended might not necessarily be the best available to the portfolio companies. Further, this would subject the Firm to additional conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the Firm would have a potential incentive to recommend the related or other person because of its financial or business interest. There is a possibility that the Firm, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm or the Funds), could favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not the Firm has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. The cost of any services provided by such third parties will generally be borne directly or indirectly by a Fund or its portfolio companies, as applicable.

Existing Relationships. The Firm has long-term relationships with a significant number of companies and their respective senior management. The Firm also has relationships with numerous investors, including institutional investors and their senior management. The existence and development of these relationships may influence whether or not a General Partner undertakes a particular investment on behalf of the relevant Fund and, if so, the form and level of such investment. Similarly, a General Partner is permitted to take the existence and development of such relationships into consideration in its management of a Fund and its investments. Without limiting the generality of the foregoing, there are expected to be, for example, be certain strategies involving the management or realization of particular investments that a General Partner will not employ on behalf of a Fund in light of these relationships.

Carried Interest and Management Fees. As described in Item 5 of this Brochure, the existence of Carried Interest arrangements could create conflicts of interest between a Fund and its General Partner. Also, because there generally is a fixed investment period after which capital from the limited partners of a Fund is only permitted be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, the Management Fee structure creates an incentive to deploy capital when such Fund's General Partner might not otherwise have done so.

Other Fees. As discussed above, the Firm and/or its affiliates generally will have discretion over whether to charge Other Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third-party. The receipt of Other Fees generally will give rise to potential conflicts of interest between a Fund, on the one hand, and the Fund and/or its affiliates on the other hand.

Other Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Other Fees are paid in kind (including through securities, option grants or other interests), the Firm is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Other Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Other Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Other Fees paid prior to the Fund's acquisition of the relevant investment. In certain circumstances, the Firm expects that co-investors, lenders, consultants or other parties from time to time will negotiate the right to share a portion of such fees from a particular investment, and any applicable offset percentage will be applied after excluding any amounts paid to such persons. For the avoidance of doubt, the Firm also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

Since the Firm is permitted to retain certain Other Fees in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Other Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Other

Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. Additionally, the Firm, its personnel, affiliates or others designated by the Firm expect from time to time to receive compensation in the form of portfolio company instruments. To the extent any such instruments are received, after any applicable offset provisions in the limited partnership agreement are applied (typically based on the value of such instruments at the time such instruments are disposed of), the Firm and/or such other recipients will be permitted to retain such instruments as Other Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such instruments (subject to restrictions imposed by the portfolio company and/or the Firm) or retain such instruments for a period consistent with their own financial and investment objectives, which may differ from those of a Fund. In addition, to the extent portfolio company instruments represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of instruments will have the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, the Firm reserves the right to accrue, defer or forego payments of Other Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the relevant Fund's limited partnership agreement, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

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

Side Letters. The Firm reserves the right to enter into side letters agreements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different (i) more favorable fee and other economic arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Firm's compensation, none of which generally will be subject to the "most-favored nation" provisions of a Fund's governing documents); (ii) excuse, exclusion or withdrawal rights applicable to particular investments or limited partners (which would increase the percentage interest of other limited partners in, and contribution obligations of other limited partners with respect to, certain investments); (iii) reporting obligations of the relevant General Partner; (iv) waiver of certain confidentiality obligations; (v) consent of the relevant General Partner to certain transfers by such limited partner; (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such limited partner; (vii) liquidity or transfer rights, (viii) modification of default remedies, as well as economic, procedural and other terms. Certain side letters also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds; or (ix) rights to serve on the Fund's advisory committee. The Firm is likely to have its own economic and/or other business incentives to provide certain terms

to certain limited partners (e.g., based on commitment amount to a Fund or timing thereof, the ability of a limited partner to provide sourcing or other services to the Firm, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm, its affiliates and personnel, or the Funds. Other side letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

Except where required by governing documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the Firm, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side letters subject the Firm to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or for regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although the Firm believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. The existence of excuse rights, even where not held by limited partners representing a substantial percentage of a Fund, could also influence the General Partner to decide to not pursue an investment opportunity at all in the first place. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the relevant governing documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Group Discount Programs. The Firm is instituting a program under which portfolio companies owned by the Funds would be given the option to participate in purchasing, vendor or similar arrangements with the Firm, its affiliates and/or other portfolio companies. Program participants can expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. The Firm would allocate any fees and/or third-party

administration costs for such program among the relevant Funds and/or portfolio companies. The Firm and its affiliates also can participate in the program in exchange for an allocable portion of any such fees and/or costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts would result in additional offsets or reductions to the Management Fee. The Firm believes the potential for conflicts relating to such arrangements would be mitigated by the anticipated cost savings to portfolio companies (which would be expected to benefit the applicable Fund(s)) that would result if the rates for goods and services were discounted due to scale or relative to those widely available in the market.

Principal Transactions. Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the Firm must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Firm’s management of the Funds, the Firm and its affiliates from time to time expect to engage in principal transactions. The Firm has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Cross Fund Transactions. The Firm reserves the right from time to time to cause a Fund to enter into a transaction whereby such Fund purchases instruments from, or sells instruments to, other Funds, or co-investors or co-investment vehicles. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant instruments are illiquid or do not have a readily ascertainable value, and there can be no assurance that the price at which such transactions are entered into will represent what would ultimately be the underlying investment’s fair value. To the extent required by the relevant Funds’ limited partnership agreements or otherwise in the sole discretion of the Firm, the Firm reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third-party (including the use of a consultant or investment banker to opine as to the fairness or “arm’s-length” nature of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund’s advisory board) to such transactions. In certain circumstances, the Firm reserves the right to determine that the willingness of a third-party to make an investment on the same terms demonstrates the fairness of the relevant transaction to a Fund under then-current market conditions. The Firm intends that any such transactions be conducted in a manner that it believes to be fair and equitable to the applicable Fund under the circumstances, including a consideration of the potential present and future benefits with respect to such Fund.

Valuation. The Funds generally make investments that do not have readily available market quotes. In such instances, the Firm generally values such investments in good faith based on various factors, including, without limitation, external pricing sources (if any), recent trading activity (if any) or other information including, among other factors in the Firm’s sole discretion, current market conditions, trends and prices and its knowledge and beliefs regarding the company and its historical and expected performance. In addition, in the event that a Fund makes any distribution in kind to its limited partners, the fair market value of such distribution will be

determined by its General Partner. Such valuations may vary from similar valuations performed by independent third parties for similar types of investments. If the valuations made by the General Partner are incorrect, the Carried Interest received by the General Partner, or the timing of receipt of Carried Interest, could also be incorrect. An independent appraisal will not be required and in most cases will not be obtained. There can be no assurance that the valuation decision of the General Partner with respect to an investment will represent the value realized by a Fund on realization of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the General Partner could cause it to ineffectively allocate investment opportunities among the Funds, or cause issues relating to a Fund's diversification or concentration limits, any of which could affect the composition of a Fund's portfolio investments.

Distributions in Kind. A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than the Firm deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

In the event a distribution of securities is made in kind to limited partners, many limited partners could decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such limited partners may be lower than the value of such securities determined pursuant to a Fund's governing documents, including the value used to determine the amount of carried interest distributed to a General Partner with respect to such investment.

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

ITEM 9 DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or a current or prospective investor's evaluation of the Firm's advisory business or the integrity of the Firm's management.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither the Firm nor any of its management persons is registered, or has an application pending to register with the SEC and/or FINRA as a broker-dealer or a registered representative of a broker-dealer. Neither the Firm nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person thereof. The Firm does not recommend or select other investment advisers for the Funds.

As described above, the Firm provides investment advisory services to the Funds. Each of the General Partners serves as general partner to its respective Fund. The Firm is also engaged in a strategic relationship with another advisory firm through which the Firm may present, and receive compensation for presenting and advising with respect to certain investments not suitable for the Funds, though the Firm is under no obligation to present any investments to such advisory firm and would not do so where such investment would otherwise be allocated in whole or in part to one or more Funds.

When the Firm, through a General Partner, deems it appropriate and consistent with the best interests of a Fund, such General Partner offers limited partners co-investment opportunities. The Firm's policy with respect to co-investment opportunities is guided by what it believes is in each Fund's best interest. The General Partner of a Fund gives priority co-investment rights to limited partners whose capital commitments meet minimum thresholds established by such General Partner. A General Partner or one of its affiliates is permitted to co-invest in a portfolio investment with a Fund in limited circumstances as permitted under the governing documents of such Fund. The Firm's co-investment allocation procedures are described in detail in Item 6 of this Brochure.

A minority interest in the Firm is owned by investment funds managed by a strategic investor (the "Strategic Investor"). The Strategic Investor does not have authority over the day-to-day operations of investment decisions of the Firm as they relate to the Funds, although it has negotiated certain minority protection and consent rights in connection with its investment in the Firm. Although it intends to maintain operations, strategy and investment decisions separate from the strategic investor, the Firm generally will have incentives to conduct operations in a manner that benefits the Strategic Investor.

In addition, the Strategic Investor generally has relationships with other financial institutions, investment vehicles and accounts that give rise to potential conflicts. For example, the Strategic Investor is expected to sponsor, advise, underwrite, manage, or invest in investment vehicles and accounts that pursue investment strategies similar to those of the Funds and such

activities could adversely affect the Funds. In addition, the Strategic Investor (and/or its affiliates) is expected to invest in the same issuers as the Funds. The Strategic Investor will have no fiduciary or other duties to the Funds, the Firm or other investors of the Funds in exercising any of its rights. While the existence of a potential conflict of interest will not necessarily have an adverse impact on the Funds and the Strategic Investor has incentives to see the Funds and the Firm succeed, the management or resolution of any conflict of interest could have an adverse effect on the Funds and their investors. The Strategic Investor will not be deemed to be an “affiliate” of the Firm for purposes of the Funds’ governing documents.

ITEM 11

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Firm strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, the Firm has adopted a Code of Ethics (the “Code”). The Code incorporates the following general principles that all employees are obligated to uphold:

- employees must at all times place the interests of the Firm’s clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee’s position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions;
- information concerning the identity of investments and financial circumstances of the Funds, including the identity of each Fund’s investors, must be kept confidential; and
- independence in the investment decision-making process must be maintained at all times.

The Firm has adopted formal policies and procedures relating to insider trading, privacy, “pay to play,” anti-money laundering and OFAC regulations, identity theft, and environmental, social and governance matters. Further, the Firm has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above. Clients and current and prospective investors are permitted to request a copy of the Code by contacting the Firm at the address or telephone number listed on the first page of this document.

The Firm, its affiliates and its employees expect from time to time to give advice or take action for their own accounts that differs from, conflicts with or is adverse to advice given or action taken for clients. Further, instances could arise where the interests of the Firm or one of its affiliates conflicts with the interests of a Fund and its limited partners. The Firm and its affiliates will endeavor to ensure that these conflicts do not work to the detriment of the Funds. If a conflict of interest arises, the related transaction will be presented to the applicable committee of limited partners of the applicable Fund authorized to approve such conflict of interest transaction. Such

conflicts include, among others, purchases and sales of portfolio investments between Funds and related persons, persons affiliated with the Firm and the General Partners and co-investments by such affiliated persons with the Funds.

ITEM 12 BROKERAGE PRACTICES

Although the Funds generally purchase securities in privately negotiated transactions, the Firm from time to time recommends that a Fund purchase publicly traded securities or hold publicly traded securities and use specific brokers and dealers to execute, settle and clear such securities transactions. In the limited circumstances where a Fund purchases or holds publicly traded securities, the Firm seeks to obtain best execution in selecting brokers (including prime brokers) to execute any transaction relating to such public securities.

In selecting brokers (including a prime broker) and negotiating commission rates, the Firm considers, among other things, the ability of the brokers and dealers to effect the transaction, the brokers' or dealers' facilities, reliability and financial responsibility, as well as the provision by the brokers of other services, such as: fund raising, consulting and access to deal flow. Accordingly, the commission rates (or dealer markups and markdowns) charged to a Fund by a broker or dealer in the foregoing circumstances could be higher than those charged by other brokers or dealers who do not offer such services.

Research and Other Soft Dollar Benefits.

The Firm does not receive research or other products or services, other than, in rare cases, execution from a broker-dealer or a third party in connection with a portfolio investment of a Fund involving publicly traded securities.

Brokerage for Client Referrals.

In selecting or recommending broker-dealers, the Firm and its related persons do not receive referrals from any broker-dealer or other third party.

Directed Brokerage.

The Firm, through the General Partners of the Funds, directs the Funds to select broker-dealers, if used.

Order Aggregation.

There are no purchase or sales orders of securities that are aggregated for various client accounts.

ITEM 13 REVIEW OF ACCOUNTS

As discussed above, the Firm provides investment advisory services to Funds primarily with respect to private equity investments. All investments of a Fund are carefully reviewed by the

Firm's investment professionals before they are made. All portfolio investments of a Fund are monitored on a regular basis by the Firm's investment professionals.

The Firm generally provides annual audited financial statements to its clients within 120 days of the applicable client's fiscal year end.

The Firm prepares quarterly and annual written reports for investors regarding each Fund's activities and performance, which include quarterly and annual financial statements. All information is made available to Fund investors through the Firm's password-protected website. In addition, the Firm issues to Fund investors tax reports and audited financial statements concerning their applicable Funds within 90 days of the end of a Fund's fiscal year. Upon request by a Fund investor, the Firm provides such investor with additional information that other investors have not received.

ITEM 14

CLIENT REFERRALS AND OTHER COMPENSATION

The Firm does not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither the Firm nor any related person, directly or indirectly, compensates any person who is not a supervised person, including placement agents, for client referrals.

However, the Firm enters into placement agreements with placement agents (each, a "Placement Agent") and each such agreement, a "Placement Agreement"), pursuant to which a Placement Agent agrees to introduce potential investors to a Fund (other than a Fund that is closed to new capital commitments, such as Veritas Fund IV, Veritas Fund V, Veritas Fund VI, Veritas Fund VII and Veritas Fund VIII). Pursuant to the terms of any such Placement Agreement, each Fund would pay the Placement Agent a placement fee equal to a percentage of the aggregate capital commitments made by each investor introduced to such Fund by the Placement Agent.

ITEM 15

CUSTODY

The Firm is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting Management Fees from a Fund's account or otherwise withdrawing funds from such account. Account statements related to the clients are sent by qualified custodians to the Firm.

The Firm is subject to Rule 206(4)-2 (the "Custody Rule") under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, the Firm is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all of its investors within 120 days of the end of its fiscal year.

ITEM 16

INVESTMENT DISCRETION

The Firm serves as the management company and provides investment advisory services to each Fund, while the General Partners have authority to implement investment decisions for their respective Fund. The Firm is deemed to have discretionary investment authority with respect to the Funds based on its affiliation with the General Partners. As a general policy, the Firm does not allow clients to place limitations on this authority. Pursuant to the terms of the relevant Fund's limited partnership agreement, however, the Firm and/or its affiliates have entered, and expect to enter, into side letters with certain limited partners whereby the terms applicable to a limited partner's investment in a Fund are to be altered or varied, including, in some cases, the right to opt out of certain investments for legal, tax, regulatory or other similar reasons. The Firm's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in each Fund's governing documents.

ITEM 17

VOTING CLIENT SECURITIES

The Funds are primarily invested in private companies which do not issue proxies. If a Fund holds publicly traded securities, the public company will issue proxies. The Firm, through the applicable General Partner, exercises the voting decisions with respect to the publicly traded securities held by a Fund. The Firm exercises such decisions in a manner which it believes is in the best interest of the Fund. In compliance with Rule 206(4)-6 under the Advisers Act, the Firm has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

The Firm takes into account all relevant factors, as determined by the Firm in its discretion, including, without limitation:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

Generally, clients are not permitted to direct the Firm's vote in a particular Proxy solicitation.

Conflicts of interest are expected to arise between the interests of a client, on the one hand, and the Firm or its affiliates, on the other hand. If the Firm determines that it has, or is perceived to have, a conflict of interest when voting Proxies, the Firm will address matters involving such conflicts of interest in accordance with its Proxy voting policies and procedures. Clients or investors are permitted to obtain a copy of the Firm's Proxy voting policies and procedures and its Proxy voting record upon request.

ITEM 18
FINANCIAL INFORMATION

The Firm is not required to provide a balance sheet for its most recent fiscal year, is not aware of any financial condition likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.