

**Item 1.        Cover Page**



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Part 2A of Form ADV: Firm Brochure

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**This brochure provides information about the qualifications and business practices of Gridiron Capital, LLC (“Gridiron”). If you have any questions about the contents of this brochure, please contact us at (203) 972-1100. 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 Gridiron Capital, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

The rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), require Gridiron to identify and discuss any material changes made to its brochure since the last update. The last update for this Brochure was filed by Gridiron with the SEC on July 29, 2022. There are no material changes to identify in response to Item 2, but Gridiron Capital, LLC routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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#### **Item 4. Advisory Business**

For purposes of this brochure, “Gridiron” means Gridiron Capital, LLC, a Delaware limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below). Such affiliates may or may not be under common control with Gridiron Capital, LLC, but possess a substantial identity of personnel and/or equity owners with Gridiron Capital, LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners (each a “General Partner”) of the Funds.

Gridiron provides investment supervisory services to investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). As of the date of this brochure, Gridiron serves as the investment manager for Gridiron Capital Fund, L.P., Gridiron Capital Fund II, L.P., Gridiron Capital Fund III, L.P., Gridiron Capital Fund IV, L.P., Gridiron Capital (Parallel) Fund IV, L.P., and Gridiron Capital Fund V, L.P., and Gridiron Capital Parallel Fund V, L.P. (the “Main Funds”). Gridiron reserves the right in the future to advise Funds in addition to those listed herein.

Gridiron has also established, on a transaction-by-transaction basis, certain investment vehicles through which certain persons invest alongside one or more Main Funds in a particular investment opportunity (each such vehicle, a “Co-Investment Vehicle”). Co-Investment Vehicles are typically limited to investing in securities relating to the transaction with respect to which they were organized. As a general matter, each such Co-Investment Vehicle is contractually required, as a condition of its investment, to exit its investment in the particular investment opportunity at substantially the same time and on substantially the same terms as the applicable Main Fund(s) that are also invested in that investment opportunity.

Gridiron also organizes and serves as General Partner (or in an analogous capacity) to (i) alternative investment vehicles (each, an “Alternative Investment Vehicle”) organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions and/or (ii) parallel investment entities that invest side-by-side with one or more of the Main Funds and are formed to facilitate investments by business associates and other “friends and family” of Gridiron or its personnel (each, an “Associates Fund”).

The Main Funds, Co-Investment Vehicles, Associates Funds and Alternative Investment Vehicles are collectively referred to as the “Funds.” Although Co-Investment Vehicles are collectively referred to in this brochure as Funds, some or all Co-Investment Vehicles may not be clients of Gridiron.

The Funds make primarily long-term private equity and equity-related investments, as well as investments in debt instruments. In accordance with the Funds’ respective investment objectives, investments are generally made in middle-market companies doing business in the niche manufacturing, business service and specialty consumer industries. Gridiron’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring,



negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and exiting of such investments. Gridiron serves as the investment adviser or General Partner to the Funds in order to provide such services.

Gridiron provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund.

Investment advice is provided directly to the Funds (other than certain Co-Investment Vehicles), subject to the discretion and control of the applicable General Partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with advisory agreements with the Funds (each, an “Advisory Agreement”) and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents (the “Offering Documents”) of the applicable Fund and/or side letter agreements negotiated with investors in the applicable Fund.

The principal owners of Gridiron Capital, LLC are Thomas A. Burger, Jr. Eugene P. Conese, Jr., and Kevin M. Jackson, (together, the “Principals”). Gridiron has been in business since 2004. As of December 31, 2022, Gridiron manages approximately \$8.7 billion of client assets, all of which are managed on a discretionary basis.

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

As compensation for investment supervisory services rendered to the Main Funds, Gridiron receives from each such Fund an advisory fee (each, an “Advisory Fee”). Advisory Fees paid by a Main Fund are indirectly borne by investors in such Main Fund.

One or more Associates Funds may not be a “qualified purchaser” for purposes of the 1940 Act (a “Non-QP Associates Fund”). Non-QP Associates Funds do not pay an Advisory Fee. However, the General Partner of a Non-QP Associates Fund receives Carried Interest (as described in Item 6 below) on distributions of cash generally, after return of the cumulative capital contributions (plus an 8% compound annual rate of return) paid by each partner, including the General Partner, to such Non-QP Associates Fund, an amount equal to (i) 20% of the sum of (a) the total cumulative amounts distributed to the partners as an 8% compound annual rate of return and any other amounts distributed with a view to reducing the likelihood of such Non-QP Associates Fund making an excess distribution which would result in a repayment obligation of the General Partner and (b) the total cumulative amounts distributed to the General Partner pursuant to this clause (i) and (ii) 20% of such distribution remaining after the allocations made pursuant to clause (i).

In addition, Gridiron and its affiliates retain the right to perform management, advisory, transaction-related, financial advisory and other services (“Related Services”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. These fees may be substantial. Fees for Related Services are determined, in part, by the investment professionals and may create a short term incentive to complete transactions. Also, fees for Related Services are not always based on an exit or sale of a

Fund investment. Accordingly, Gridiron may receive fees for Related Services when a Fund does not ultimately profit from the investment.

Although fees for Related Services are in addition to the Advisory Fees, Gridiron will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds. Additionally, Fund and/or a portfolio company may reimburse Gridiron for expenses (including without limitation travel expenses, which include expenses for chartered or first class travel) incurred by Gridiron in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above.

Gridiron and its affiliates also engage and retain senior advisors, advisers, consultants, and other similar professionals who are not employees or affiliates of Gridiron and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such amounts are not deemed paid to or received by Gridiron and its affiliates and such amounts will not be subject to the sharing arrangements described above.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by Gridiron, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by Gridiron in its sole discretion, both voluntarily and on a negotiated basis with selected investors. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

Advisory Fees billed to and received from certain Funds are payable on or after the fifth day of each January and July (for the six-month period from January 1 through June 30 and July 1 through December 31, respectively) and Advisory Fees billed to and received from certain other Funds are payable on or after the fifth day of each January, April, July, and October (for the preceding three-month period).

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

The Advisory Fees paid by a Fund will generally be reduced by the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors, as well as by fees incurred by Gridiron in connection with the organization of such Fund that exceed a limit specified in such Fund's limited partnership agreement or analogous organizational documents. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

To the extent provided in the Advisory Agreements and the partnership agreements and other organizational documents of the Funds, Gridiron will pay out of Advisory Fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, travel, entertainment, compensation of its partners and employees (other than Carried Interest described in Item 6 below) and other routine administrative expenses relating to the services and facilities provided by Gridiron to the Funds. Consistent with the partnership agreements or other organizational documents of the Funds, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, audit, investment banking, consulting, research, brokerage, finders' fees, custody, transfer, registration, borrowing, financing, commitment, origination and similar fees and expenses including the costs and expenses in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and commitments and interest arising therefrom, advisory board, directors' and officers' insurance, interest, taxes and extraordinary expenses, such Fund's allocable share of expenses and fees generated in the course of evaluating potential investments, including investments which are not consummated, such Fund's allocable share of expenses and fees incurred in the course of making investments, and other similar fees and expenses, as well as any other fees or expenses incurred by Gridiron or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by Gridiron. When Gridiron believes it beneficial to investors, Gridiron enters into arrangements with co-investment entities or investors that such parties would not bear the costs of certain expenses, including costs associated with unconsummated investments.

Additionally, please see Item 6 below regarding "Carried Interest" that the Funds may pay.

Although Gridiron does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Finally, Gridiron and its affiliates retain the right to further engage and retain senior advisors, consultants, operating partners and other similar professionals who are not employees or affiliates of Gridiron and who will, from time to time, receive payments from, or allocations with respect to, portfolio companies. The nature of the relationship with each of the senior advisors, consultants, operating partners and/or other professionals and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they provide the Funds and/or Gridiron with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they may take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. In certain instances, Gridiron may have formal arrangements with these senior advisors, consultants, operating partners and/or other professionals (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal. They may be compensated (including pursuant to retainers and expense reimbursement) from a Gridiron Fund and/or portfolio company or otherwise uncompensated unless and until an engagement with a portfolio company develops. In such circumstances, such payments from, or allocations with respect to, portfolio companies and/or the Funds will not, even if they have the effect of reducing any retainers or minimum amounts

otherwise payable to Gridiron, be deemed paid to or received by Gridiron and such amounts will not be subject to the offset provisions as described above. These senior advisors, consultants, operating partners and/or other professionals may have the right or may be offered the ability to co-invest alongside the Funds, including in those investments in which they are involved, or otherwise participate in equity plans for management of any such portfolio company. There can be no assurance that any of the senior advisors, consultants, operating partners and/or other professionals will continue to serve in such roles and/or continue their arrangements with Gridiron and/or any portfolio companies throughout the terms of the Funds.

Each General Partner may, in its discretion, retain on behalf of a Fund any amount (which would otherwise be distributed to the partners in accordance with the applicable Fund's governing documents) which it deems prudent as reserves to meet future Fund expenses or liabilities.

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

With respect to each Fund other than the Co-Investment Vehicles, a portion of the profits of each such Fund is distributed to its General Partner, if any, as "carried interest" (the "Carried Interest"). Each General Partner of a Fund is a related person of Gridiron. Carried Interest paid by a Main Fund is indirectly borne by investors in such Main Fund.

The payment by some, but not all, Funds of Carried Interest may create an incentive for Gridiron to disproportionately allocate time, services or functions to Funds paying Carried Interest, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the organizational documents of the Funds, this conflict is mitigated by provisions restricting Gridiron and its principals, unless consented to by investors representing at least two-thirds of the aggregate commitments to the applicable Main Fund, from establishing a new investment fund with objectives substantially similar to those of the applicable Main Fund until the earlier of (i) the end of the Main Fund's commitment period or (ii) such time as the applicable Main Fund is at least 75% invested or committed (including amounts reserved for follow-on investments and reasonably anticipated expenses of the applicable Main Fund). With respect to Funds that do not pay Carried Interest, such as the Co-Investment Vehicles, this conflict is largely mitigated since Co-Investment Vehicles invest alongside one or more Main Funds in accordance with rules contained in the offering and organizational documents of the relevant Funds. Any Alternative Investment Vehicle will generally contain terms and conditions substantially similar to those of the applicable Main Fund with respect to which it is formed and profits and losses of an Alternative Investment Vehicle generally will be aggregated with those of such applicable Main Fund for purposes of determining distributions by the applicable Main Fund and the Alternative Investment Vehicle (except as may be advisable because of legal, regulatory or tax constraints). Please also see Item 12 below regarding trade aggregation, as well as Item 11 below for additional information relating to how conflicts of interests are generally addressed by Gridiron.

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

Gridiron provides discretionary investment advisory services to the Funds, each a pooled investment vehicle, and not individually to the investors in the Funds. Each of the Funds' Offering Documents set forth the eligibility criteria and minimum investment requirements for investors.



Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, insurance companies, pension and profit-sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

Gridiron does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The General Partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Offering Documents of such Fund.

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

### **Methods of Analysis and Investment Strategies**

Gridiron’s investment strategy will be a continuation of similar approaches and strategies successfully implemented by the Principals throughout their years of investing in and building under-managed businesses. The Funds’ strategy is to create access to deal flow through established relationships. Each Fund’s investment strategy involves targeting middle-market companies with some of the following characteristics:

- Under-managed niche manufacturing, business service and specialty consumer businesses;
- Family-owned and managed or closely held by the management team, corporate orphans, and entrepreneur formed;
- Established, solid franchises with competitive advantages and/or businesses that demonstrate the ability to adopt new strategies;
- Opportunities for improvement through strategic and operating capabilities, consolidation or shifting market trends that can create opportunity and competitive advantage;
- Participate in sectors that are experiencing fundamental change and seeking to capitalize on these developments to build value; and
- Potential market leaders and/or segment consolidators.

The following are certain core components of the Fund’s investment strategy:

- **Investment Evaluation Process.** Gridiron will perform preliminary due diligence, competitive analysis, company trend analysis, conduct discussions with executives with industry knowledge and basic financial modeling in order to gain further insight and a competitive advantage in formulating its proposal.

- **Disciplined, Insightful Due Diligence.** Upon winning a deal, Gridiron will perform extensive, thorough due diligence to gain first-hand insight into potential companies, industries and competitors and also to develop new strategies and specific action plans to seek to create value for a company quickly after closing.
- **Active Business Building/Value Creation.** Gridiron's focus is on creating long-term sustainable value by making significant investments - in personnel, technology, new product development, opening new distribution channels or markets, or productivity enhancing projects – soon after acquiring a company. As part of their disciplined approach to value creation, the Principals will seek to evaluate each company, understand the areas of change that are expected to create value and develop the overall vision and strategy.
- **Opportunity for Strategic and Operating Improvement.** Many of the Fund's target companies will have limited capital availability, less experienced management and insular boards of directors. These companies can often benefit from experienced, hands-on involvement and assistance with developing strategic and operating plans.
- **Opportunity to Add Key Management.** Many middle-market companies have management teams that could benefit from new and independent ideas and influence. Gridiron will use its management expertise and networks in these situations to challenge management, introduce alternative approaches and new ideas, and to upgrade management where appropriate.

Gridiron has developed a responsible investment policy which includes an assessment of environmental, social, or governance, or other similar factors ("ESG") as part of Gridiron's investment strategy and their impact on value creation. Gridiron's consideration of ESG will assess areas for improvement of potential investments and will use the analysis and determinations with regard to ESG and related factors to forecast potential value creation through the improvement of those factors. Such improvements are not expected to be measured through any standardized quantifiable metrics.

The responsible investment policy is not part of Gridiron's investment strategy, or the investment strategy of any Fund and does not represent any commitment to consider ESG as part of Gridiron's investment strategy. The responsible investment policy does not represent any commitment to invest in companies on the basis of ESG.

On a discretionary basis Gridiron considers ESG and related factors as they may be relevant to a particular investment. However, the analysis and determination with regard to any particular ESG factor will not foreclose any investment opportunity from consideration by Gridiron.

Gridiron will not base any investment decision on the achievement of an ESG score in any area.

In the process of evaluating the factors related to ESG for any investment opportunity, Gridiron may depend on information that is incomplete or inaccurate, which could result in Gridiron incorrectly assessing ESG and related factors.

## **Risks**

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

All investors should carefully review the offering materials of the Fund in which they are invested or considering making an investment for a more complete outline of risks. Some of the material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

### ***Nature of Investment***

Investment in a Fund requires a long-term commitment, with no certainty of return. In the near-term, cash flow available to a Fund is likely to be limited. Most of a Fund's investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize on such investments in a timely manner. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to a Fund's Partners. Generally, a Fund will not be able to sell these securities publicly except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 of the Securities Act or another exemption under such Act. The securities in which a Fund will invest will generally be junior in what will typically be a complex capital structure, and thus subject to the risk of loss. Leveraged companies by their nature undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and to increases in expenses. Since a Fund may only make a limited number of investments, poor performances by a few of the investments could severely affect the total returns to a Fund.

### ***Failure to Achieve Investment Objective***

There can be no assurance that a Fund will be able to achieve its targeted returns or its investment objectives. Any given investment made by a Fund may prove to be worthless. Investors in a Fund should be prepared and able to absorb a loss of some or all of the capital invested in a Fund.

### ***Difficulty of Locating Suitable Investments***

A Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives.

### ***Long-Term Investments***

It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before realization of gains on successful investments. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of a Fund investment. While a Fund investment may be sold at any time, it is not generally expected that this will occur for a period of years after the initial investment. Prior to such time, there is unlikely to be a current return on the investments.

### ***Competition***

The private equity investment industry in which a Fund will be engaged is highly competitive. There can be no certainty that the Principals will identify a sufficient number of attractive investment opportunities to enable the full amount of capital committed to a Fund to be invested. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Principals.

### ***General Political, Market and Economic Conditions***

Present economic and market instability has negatively affected a wide range of financial institutions and markets, asset classes and sectors. The ability to successfully make and realize investments depends not only on the portfolio companies and their historical results and prospects, but also on current political, market and economic conditions. The trading market for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when they believe it is most advantageous to do so, or without adversely affecting the prevailing price where a trading market has developed for the interest. The financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances. Continued volatility in market or economic conditions, as well as the occurrence of significant political events, such as an outbreak or escalation of major hostilities, declarations of war, terrorist actions or other substantial national or international calamities or emergencies, could have a material adverse effect upon a Fund and the portfolio companies. In addition, the continued tight credit markets may hinder the ability of portfolio companies to refinance debt securities or sell new securities in the public and private debt markets or otherwise. Prospective investors should consider the long-term nature of an investment in a Fund and the potential exposure to such market risks over the term of a Fund before investing in a Fund.

### ***Market Volatility***

The value of any securities in which a Fund may directly or indirectly invest varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception can have a similar effect. The value of an issuer's securities can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. Current economic conditions in some cases have produced downward pressure on security prices and credit availability for certain issuers without regard to those issuers' underlying financial strength. In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, may involve significant economic leverage and, in some cases, may be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which the Fund may directly or indirectly invest and can result in adverse effect to a Fund's returns.

### ***Inflation***

Inflation could affect Fund investments adversely in a number of ways. During periods of rising inflation, interest rates and dividend rates related to portfolio investments could increase, which would tend to reduce returns to the Funds and any underlying investors. In addition, inflationary expectations or periods of rising inflation could also be accompanied by the rising price movement of equity and other investments in the Funds. During periods of high inflation, capital could flee to other asset classes, which could adversely affect the prices at which the Fund will be able to sell its portfolio investments. The market value of such investments/holdings is also subject to decline in value in times of higher inflation rates. Therefore, it should be noted that inflation and rapid fluctuations in inflation rates have had in the past, and will likely in the future have, negative effects on U.S. and non-US economies and financial markets as a whole and not just on the Gridiron.

### ***Environmental, Social and Governance Matters***

To the extent that Gridiron engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of Gridiron will depend on Gridiron's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on Gridiron's view of certain ESG-related and other factors, and carries the risk that Gridiron may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by Gridiron.

Consideration of ESG factors may affect Gridiron's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact Gridiron's performance depending on whether such investments are in or out of favor. Applying responsible investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Gridiron or any judgment exercised by Gridiron will reflect the beliefs or values of any particular investor. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or Gridiron's assessment of such practices may change over time.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Gridiron'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. Gridiron's responsible investing policies could become subject to additional regulation in the future, and Gridiron cannot guarantee that its current approach will meet future regulatory requirements.

### ***Banking Uncertainty and Custody Risk***

Gridiron is required to maintain certain Fund assets with a qualified custodian, such as a bank, broker-dealer, or other financial institution. There are risks involved in dealing with the custodians who hold the Funds' and/or portfolio companies investments and assets, including the potential loss of securities and cash held in custody in the event of a custodian's insolvency, negligence, fraud, poor administration, inadequate recordkeeping or other events which could impair the custodian's ability to conduct business. Although Gridiron monitors the custodians, there is no guarantee that any uninsured depositors, including the Funds and/or its portfolio companies, of a custodian that closes will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order such as not to impair or injure the performance of the Fund and/or any portfolio company. There is no certainty that, in the event of a failure of a bank or other qualified custodian that has custody of Fund and/or its portfolio companies' assets, that the Fund and/or its portfolio companies would not incur losses due to those assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both. Consequently, the Fund and/or its portfolio companies may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations, and limited partners may be impacted in their ability to honor capital calls and/or receive distributions. In March 2023, developments in the banking sector have caused uncertainty and fear of instability in the global financial system. In addition, some banks acting as qualified custodians, in particular smaller regional banks, have been subject to concerns that depositors at these institutions have withdrawn, or may withdraw in the future, significant sums from their accounts and have also experienced volatile stock prices and significant losses in their equity value. At least one of the custodians that Gridiron utilizes has been the subject of uncertainty or otherwise signaled that there may be circumstances that could impair their operations and potentially lead to their insolvency,



bankruptcy or other events that could subject the Funds' and/or its portfolio companies assets to a risk of loss. Pursuant to Gridiron's fiduciary duty, reasonable steps have been taken to ensure that any risk to Fund and/or portfolio companies' assets resulting from such a failure on the part of any bank or other qualified custodian is mitigated. However, a Fund's General Partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

### ***Projections***

Projected operating results of a company in which the Funds invest or intend to invest normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Gridiron in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and any third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different than projections.

### ***Cyber Security Breaches and Identity Theft***

Gridiron's, the Funds' services providers', and portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, encrypt or otherwise prevent access to these systems of Gridiron, the Funds' service providers, portfolio companies, and counterparties, as well as the data stored by these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Gridiron's systems to disclose sensitive information in order to gain access to Gridiron's data or that of the Funds' investors. Although Gridiron has implemented, and portfolio companies may implement, 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, Gridiron, the Funds and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Gridiron's, the Funds', a portfolio company's and/or their service providers' operations 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), proprietary information, and corporate data. Such a failure could harm Gridiron's, the Funds' and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. In addition, Gridiron may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its

administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

### ***Borrowing Under Fund Credit Arrangements***

The Funds are permitted to borrow, subject to certain limitations set forth in the Funds' governing documents, including for the purpose of funding investments prior to the receipt of a capital contribution pursuant to a capital call notice. Under credit agreements that the Funds have entered into for such purpose, commitments are pledged to the lender to secure such loans and in the event obligations thereunder are not met, lenders may proceed to satisfy any such liability against the assets of the Funds, including issuing capital call notices to the respective Fund's limited partners up to the amount of any unfunded commitments. The use of leverage by the Funds also will result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments.

### ***Tax Reform Risks***

On December 22, 2017, P.L. 115-97 (the "Tax Act"), originally introduced in Congress as the U.S. Tax Cuts and Jobs Act, was enacted. There continues to be uncertainty regarding certain aspects of this law and its application, and the current administration has announced that it is contemplating further legislation that may result in significant changes to the Internal Revenue Code of 1986, as amended. In addition, under current law, capital gains in respect of a General Partner's right to Carried Interest will be subject to a three-year "holding period" in order to be classified as "long term capital gains," while the corresponding holding period requirement with respect to capital gains that Fund investors are allocated is one year. This Carried Interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for investors. For example, the holding period requirement may incentivize the General Partner to cause a Fund to hold an investment for longer than three years in order for the General Partner to obtain a preferential tax rate on Carried Interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in the General Partner. A General Partner and Gridiron may take these potential adverse consequences into account in their management and operation of the Funds and in addressing these adverse consequences, the interests of the general partner and Gridiron, on the one hand, may diverge from the interests of the investors, on the other hand.

### ***Climate Change***

The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and



tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

#### ***Pandemic Risks and Global Health Events***

An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including Gridiron's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Gridiron has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect Gridiron's business and/or the markets can be determined and addressed in advance. Gridiron could also be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation other public health crises, including any outbreak of coronavirus, SARS, H1N1/09 influenza, avian influenza, Ebola or other existing or new epidemic diseases, or the threat thereof.

#### ***Business Continuity and Disaster Recovery***

Gridiron's business operations are vulnerable to disruption in the case of catastrophic events such as fires, natural disasters (e.g., tornadoes, floods, hurricanes, and earthquakes), epidemics and pandemics, terrorist attacks, or other circumstances resulting in property damages, network interruption or prolonged power outages. Although Gridiron has adopted a policy to address business continuity and recovery in the event of such a disaster, there can be no assurance that all contingencies are planned for or that such preparations will be

successful. If business operations are disrupted or suspended for extended periods of time, Gridiron and the Funds may be adversely affected.

### ***LIBOR Replacement Risk***

Payment obligations, financing terms and investments in many financial instruments (including debt securities and derivatives) may be tied to floating rates, such as the London Interbank Offered Rate (“LIBOR”). In 2017, the UK Financial Conduct Authority (“FCA”) announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies (e.g., the Secured Overnight Financing Rate for U.S. dollar LIBOR and the Sterling Overnight Interbank Average Rate for GBP LIBOR). Various financial industry groups have been planning for the transition away from LIBOR, and markets are developing in response to these new rates, but questions around the liquidity of the new rates and how to appropriately adjust these rates to eliminate any economic value transfer at the time of transition remain a significant concern. It is difficult to predict the full impact of the transition away from LIBOR on the Funds. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR. The transition may also result in a reduction in the value of certain LIBOR-based investments held by the Funds or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses for the Funds. Since the usefulness of LIBOR as a benchmark could also deteriorate during the transition period, effects could occur at any time.

### ***Armed Conflict, Terrorism and Catastrophes***

The occurrence of various catastrophic events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism, armed conflict, war and any resulting sanctions therefrom, could subject the Funds to the risk of loss. These risks of loss can be substantial and could have a material adverse effect on the Funds and Investor’s interests.

## **Item 9. Disciplinary Information**

Item 9 is not applicable to Gridiron.

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

### **Related General Partners**

Limited liability companies serve as General Partner of the Funds, and the managing member of each General Partner is an entity owned by the Principals. The Principals also own and control Gridiron. For a description of material conflicts of interest created by the relationship among Gridiron and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Neither Gridiron nor any Gridiron personnel is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer; futures commission merchant; commodity pool operator; commodity trading advisor; or an associated person of the foregoing entities.

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

### **Code of Ethics**

Gridiron has adopted a written Code of Ethics that is applicable to all of its members, officers and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, "Gridiron Personnel"). The Code of Ethics helps Gridiron detect and prevent potential conflicts of interest. The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. While highly unlikely due to the nature of Fund investments, Gridiron Personnel and their households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Gridiron Personnel are also required to file certain periodic reports with Gridiron's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Attn: Chief Compliance Officer, Gridiron Capital, LLC, 50 Pine Street, New Canaan, CT. 06840

### **Participation or Interest in Client Transactions**

Gridiron and certain employees and affiliates of Gridiron may invest in and alongside the Funds, either through the General Partners or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Due in part to the fact that potential investors in a Fund (including potential investors in a Co-Investment Vehicle or purchaser of a limited partner's interests in a secondary transaction) may ask different questions and request different information, Gridiron may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

### **Conflicts of Interest**

Instances may arise where the interest of the General Partners, Gridiron, the Principals and their affiliates may potentially or actually conflict with the interests of the Funds and the investors. These potential conflicts of interest should be carefully evaluated before making an investment in the Funds.

### **Other Fees**

Gridiron may receive (i) acquisition fees for investments, (ii) fees for asset management services; and (iii) fees for advisory and/or transaction services provided to companies in which the Funds have an interest. Additionally, Gridiron may receive fees relating to the Funds' investments or from unconsummated transactions (i.e., break-up and topping fees, director fees and organization, financing, divestment, and other similar fees). Funds and their limited partners will not receive the benefit of any fees relating to the Funds' investments or paid by portfolio companies except to the extent they are offset by reduced Advisory Fees. For greater certainty, Gridiron engages and retains strategic advisors, consultants and other similar professionals who are not employees or affiliates of Gridiron and who will, from time to time, receive payments from, or allocations with respect to, portfolio companies.

For the avoidance of doubt, any fees paid to Gridiron or its personnel after a Fund has exited (or is in the process of exiting) an investment do not reduce the Advisory Fee.

### **Side Letter Agreements**

Gridiron has entered into side letter agreements with certain investors that provide such investors with additional or differential rights, including but not limited to excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to such investments), information rights, waiver of certain confidentiality obligations, modification of representations, indemnification and/or liability and other obligations, and withdrawal or transfer rights. Investors will have no recourse against a Fund, the applicable Fund's general partner, Gridiron or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors.

### **Management of the Funds**

Gridiron manages a number of Funds that have investment objectives similar to each other. Gridiron expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Funds. Gridiron may give advice or take actions with respect to the investments of one or more Fund(s) that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund generally may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that Gridiron Personnel responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by Gridiron, including funds raised in the future or to proprietary investments made by Gridiron and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these Gridiron Personnel. Gridiron Personnel have an incentive to allocate more time, services or functions to Funds from which such personnel derive a higher economic benefit and/or better-performing Funds.

A Fund may decide from time to time to invest in conjunction with an investment being made by other Funds, or in a transaction where a Fund has already made an investment. Conflicts arise in connection with such investments. Investment opportunities may from time to time be appropriate for the Fund and one or more other Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts are likely to arise in determining the terms of investments, particularly where a Fund and other Funds may invest in different types of securities in a single portfolio company. In addition, where the Fund and one or more other Funds invest in the same portfolio company, there can be no assurance that such parties will invest in or dispose of investments at the same time and on the same terms. In certain cases, one fund will invest in a company at the same time that another fund exits such company. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, the Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if Gridiron determines it is advisable for a Fund to exit an investment at the same time as another Fund the term of which may expire sooner than the Fund's, the Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments. There can be no assurance that a Fund's return would be equal to and not less than a different Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

In addition, Gridiron receives and generates various kinds of portfolio company data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and

other metrics, financial information, commercial and transaction information, user data, cost data and related data or information some of which is sometimes referred to as “big data.” This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Fund’s investment (or prospective investment) in a portfolio company. As a result, Gridiron is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies or identify specific investment or business opportunities. Gridiron also intends to utilize such data for purposes of identifying new investments opportunities for the Funds. Information from a portfolio company owned by a Fund may enable Gridiron to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for Gridiron and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Further, data is expected to be aggregated across the Funds and their respective portfolio companies and, in connection therewith, Gridiron is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. Gridiron may also share data from a portfolio company of one Fund with a portfolio entity of another Fund, which may increase a competitive disadvantage for, and indirectly harm, such portfolio company. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to Gridiron (which expenses are indirectly borne by the Funds). Gridiron has in the past entered into and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. Gridiron has already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to Gridiron, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, Gridiron may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use of distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, Gridiron is generally free to use data and information from a Fund’s activities in its sole discretion for the benefit of Gridiron and other Funds. The sharing and use of “big data” and other information present potential conflicts of interest and any benefits received by Gridiron or its personnel will not be subject to the Advisory Fee offset provisions or otherwise shared with a Fund or its investors. Gridiron has in the past utilized and is likely in the future to utilize such information to benefit Gridiron, its affiliates and/or certain Funds.

In connection with evaluating a potential investment that is not consummated a Fund will incur expenses relating to the proposed but not consummated transaction (“Broken Deal Costs”). Broken Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (including amounts payable to senior advisors, consultants, operating partners, investors and other similar professionals and other third



parties), any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Funds, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated. Such Broken Deal Costs are, from time to time, rolled forward and capitalized into the following subsequent consummated transaction. In such cases, another Fund and new co-investors may participate with the original Fund in the subsequent consummated transaction. As a result, the other Fund (and/or new co-investors) that were not participating in the unconsummated transaction may be responsible for bearing a portion of Broken Deal Costs incurred by the original Fund.

Finally, in certain circumstances, if more than one Fund is participating in an investment, one Fund may bear more than its pro rata share of expenses relating to such investment if the other Fund or Funds does not have the resources to bear such expenses (including, for instance, as a result of insufficient reserves and/or the inability to call capital to cover such expenses).

#### **Conflicts Relating to the General Partner and Gridiron**

Gridiron Personnel and other related persons of Gridiron and its affiliates have made and may make capital investments in or alongside certain Funds. These investments may be at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

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

From time to time, Gridiron Personnel may invest in funds or other entities managed by limited partners of a Fund, which could incentivize such Gridiron Personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

### **Portfolio Company Relationships**

The Funds' portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by Gridiron or other Gridiron affiliates that, although Gridiron determines to be consistent with the requirements of such Funds' governing agreements, might not have otherwise been entered into but for the affiliation with Gridiron, and which may involve fees and/or servicing payments to Gridiron-affiliated entities which are not subject to the Advisory Fee offset provisions. For example, Gridiron may cause portfolio companies to enter into agreements regarding group procurement benefits management, and other similar operational initiatives that may result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio company.

In addition, Gridiron may cause a Fund to transact with a portfolio company or the Fund or another Fund, including purchasing an asset from, or selling an asset to, a portfolio company. This creates a conflict of interest as the interests of the purchasing or selling Fund differ from those of the counterparty portfolio company.

In addition, Gridiron may continue to receive other fees from a portfolio company after a Fund has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited investment is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

### **Common Service Providers**

Gridiron and Gridiron affiliates may engage other common service providers. In such circumstances, there will be a conflict of interest between Gridiron and Gridiron affiliates in determining whether to engage such service providers, including the possibility that Gridiron will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by Gridiron affiliates. Such services may also supplement or be performed alongside services performed by Gridiron.

Additionally, former Gridiron employees may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to Gridiron, the Funds and/or portfolio companies. While employed by Gridiron, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by Gridiron unless a Fund's governing documents permit certain allocations of internal expenses to the Fund. If a former Gridiron employee becomes an employee or consultant of a third party that also provides services to a Fund, such former Gridiron employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Gridiron employee working on the Fund will be borne entirely by the Fund and no such amounts will reduce the management fee paid or the carried interest distributed by such Fund on the basis that such person used to be a former Gridiron employee.



The Funds have in the past and may, from time to time in the future pay a fee to an investment bank with respect to a particular transaction which fee may, in whole or in part, reflect a payment to the investment bank for finding deals for Gridiron and the Funds in the future. As a result, the Fund paying the fee to the investment bank may not receive the benefit of the future deals sourced by the investment bank and the other Fund to which a deal is allocated will not be required to reimburse the paying Fund for such fee.

Gridiron from time to time may cause the Funds to bear the full cost and expense of engaging certain third-party service providers on behalf of a portfolio company. In the event a Fund is not the sole shareholder of the portfolio company, other shareholders will benefit from the costs incurred by such Fund and will not reimburse the Fund for their pro rata portion of the cost of any such service provider.

### **Co-Investments**

Gridiron may offer investors and other third parties the opportunity to co-invest in particular investments alongside the Funds. Co-investment opportunities offered to investors will be allocated as determined by the Gridiron General Partners in their discretion, and there is no guarantee for any investor that it will be offered co-investment opportunities. As a general matter, the Gridiron General Partners, in determining the allocation of co-investment opportunities, generally expect to take into account various facts and circumstances deemed relevant by the Gridiron General Partners, including among others, whether a potential co-investor has expressed interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with Gridiron, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the applicable Fund's investment (which is likely to be based on the size of the potential investor's capital commitment and/or investment in the applicable Fund), the ability of a potential co-investment party to hold investments for longer periods of time (or indefinitely) whether the potential co-investment party will make commitments to invest in other Funds (including concurrently with the applicable co-investment) as well as commitments to future funds raised by Gridiron, whether the potential co-investor has demonstrated a long-term or continuing commitment to the potential success of Gridiron, the applicable Fund, or other co-investment and/or other Funds, whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Funds (i.e., a stapled co-investment opportunity) and such other factors that Gridiron deems relevant under the circumstances. The terms and conditions of any co-investment opportunities will generally be negotiated by the Gridiron General Partners and the potential co-investor on a case-by-case basis. The allocation of co-investment opportunities may involve a benefit to Gridiron, including, without limitation, fees or carried interest from the co-investment opportunity, and capital commitments to the Funds, and such co-investment fees could create an incentive for the Gridiron General Partners to pursue an investment and structure the terms of the Funds' investment differently than it otherwise would in the absence of such co-investment fees. Co-investment fees realized by Gridiron and the costs that the co-investor bears, including the

extent to which a co-investor would share in any Broken Deal Costs, are negotiated by Gridiron on a case-by-case basis. This may result in the Funds bearing all such broken-deal costs.

### **Subscription Facility and Capital Calls**

A General Partner may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors) prior to calling commitments. The interest expense and other costs of any such borrowings will be expenses of the applicable Fund and, accordingly, decrease net returns of such Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made. In light of the foregoing, the General Partners have an incentive to cause Funds to borrow in this manner in lieu of drawing down commitments. As a general matter, use of leverage in lieu of drawing down commitment amplifies returns (either negative or positive) to limited partners.

Certain parties participating in an investment (including a General Partner and any co-investment party) may not bear their pro rata share of expenses relating to the subscription facility used for making an investment (including, without limitation, interest expenses, origination and other costs). As a result, the Fund may bear a disproportionate cost in connection with the extension of credit. In addition, because co-investment parties and the relevant General Partner are not expected to be parties to the subscription facility, a Fund will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

The use of the borrowings described above will differ based on available credit facility capacity and contractual terms applicable to each Fund and each such credit facility. Therefore, as the credit facilities utilized by the Funds may have different terms, while the Funds may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant organizational documents, the investment return can, in certain circumstances, differ among the Funds as a result.

### **Cross-Transactions**

In certain cases, Gridiron may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or Gridiron might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, Gridiron, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Gridiron and its affiliates may

receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds.

Depending on the transaction structure, these transactions may disproportionately benefit the purchasing, selling, or merging Fund (or Gridiron as a result of its interests in a particular Fund), and one Fund may incur expenses or forego gains that would have been obtained had it not entered into such transaction. For example, Gridiron may be incentivized to support a less successful portfolio company of an older Fund by causing a newer Fund with a longer remaining term and investment period to purchase a part or all of such portfolio company in order to provide Gridiron additional time to potentially manage it to a successful exit and increase the likelihood of Gridiron or an affiliate receiving Carried Interest. Conversely, Gridiron may be incentivized to sell an attractive investment in an older Fund to a newer Fund to increase the amount of fees received by Gridiron or an affiliate with respect to such an investment. Determining the valuation or other terms of such transactions may also create a conflict of interest due to Gridiron's consideration of the particular terms (including the fee terms) of the Funds and Gridiron's interest in such Funds. Such acquisition or merger may result in the acquiring entity purchasing a Fund's portfolio company at a valuation that is: (a) not the highest price than could have been obtained in the market had there been a robust sales process with multiple third party bidders or (b) higher than the value of the company resulting in an overvaluation.

Under certain circumstances, Gridiron may wish to reduce the investment of one or more Funds in an investment and increase the investment of other Fund(s) in such investment, and may, therefore, effect such transactions by directing the transfer of such investment between such Funds or through any other transaction structure (for example, distribution of portfolio company interests from one Fund and contribution of such interests to another Fund). Any costs and expenses associated with any such transaction will be borne by such Funds in accordance with such Funds' organizational documents and to the extent not addressed in the applicable organizational documents, on an allocation that Gridiron deems in good faith to be fair and reasonable.

To address these conflicts of interest, in connection with effecting such transactions, Gridiron will follow any investment allocation requirements of the relevant Funds (e.g., the organizational documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those organizational documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in such investment allocation requirements, Gridiron's Chief Compliance Officer will be responsible for confirming that Gridiron obtains any required approvals of the transaction's terms and conditions. There can be no assurance that any such conflicts can be resolved in a manner that is beneficial to each Fund or portfolio company nor is there any assurance that such transaction will be equally or similarly profitable or advantageous to each participating Fund.

### **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 adviser 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 Gridiron’s management of the Funds, Gridiron and its affiliates may engage in principal transactions. Gridiron 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(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### **Continuation Transactions**

From time to time Gridiron may determine that it is in the best interest of a Fund holding the investment (the “selling Fund”) to transact with another Fund (the “purchasing Fund”) in order to provide the selling Fund’s investors with an option to either: (1) receive cash proceeds from the selling Fund’s sale or transfer of such portfolio company and/or (2) “roll” (i.e., retain) their interest in such portfolio company. These types of transactions are often referred to as “continuation transactions.” In connection with such continuation transactions, Gridiron may require the investors in the purchasing Fund to make an additional investment in a Fund or commit to invest a future Fund. In addition to those conflicts of interest described above under “Cross Transactions”, conflicts of interest arise in these continuation transactions because (i) Gridiron and its affiliates are charging investors in the purchasing Fund an Advisory Fee and Carried Interest (which economics are likely to be different than the selling Fund) and the transactions have the potential to result in the receipt of additional Advisory Fees and Carried Interest by Gridiron and its affiliates; (iii) Gridiron and its personnel are expected to have the ability to make material investments in the purchasing Fund, which may cause them to take actions that benefits the purchasing Fund; (iv) Gridiron is actively involved in negotiating the terms of the sale on behalf of the selling Fund, on the one hand, and the purchasing Fund, on the other hand (including allocation of expenses incurred in the transaction); and/or (v) of the requirement for an investor in the purchasing Fund to make an investment in a Fund or a commitment to invest in a future Fund, which (a) incentivizes Gridiron to favor such investors because of the potential for Gridiron and its affiliates to earn additional Advisory Fee with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the selling Fund. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and Gridiron might determine to allocate bankers’ fees and certain other fees and expenses solely to selling investors and not to the “rolling investors” or “new investors” in the purchasing Fund or vice versa.

To the extent not addressed in a Fund's organizational documents, Gridiron will address conflicts of interest that arise in connection with continuation transactions as set forth above under "Cross Transactions."

### **Charitable Initiatives**

Gridiron may, from time to time, require, cause or invite the Funds and/or a portfolio company to make contributions to charitable initiatives, or other non-profit organizations that Gridiron believes could, directly or indirectly, enhance the value of the Funds' investments, assist in completing an acquisition of a portfolio company or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Funds or their portfolio company. Such contributions could be designed to benefit employees of a portfolio company, the community in which a portfolio company operates or a charitable cause essential to, or consistent with, the business purpose of a portfolio company. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of Gridiron, portfolio company management teams, advisors, service providers, vendors, joint venture partners, and/or other persons or organizations associated with Gridiron, the Funds or the portfolio companies. These relationships could influence Gridiron's decision whether to require, cause or invite the Funds or the portfolio companies to make charitable contributions. Further, from time to time, such charitable contributions by the Funds or the portfolio companies could supplement or replace charitable contributions that Gridiron would have otherwise made. Also, in certain instances, Gridiron may, from time to time, select a service provider or other counterparty to the Funds or their investments based, in part, on the charitable initiatives of such person where Gridiron believes such charitable initiatives could, directly or indirectly, enhance the value of the Funds' investments or otherwise be beneficial to the portfolio companies.

For additional information regarding the foregoing or the risks and conflicts with respect to any Gridiron fund or investment vehicle sponsored by Gridiron, please see the Confidential Private Placement Memorandum, if applicable, or subscription documents of the applicable Gridiron fund or investment vehicle.

### **Item 12. Brokerage Practices**

As Funds invest primarily in private companies, Gridiron anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). Gridiron focuses on making investments in private securities, thus it does not engage in traditional brokerage transactions, utilize any soft dollar relationships with any broker, nor permit investors to stipulate the direction of brokerage. Also, as a private equity fund manager, Gridiron does not aggregate the purchase or sale of securities across the Funds. In the unlikely event that a portfolio company becomes publicly traded, Gridiron will develop and disclose appropriate procedures for trading, brokerage, soft dollars, trade aggregation, and any other trading or brokerage related issue relevant to Gridiron at the time.

Currently, Funds may co-invest together, with third parties through Co-Investment Vehicles. Such investments may involve risks not present in investments where a Co-Investment Vehicle is not involved, including the possibility that a Co-Investment Vehicle may at any time have economic or business interests or goals which are inconsistent with those of a Fund, or may be in a position to take action contrary to a Fund's investment objectives. In addition, there may be a limited amount of interests available for investing. Thus, a Fund may receive a limited offering due to the Co-Investment Vehicles investing with such Fund. Also, Co-Investors may receive terms that are more advantageous than those received by a Fund.

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

#### **Oversight and Monitoring**

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly Gridiron's review of them is not directed toward a short-term decision to exit securities. However, Gridiron closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis with oversight from the Managing Partners.

#### **Reporting**

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of such Fund, as well as quarterly reports within 45 days after each fiscal quarter end. Gridiron and the applicable General Partner, if any, may from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Investors in a Co-Investment Vehicle will receive the reports and other information described in the organizational documents governing such Co-Investment Vehicle, which may include, for example, financial information regarding the specific portfolio company in which the Co-Investment Vehicle is invested.

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

For details regarding economic benefits provided to Gridiron by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

While not a client solicitation arrangement, Gridiron may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such Fund may, subject to any limitations set forth in its partnership agreement or other organizational documents, reimburse such fees. Advisory Fees received by Gridiron are generally reduced by the amount of such fees.



#### **Item 15. Custody**

The General Partners of the Funds are related persons to Gridiron. As the General Partners have access to the assets of the Funds, and indeed provide certain managerial services to the Funds, the General Partners, and through them, Gridiron, is deemed to have custody of the assets of the Funds. Therefore, in order to comply with Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), Gridiron complies with the pooled vehicle annual audit provision. Annually, upon completion of the annual audit of the Funds, Gridiron shall seek to ensure that the audited financial statements are delivered to investors in the Funds within 120 days of its fiscal year end. The audited financial statements are prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors should carefully review these audited financial statements.

#### **Item 16. Investment Discretion**

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or Offering Documents of the applicable Fund.

Co-Investment Vehicles and Alternative Investment Vehicles are generally established in order to invest alongside or in the place of one or more Main Funds in a particular investment opportunity or opportunities, and Gridiron typically has limited discretion to invest the assets of the Co-Investment Vehicles or Alternative Investment Vehicles independent of the limitations as set forth in the organizational documents of the Co-Investment Vehicle or Alternative Investment Vehicle and applicable Main Fund.

#### **Item 17. Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Gridiron has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Gridiron receives will be treated in accordance with these policies and procedures. A copy of Gridiron's written proxy voting policies and procedures, as well as a record of how Gridiron has voted in the past, will be maintained and available for review upon written request.

The Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies; therefore, the traditional concept of voting of proxies and participation in class actions is not currently applicable to Gridiron. The investment opportunities that Gridiron seeks allows the Funds to have influence on the management, operations and strategic direction of the portfolio companies in which it invests; through its majority interest and/or through its employees who sit as officers and directors on portfolio company boards. The exercise of control and/or significant influence over a portfolio company imposes additional risks of liability for product defects, environmental damage, failure to supervise management and other types of

liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could also expose the assets of the Funds to claims by such portfolio company, its security holders and its creditors. While Gridiron intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Gridiron will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Funds on the other. However, as is typical with private equity investing, Gridiron seeks and accepts the election of one or more of Gridiron's representatives to serve on the board of directors on behalf of its Funds and will typically, but not always, vote in favor of board recommendations. In situations where Gridiron is required to vote the proxy for a company in which employees of Gridiron serve on the board of directors, Gridiron has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the Funds' investment in such portfolio company. Accordingly, while Gridiron is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the interests of the Funds. In situations where Gridiron perceives a material conflict of interest, Gridiron may defer to the voting recommendation of a Fund's Advisory Board, where applicable, or take such other action in good faith which would protect the interests of such Fund.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Attn: Chief Compliance Officer, Gridiron Capital, LLC, 50 Pine Street, New Canaan, CT 06840.

#### **Item 18. Financial Information**

Item 18 is not applicable to Gridiron.