

**Form ADV Part 2A: FIRM BROCHURE**



**WAZEE STREET CAPITAL MANAGEMENT LLC**

8101 E. Prentice Ave  
Suite 610  
Greenwood Village, CO 80111

Contact: Kayla Kreuzberger  
Telephone: (303) 645-9300  
Email: [kayla@wazeestreetcapital.com](mailto:kayla@wazeestreetcapital.com)  
<http://wazeestreetcapital.com/>

**March 28, 2023**

This brochure (“Brochure”) provides information about the qualifications and business practices of Wazee Street Capital Management LLC (“Wazee Street”). If you have any questions about the contents of this Brochure, please contact us at (303) 645-9300 or [kayla@wazeestreetcapital.com](mailto:kayla@wazeestreetcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Wazee Street is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Wazee Street is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since Wazee Street’s last annual update of the Brochure dated March 31, 2022, Wazee Street filed an other-than-annual amendment on February 14, 2023 to indicate a change in Chief Compliance Officer.

Wazee Street routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year’s filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2022, and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

### Item 3 – Table of Contents

Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9 – Disciplinary Information .....	38
Item 10 – Other Financial Industry Activities and Affiliations.....	38
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...39	
Item 12 – Brokerage Practices.....	42
Item 13 – Review of Accounts .....	45
Item 14 – Client Referrals and Other Compensation.....	45
Item 15 – Custody .....	46
Item 16 – Investment Discretion.....	46
Item 17 – Voting Client Securities.....	47
Item 18 – Financial Information .....	47

#### Item 4 – Advisory Business

Founded in 2010, Wazee Street Capital Management LLC (together with its fund general partners (unless otherwise specified), “Wazee Street” or the “Firm”), is a Denver, Colorado based private debt firm investing in corporate distressed securities.

Wazee Street serves as the investment adviser for, and provides discretionary investment advisory services to, the following private funds: Wazee Street Opportunities Fund IV LP (“Fund IV”); Wazee Street Opportunities Fund V LP (“Fund V”); and WSOF V Splitter LP (“Fund V Splitter”), along with WSOF V Feeder LP, its feeder fund (each, a “Fund” and collectively, the “Funds”).

Each Fund is affiliated with a general partner (“General Partner”) with authority to make investment decisions on behalf of the Funds. These General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (“Advisers Act”), pursuant to Wazee Street’s registration in accordance with SEC guidance. The applicable General Partner retains investment discretion and limited partners in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, Wazee Street has been designated the role of investment adviser. For more information about the Funds and General Partners, please see Wazee Street’s Form ADV Part 1, Schedule D, Section 7.A. and Section 7.B.(1).

Wazee Street’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions of such investments. While all of the Funds share in the same general investment strategy and objectives, Fund V is subject to a restricted trading list on behalf of one of its limited partners.

Wazee Street’s investment advice and authority for each Fund is tailored to the investment objectives of that Fund; Wazee Street does not tailor its advisory services to the individual needs of limited partners in its Funds. The Fund investment objectives are described, as applicable, in the private placement memorandum, limited partnership agreement, subscription agreements, investment advisory agreements, side letter agreements and other governing documents of the relevant Fund (collectively, “Governing Documents”) and limited partners determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Firm does not seek or require limited partner approval regarding each investment decision.

Limited partners generally cannot impose restrictions on investing in certain securities or types of securities, other than through side letter agreements. Limited partners in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, Wazee Street has entered into side letters or similar agreements with certain limited partners, including those who make substantial commitments of capital or were early-stage

limited partners in the Funds, or for other reasons in the sole discretion of Wazee Street, in each case that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Examples of side letters entered into include capacity rights for future funds, co-investment rights, certain fee arrangements (including revenue sharing arrangements and carried interest sharing), notification provisions, reporting requirements, advisory committee participation and "most favored nations" provisions, among others. These rights, benefits or privileges are not always made available to all limited partners nor in some cases are they required to be disclosed to all limited partners, consistent with general market practice. Side letters are negotiated at the time of the relevant limited partner's capital commitment, and once invested in a Fund, limited partners generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more limited partners will not in certain cases disadvantage other limited partners. For more information about the potential conflicts of interest posed by certain side letters, please see Item 8, "Strategic Relationships with Certain Limited Partners."

### **Principals Owners**

Wazee Street is majority owned by Chief Investment Officer and Founder ("Chief Investment Officer") Michael Collins. Other investors maintain an indirect minority ownership interest in Wazee Street (but not large enough to be reported on the Firm's Form ADV Part 1). Such minority investors do not have any authority over the day-to-day operations or investment decisions of Wazee Street as they relate to the Funds and do not maintain a seat on any Fund advisory committees. These investors pay full management fees and full carried interest in the Wazee Street Funds in which they are invested. For more information about the potential conflicts of interest posed by this ownership interest, please see Item 8, "Strategic Relationships with Certain Limited Partners."

### **Regulatory Assets Under Management**

As of December 31, 2022, Wazee Street managed approximately \$147,762,299 in Fund regulatory assets, all managed on a discretionary basis.

### **Item 5 – Fees and Compensation**

Wazee Street and its affiliated General Partners are entitled to receive fees and compensation in exchange for advisory services provided to the Funds, including management fees, carried interest and other fees, each as described below. Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge or charge them in different amounts. The following is a general description of fees, compensation and expenses of the Funds. Limited partners should refer to the Governing Documents of the applicable Fund for a complete understanding of how Wazee Street is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

## Management Fees

Wazee Street charges each Fund a management fee (the “Management Fee”), generally 2% per annum, paid quarterly in advance. Management Fees are initially charged at 2% of the aggregate amount of capital commitments of the limited partners as of the first day of the fiscal quarter in respect of which the Management Fee is being paid; after the end of the commitment period, the Management Fee is charged at 2% per annum of either the aggregate committed capital or capital contributions of limited partners, depending upon the Fund. All Management Fees were negotiated with limited partners during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. Generally, limited partners participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Management Fee as of the date of the initial closing of such Fund as applicable. In addition, Management Fees are payable during term extensions unless otherwise agreed to with limited partners.

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the Management Fee and Management Fees can differ from one Fund to another, as well as among limited partners in the same Fund. Such differences can arise from the size of a limited partner’s commitment to a Fund, different limited partner classes, provisions of side letter agreements or other negotiated terms. Fees are generally waived for Wazee Street employees (including employees investing through a General Partner) and their respective families investing in a Fund (although in each case, these limited partners generally pay their pro rata share of certain Fund expenses).

Management Fees will generally be reduced by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by Wazee Street in connection with the organization of such Fund that exceed a limit as specified in the Fund’s Governing Documents; and (iii) 100% of certain supplemental fees and compensation with respect to portfolio company, including the net amount of cash or non-cash (a) set-up or other origination fees in connection with the origination of any portfolio investment, (b) topping or break-up fees in connection with proposed but unconsummated portfolio investments, (c) directors’ or monitoring fees paid by a portfolio company; and (iv) commitment fees in connection with a Fund’s commitment to make a portfolio investment, in each case received by Wazee Street, a General Partner or any of their affiliates (together, “Available Fees”). All such Available Fees received are offset against the Management Fee paid by a Fund net of any related unreimbursed expenses incurred by Wazee Street, a General Partner or any of their affiliates in connection with the transactions out of which such Available Fees arose.

For clarity, the following fees do not offset Management Fees, in each case as applicable: (i) any fees received directly or indirectly from a portfolio company, proposed portfolio company or other person, in each case in respect of any investor, potential investor or Fund in such portfolio company, proposed portfolio company or the capital provided or proposed to be provided thereby or (ii) fees or other compensation and expense reimbursements received by persons who serve as directors of portfolio companies or who provide direct services to portfolio companies at the request of a General Partner

or Wazee Street and who are not employees, officers, members or directors of Wazee Street, a General Partner or any of their respective affiliates.

For purposes of determining the reductions and offsets, fees earned by Wazee Street and its affiliates shall be allocated between the Funds (including, for these purposes, parallel funds and alternative vehicles) as Available Fees, investing in the relevant portfolio company in the same proportion that the cost basis of the Fund's investment in such portfolio company bears to the cost basis of any Fund's investment in such portfolio company. Fees arising from any transaction in which a Fund would have invested (as determined by the General Partner in good faith) shall be allocated between the Funds as Available Fees designated for that transaction, in the same proportion that the available capital commitments of each Fund, as determined by the relevant General Partner at the time any Available Fee is paid, bears to the available commitments of such other Fund, determined at the same time.

To the extent that an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons.

### **Carried Interest**

Each Fund's General Partner is entitled to be allocated carried interest ("Carried Interest") with respect to the Funds, which is generally equal to 20% of all realized profits net of all expenses in excess of an 8% compounded preferred return and catch-up provisions. Each Fund's Carried Interest arrangement is further described in full detail in the relevant Fund's Governing Documents and more briefly in Item 6, below.

### **Fund Expenses**

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund.

The Funds will be charged with all costs, fees and expenses of the Funds' operations (to the extent not reimbursed by a portfolio company) other than expenses of a General Partner (and shall promptly reimburse the relevant General Partner or its affiliates, as the case may be, to the extent that any of such costs, fees and expenses are paid or incurred by such entities), including, without limitation: (i) all reasonable out-of-pocket fees, costs and expenses (to the extent not reimbursed by a portfolio company) incurred in sourcing, pursuing, investigating, underwriting, analyzing, developing, negotiating, structuring, making, acquiring, holding, management, monitoring and disposing of potential or actual portfolio investments (including portfolio investments not consummated, including for which co-investment was contemplated), including, without limitation, financing, legal, travel and related expenses, due diligence, research (including expenses of software used for underwriting and monitoring investments and industry-specific business intelligence and information service providers),

insurance, accounting, custodial and safekeeping, advisory, management, consulting, tax and auditing expenses, recordkeeping and other related administrative fees, and any amounts payable to or by third parties (including commitment fees, banking fees or amounts payable to or by any actual or prospective lenders, investment banks or other financing sources and any deposits or down payments of cash or other property which are forfeited in connection with a prospective or potential investment (to the extent such costs and expenses are not reimbursed by portfolio companies or other third parties or capitalized as part of the acquisition of a transaction); (ii) reasonable brokerage commissions, registration fees and expenses, custodial expenses and other investment costs, fees and expenses (to the extent not reimbursed by a portfolio company) incurred in connection with making, holding or disposing of portfolio investments; (iii) reasonable fees, costs and expenses of attorneys, accountants, tax advisors, auditors, fund administrators, compliance consultants, valuation experts, expert witnesses, service providers, and other advisors and professionals incurred on behalf of the Funds (including, without limitation, legal fees in connection with any legal opinions required to be delivered on behalf of a Fund or its General Partner pursuant to the Governing Documents); (iv) all reasonable and customary administrative expenses incurred in the ordinary course, including the cost of preparing annual audit, financial statements, capital account statements, tax returns, tax reports and Schedule K-1s or similar schedules for limited partners or the Funds (including an allocation of expenses associated with any software or online data portal used in connection therewith), cash management expenses, depository expenses and routine legal and accounting expenses, regulatory and compliance expenses relating to filings with the Securities and Exchange Commission (including, but not limited to, fees for legal or regulatory advice or submission costs, such as Forms ADV, PF, 13F, 13H, 13G/D, 3, 4 or 5) or other regulatory bodies (including in foreign or local jurisdictions and regulatory expenses of the General Partners and Wazee Street relating to the activities of the Funds); (v) principal, interest on and fees and expenses arising out of borrowings or guarantees made by the Funds, including short-term financings, including, but not limited to, the costs and expenses incurred in connection with the arranging thereof; (vi) fees, costs and expenses of litigation and indemnification (including any indemnification granted to any third-party placement agent or finder engaged by a Fund or its affiliates (including, for the avoidance of any doubt, a General Partner or its affiliates)) or extraordinary costs, expenses and liabilities (including, without limitation, in connection with any governmental inquiry, investigation or proceeding involving the Funds, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith), including all amounts to be paid to an indemnified party pursuant to the Governing Documents; (vii) fees, costs and expenses relating to insurance premiums incurred in connection with a Fund's activities (including mortgage bond insurance and insurance, including errors and omissions, fidelity, general partner liability, fiduciary, directors' and officers' liability, cybersecurity, workers compensation, general liability, travel and related auto, umbrella and similar coverage, covering the General Partners, the General Partner's affiliates and related entities, Wazee Street and any other person acting on behalf of a Fund or entities related to the Funds with respect to the activities of the Funds); (viii) reasonable expenses associated with dissolving, liquidating, winding-up and terminating the Funds; (ix) taxes, fees or other governmental charges levied against the Funds and all costs and expenses incurred in connection with legal, regulatory or policy compliance, any tax audit, investigation, settlement or



review of the Funds or any of their tax returns and Schedules K-1 (and similar schedules); (x) reasonable fees, costs or expenses related to the making of temporary investments; (xi) reasonable fees, costs or expenses related to hedging transactions; (xii) reasonable expenses incurred in connection with any market data, relevant news or third-party research services and related terminals for the delivery of such services; (xiii) reasonable expenses of the advisory committees and expenses incurred in connection with any meetings of, or communication with, the advisory committees or the limited partners (including, without limitation, expenses incurred in connection with the annual meeting of the limited partners, any special meetings of the limited partners or soliciting the written consent of the advisory committees or the limited partners); (xiv) expenses incurred in connection with any amendments, modifications, revisions or restatements to the Governing Documents and all reasonable costs and expenses of, and/or incidental to, the preparation of amendments, modifications, revisions or restatements to the documents of the Funds or related entities; (xv) reasonable expenses arising from defaults by limited partners in the payment of capital contributions; (xvi) organizational expenses, including any excess organizational expenses, but only to the extent the Management Fee is subsequently reduced by such excess organizational expenses; (xvii) placement fees, but only to the extent the Management Fee is subsequently reduced by such placement fees; (xviii) reasonable expenses incurred in connection with distributions to limited partners; (xix) post-closing obligations under agreements relating to the disposition of portfolio investments, including indemnification obligations and purchase price adjustment obligations; (xx) costs and expenses of alternative vehicles; (xxi) the Management Fee; and (xxii) any other fees, costs or expenses approved by an advisory committee or a majority in interest of the limited partners.

Each Fund's limited partners also bear the costs of certain products and services received by Firm that constitute "brokerage and research services" under Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended ("the Exchange Act"), as described in Item 12 below. The Funds typically pay for these products and services directly and/or through "soft dollar" arrangement that fall under the safe harbor for such services established by Section 28(e).

### **Offering and Organizational Expenses**

Each limited partner will bear its pro rata share of a Fund's organizational expenses incurred in connection with the organization of the Fund ("Organizational Expenses"). The amount and type of Organizational Expenses varies by Fund and is further detailed in the Governing Documents of such Fund. Any amounts in excess of the limit specified in each Fund's Governing Documents is borne by the Fund and offset dollar for dollar against Management Fees.

### **Allocation of Fees and Expenses**

In good faith and in its fair and reasonable discretion, Wazee Street determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, or multiple Funds. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, Wazee Street will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense

allocation, unless another method is more equitable. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by Wazee Street.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

A carried interest allocation represents an adviser's compensation based on a percentage of net profits of the funds it manages. The relevant General Partner is entitled to receive a Carried Interest allocation on certain realized profits in the Funds equal to 20% of all realized profits (although some Funds charge a lower Carried Interest allocation) subject to an 8% annually compounded preferred return (or hurdle), with catch up provisions (although some Funds charge a lower hurdle with no catch up provisions), and subject to reimbursement of all relevant Fund expenses, including Management Fees. Carried Interest is subject to a potential after-tax giveback if the respective General Partner has received excess cumulative distributions. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by each limited partner prior to investment in such Fund.

These performance fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund, in its sole discretion, is permitted to waive or reduce the amount of Carried Interest for certain Funds or limited partners in a Fund. Specifically, if principals and employees and their respective family members are Fund limited partners, they will generally pay reduced Carried Interest or none at all.

The fact that a General Partner's Carried Interest allocations are based on the performance of each Fund can create an incentive for Wazee Street to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher Carried Interest, if applicable. The Firm believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Documents create limitations on the ability of Wazee Street to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring certain parallel Funds to purchase and sell investments contemporaneously if they share an investment through a contemporaneous initial investment; (iii) any losses a Fund sustains will reduce the General Partner's Carried Interest distribution; (iv) Carried Interest is generally calculated only after limited partners have received as distribution 100% of their capital contributions plus a preferred return; (v) a General Partner often makes a substantial commitment to a Fund to invest its own capital alongside the limited partners; and (vi) Wazee Street's ability to attract future limited partners is tied to the performance of its investments.

Wazee Street manages multiple Funds on a side-by-side basis, many, if not all of which, have similar investment strategies. Management of Funds on a side-by-side basis has the potential to create conflicts of interest with regard to Wazee Street's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. These conflicts

of interest can create an incentive for the Firm or its personnel to favor a Fund or other investment vehicle in which Wazee Street or an affiliate have a greater financial interest. To the extent that Wazee Street has Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or Wazee Street personnel are assigned varying percentages of Carried Interest from a Fund, Wazee Street and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, Wazee Street allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with Wazee Street's policies and procedures regarding investment allocation and applicable Governing Documents and taking into consideration certain factors, as determined in the Firm's sole discretion. Wazee Street's procedures are designed to ensure that all investment decisions are made in accordance with Wazee Street's fiduciary duties to its Funds and without consideration of Wazee Street's (or its affiliates' or employees') pecuniary interest. Wazee Street will not allocate investment opportunities based in whole or in part on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. Investment allocation decisions are determined by the investment committee.

## **Item 7 – Types of Clients**

Wazee Street provides investment advice to its Funds, which are exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder ("Investment Company Act"). The Funds limit their respective limited partners to: (i) "accredited investors" as defined in the Securities Act of 1933, and (ii) "qualified purchasers" or "knowledgeable employees," each as defined in the Investment Company Act, or (iii) if applicable, "qualified clients," as defined in the Advisers Act. Limited partners in the Funds must also meet certain other suitability qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act are not made available to the general public, their securities are not registered or required to be registered under the Securities Act of 1933 and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to Wazee Street and/or the Funds. The Funds typically require capital commitments from each limited partner of at least \$5 million, depending on the Fund, although the applicable Fund's General Partner has, in its sole discretion, accepted lesser amounts.

The limited partners participating in the Funds include high net worth individuals, other investment entities, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, fund of funds, corporations, limited partnerships, limited liability companies or other business entities

or other service providers retained by Wazee Street, and typically include, directly or indirectly, principals or other employees of Wazee Street and its affiliates and members of their families.

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

### **Strategy**

The Funds focus on investments in corporate distressed securities, most often publicly traded securities. Wazee Street seeks opportunities where it perceives risk and return to be heavily asymmetric. The Firm believes this asymmetry exists when the risk of loss (both probability and magnitude) is limited by underlying asset or going concern value, coupled with the opportunity for substantial gain as the result of a near-term corporate event. The Firm believes these opportunities occur because markets abhor, and therefore discount, uncertainty. When Wazee Street develops conviction about a given situation where it believes the market cannot, the Firm seeks to capture this discount on behalf of its limited partners.

Wazee Street invests only when it believes there is fear and uncertainty surrounding a given situation and, as a result, the price of a security has been driven below its underlying value. Once an opportunity is sourced within this context, it is rigorously analyzed against the following key investment criteria: (1) seek a minimal risk of loss; (2) an opportunity for substantial gain; (3) a near-term corporate event to drive resolution; (4) a lever that will cause that resolution to be favorable to the Firm's position; and (5) where appropriate, the ability to hedge systematic risk.

While all of the Funds share in the same general investment strategy and objectives, Fund V is subject to a restricted trading list on behalf of one of its limited partners.

### **Risks**

An investment in the Funds involves a high degree of risk, including the risk of a partial or total loss of capital, and limited partners must be prepared to bear capital losses which might result from investments. An investment in the Funds is speculative, illiquid and long-term in nature, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Funds. Investors should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. Different or new risks not addressed below will likely arise in the future and, therefore, the following list is not intended to be exhaustive.

#### **Risks Related to the Funds and the General Partners**

*Capital Commitment Defaults by Limited Partners.* Limited partners in the Funds make capital commitments that can be called at any time during certain prescribed periods. The Funds depend on limited partners fulfilling and honoring their commitments when the applicable General Partner calls capital from them in order to consummate investments and otherwise pay obligations when due. Any limited partner that does not fund a capital call is subject to having a meaningful amount of its existing

capital account forfeited in the applicable Fund. However, if limited partners were to fail to honor a significant amount of capital calls, a Fund's ability to make new or follow-on investments, and to otherwise satisfy its liabilities when due, could be materially and adversely affected. If one or more limited partners defaults or is excused from an investment, the relevant General Partner is permitted, in addition to other actions, to call additional capital contributions from other limited partners in order to cover the shortfall, but not in excess of such limited partners' unfunded capital commitments.

*Repayment of Certain Distributions.* In the event a Fund is unable otherwise to meet its obligations, the limited partners will potentially be required to repay to such Fund certain distributions previously received by them, subject to certain limitations set forth in the Governing Documents.

*Market Conditions.* Unanticipated events, such as the 2008 financial crisis in the U.S. and many foreign economies, natural or man-made disasters, political instability, and the outbreak of epidemics or pandemics, can result in an unusually high degree of volatility in the financial markets, both domestic and foreign, and have a material adverse effect on commerce in one or more regions or industries. In addition, global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region. The severity or duration of adverse economic conditions can also be affected by policy changes made by governments or quasi-governmental organizations. Because the situation can be widespread and largely unprecedented, it will likely be unusually difficult to identify both risks and opportunities using past models of the interplay of market forces, or to predict the duration of these market conditions.

*Key Man Risk.* The success of the Funds will depend in large part on the efforts, skill and business contacts of Mr. Collins. Mr. Collins possesses substantial experience and expertise and has strong business relationships with investors and other members of the business community. The loss of Mr. Collins' services could jeopardize Wazee Street's ability to raise assets for the Funds and result in fewer investment opportunities or potential competition against the Funds. Through his share of the Carried Interest, Mr. Collins has a financial incentive to continue his involvement in Wazee Street and the Funds; however, no assurance can be provided that Mr. Collins will continue to be associated with Wazee Street. The loss of services of Mr. Collins will likely have a material adverse effect on the Funds' revenues, net income and cash flows and harm Wazee Street's ability to realize the Funds' investment objectives.

*Dependence on the General Partners.* The General Partners will have exclusive responsibility for management and oversight over the Funds' activities. Except in the limited circumstances set forth in the Governing Documents, limited partners will not be able to make investments or otherwise control management of the Funds. Limited partners will also not have the opportunity to evaluate all of the relevant economic, financial and other information that will be utilized by Wazee Street in its selection of investments, nor to receive the detailed financial information issued by portfolio companies that is available to Wazee Street. The success of the Funds will depend on the ability of

Wazee Street to identify and consummate suitable investments and to dispose of investments of a Fund for a profit.

*No Current Income; Phantom Income.* Each Fund's investment program should be considered speculative, as there can be no assurance that the General Partners' assessments of the short-term or long-term prospects of investments will generate a profit. Despite the fact that the bonds purchased by the Firm will often pay a current coupon, which has the potential to provide limited partners with current income, an investment in a Fund is not suitable for prospective limited partners seeking current income for financial or tax planning purposes.

Moreover, a limited partner will be required to report and pay taxes on its allocable share of income from a Fund, even though cash will not necessarily be distributed by such Fund. Each limited partner should ensure that it has sufficient cash flow from other sources to pay all tax liabilities resulting from such limited partner's ownership of its interest. Prospective limited partners should also be aware that they will be subject to various limitations on their ability to deduct their allocable share of Fund losses (or items of loss and deduction).

The Funds are permitted to make investments or use leverage that will give rise to unrelated business taxable income. In view of the complexity of the United States federal, state, local and non-U.S. tax aspects of the offering, and given that certain of the tax aspects of the offering are not the same for all investors, prospective limited partners should consult their own tax advisors with specific reference to their own United States federal, state, local and non-U.S. tax situations prior to investing in a Fund.

*Unspecified Use of Proceeds.* A limited partner will not have an opportunity to evaluate for itself the relevant economic, financial and other information regarding the investments to be made by the Funds and, accordingly, will be dependent upon the judgment and ability of the relevant General Partner and Wazee Street in investing and managing the capital of the Funds. No assurance can be given that the Funds will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the Funds will be achieved.

*Fees and Expenses Can Deplete Limited Partner Assets.* Each Fund pays Management Fees, brokerage commissions and other execution and administrative costs whether or not the Fund makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses can represent a substantial percentage of such Fund's net assets. The expenses vary depending on, among other things, the degree of leverage utilized by a Fund. A Fund must make substantial profits to avoid depletion or exhaustion of its assets from these fees and expenses. Further, the Carried Interest payable to a General Partner, which is based on profits of the respective Fund, creates an incentive for the General Partners to select riskier or more speculative investments than would be the case in the absence of such compensation.

*Limitations To Transfer Interests in the Funds.* Interests in the Funds are not readily marketable and are generally neither redeemable nor transferable without the prior written consent of the relevant General Partner, which can be given or withheld in such General Partner's sole discretion.

Interests in the Funds have not been and will not be registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Funds will ever be affected. There will be no public market for interests in the Funds and none is expected to develop. Each limited partner is required to represent it is a qualified client as well as a qualified investor under applicable securities laws and it is acquiring its interest for investment purposes and not with a view to resale or distribution. Further, each limited partner is required to represent that it will only sell or transfer interests with the prior written consent of the applicable General Partner to a qualified investor under applicable securities laws and in a manner permitted by the Governing Documents and consistent with those laws.

Except in extremely limited circumstances, voluntary withdrawals from the Funds will not be permitted. Consequently, limited partners will not necessarily be able to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in a Fund for an extended period of time. An investment in a Fund is a long-term commitment.

*Secondary Transfers of Fund Interests.* To the extent that a General Partner has discretion to consent to a transfer of a limited partner interest in a Fund pursuant to the Governing Documents, and subject to any restrictions therein, the General Partner reserves the right to identify one or more persons (including limited partners in one or more Funds or persons that are not limited partners but in the future invest in a Fund) to potentially acquire such interest, and will take into consideration a variety of factors as it deems necessary in exercising its discretion with respect to such a transfer.

*Long-Term Investment Commitment; No Certainty of Returns.* Many of the Funds' investments are illiquid and no assurances can be made that a Fund will be able to realize such investments at attractive prices or otherwise be able to affect a successful realization or exit strategy. Distressed investments can exhibit considerable volatility in the near-term, as evidenced by the historical investments of the Firm. Consequently, dispositions of such investments can require a lengthy time period prior to sale. Additionally, the Funds are permitted to acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act or some other exception or exemption from registration. There can be no assurance that private purchasers can be found for a Fund's investments.

*Each Fund Will be Required to Indemnify its Respective General Partner and Such Indemnification is Payable from the Assets of Such Fund.* The Governing Documents limit the circumstances under which Wazee Street, its affiliates and certain other persons can be held liable to a Fund or its limited partners. As a result, limited partners generally have a more limited right of action in certain cases than they would in the absence of such a contractual limitation. The relevant provisions of the Governing Documents are not intended to imply a release of Wazee Street, its affiliates or such other persons from any legal obligations that are not permitted to be waived as a matter of applicable law. The Funds will be required to indemnify the foregoing persons against liability incurred in connection with the affairs of

such Funds and otherwise as provided in the applicable Governing Documents. Such liabilities have the potential to be material and can have an adverse effect on the returns to the limited partners. The indemnification obligation of the Funds would be payable from the assets of such Fund, including the remaining commitments of the limited partners. If the assets of a Fund are insufficient, the relevant General Partner has the authority to recall distributions previously made to the associated limited partners (subject to certain limitations set forth in the relevant Governing Documents).

*Execution Risks and Wazee Street Error.* The execution of the investment strategies employed by Wazee Street for the Funds can often require rapid execution of trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common or novel instruments. In light of the complexity and diversity involved, some slippage, errors and miscommunications with brokers and counterparties are inevitable and have the potential to result in losses to the Funds. As applicable, Wazee Street will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault and to the extent practicable will seek to recover losses from those parties. Wazee Street can choose to forgo pursuing claims against brokers and counterparties on behalf of the Funds for any reason including, but not limited to, the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its and its affiliates' business relationships with brokers and counterparties. In addition, Wazee Street's own execution and operational staff can be found to be solely or partly responsible for errors in placing, processing and settling trades that result in losses to the Funds. Except as required by law, Wazee Street is not liable to the Funds for losses caused by brokers or counterparties or by the Firm's own negligence or contributory negligence.

*Recycling.* For certain Funds, during the commitment period, Wazee Street will have the option to recycle proceeds of investments for reinvestment (including in follow-on investments). Accordingly, during the term of such Funds, to the extent amounts are reinvested in investments, limited partners will remain subject to investment and other risks associated with such investments.

*Insufficient Capital for Follow-On Investments.* Following its initial investment in a portfolio company, the Fund are expected to have the opportunity to increase their investment therein. There is no assurance that a Fund will make follow-on investments in a particular portfolio company or that such Fund will have sufficient resources to, or be permitted to, make such investments. Any decision not to make follow-on investments, or a Fund's inability to make them, can have a substantial negative impact on the value of such Fund's original investment, result in missed opportunities for the relevant Fund or result in dilution of the Fund's investment as other investors provide the needed capital.

*Limited Investment Opportunities; Excessive Competition.* The process of identifying attractive investment opportunities is difficult and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate.

Wazee Street expects to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic



industry acquirers and other financial investors, including hedge funds investing directly or through affiliates. Over the past several years, an increasing number of distressed debt funds have been formed and many existing funds have grown in size considerably. It is possible that some of these competitors will have more relevant experience, greater financial resources, a greater willingness to take on risk and more personnel than Wazee Street, the Funds and their affiliates. Wazee Street expects that, in some instances, competition for appropriate investment opportunities will increase, thus reducing the number of opportunities available to the Funds and/or adversely affecting the terms upon which investments can be made. To the extent that the Funds encounter competition for investments, there is a risk that returns to limited partners will decrease.

*Necessity for Counterparty Trading Relationships; Counterparty Risk.* Wazee Street has established relationships to obtain financing, derivative intermediation and prime brokerage services that permit the Funds to invest in any variety of markets or asset classes over time; however, there can be no assurance that the Firm will be able to establish or maintain such relationships. An inability to establish or maintain such relationships can limit the Funds' investment activities, create losses, preclude the Funds from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent the Funds from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before a Fund establishes additional relationships can have a significant impact on such Fund's business due to its reliance on such counterparties.

Most of the markets in which the Funds affect transactions are not "exchange-based," including "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, which could cause a Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events can intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. Generally, the Funds will not be restricted from dealing with any particular counterparties. A Fund's evaluation of the creditworthiness of its counterparties will not necessarily prove sufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of a Fund's counterparties and the absence of a regulated market to facilitate settlement can increase the potential for losses by such Fund.

*Sub-Custodians and Other Depositories.* Where securities are held with a prime broker or a sub-custodian of a custodian or by a securities depository or clearing system, such securities can be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Funds will generally have to share that shortfall on a pro rata basis. Securities can be deposited with clearing brokers, which a custodian is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which a custodian will have no

liability. There can be circumstances where a custodian is relieved from liability for the acts or defaults of its appointed sub-custodians provided that a custodian has complied with its duties.

*Cybersecurity Risk.* Wazee Street, each of the Funds' portfolio companies and their respective affiliates (collectively, the "Fund Parties") use computers and similar electronic devices to process, store and transmit large amounts of electronic information, including information relating to Fund transactions and information of the limited partners. Similarly, service providers of the Fund Parties affiliates process, store and transmit such information using computers and similar electronic devices. While each of these entities have procedures and systems in place to protect such information and prevent data loss and security breaches, such procedures and systems cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and can be difficult to detect for long periods of time. Hardware or software acquired from third parties can contain defects in design or manufacture or other problems that can unexpectedly compromise information security. Network connected services provided by third parties can be susceptible to compromise, leading to a breach of computer networks, a ransomware attack and the loss or disclosure of electronic data. Systems or facilities can be susceptible to employee error or malfeasance, government surveillance or other security threats. The use of internet or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments. On-line services provided to the limited partners can also be susceptible to compromise. Any breach of these information systems can cause information relating to the transactions of the Funds and personally identifiable information of the limited partners to be lost or improperly accessed, used or disclosed.

The service providers of the Fund Parties are subject to the same electronic information security threats as the Fund Parties. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the limited partners can be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of any of the Fund Parties' proprietary information can cause the Funds or other Fund Parties to suffer, among other things, financial loss, the disruption of business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events can have a material adverse effect on the Funds and the limited partner's investments therein.

*Personal Data.* Certain aspects of the Funds' investment strategy require the acquisition and review of confidential personal data that is protected by federal, state and/or local law. The inadvertent disclosure of such information can result in significant liability to the Funds, including but not limited to the obligation to provide credit monitoring services for any individual whose personal data was compromised. This personal data is on occasion shared with agents of Wazee Street that review the information in support of such strategy. The Funds will bear their pro-rata share of any losses arising out of an improper disclosure by such agents, which can be significant. In addition, parties providing the Funds and Wazee Street such personal data require indemnification for any losses suffered in

connection with the provision of such data. The Funds could bear significant losses as a result of such indemnification.

*Disclosure of Information.* The Funds, Wazee Street or their respective service providers, affiliates and limited partners can, in certain instances, be subject to public records or similar laws that compel public disclosure of confidential information regarding the Funds, their investments or one or more limited partners. There can be no assurance that such information will not be disclosed either publicly or to regulators or law enforcement or otherwise, including to comply with regulations or policies to which these entities currently are or become subject.

*Protection of Confidentiality.* Except in limited circumstances, limited partners will be required to keep information related to the activities of the Funds, Wazee Street and their respective affiliates confidential. This includes information relating to the Funds' investments, such as investment results and expectations, as well as information relating to the limited partners. To protect the sensitive nature of this information, Wazee Street or any of its affiliates can (i) provide limited partners access to such information only on a website maintained by Wazee Street or any of its affiliates in password protected, non-downloadable, non-printable format, and (ii) require limited partners to return any copies of information provided to it by Wazee Street or the Funds or (iii) make certain confidential information unavailable to all or some limited partners, in some cases based on the status of the limited partners. Should a limited partner or any representative thereof be required to disclose any confidential information, the limited partner will be required to use its commercially reasonable efforts to (a) oppose and prevent the requested disclosure and (b) provide Wazee Street with prompt written notice so that the relevant Fund or any portfolio company can seek a protective order or other appropriate remedy.

*Possibility of Fraud or Other Misconduct of Employees and Service Providers.* Misconduct by rogue employees of Wazee Street, portfolio company officers or employees, service providers to the Funds and/or their respective affiliates can cause significant losses to a Fund. Employee misconduct includes, but is not limited to, binding a Fund to transactions that exceed authorized limits or present unacceptable risks, unauthorized trading activities, concealing unsuccessful trading activities (which, in either case, have the potential to result in unknown and unmanaged risks or losses), failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by a Fund and fraud. Losses can also result from actions by service providers, including, without limitations, failing to recognize trades and misappropriating assets. In addition, there is a risk that employees and service providers will improperly use or disclose confidential information, which can result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities. Wazee Street has controls and procedures through which it seeks to minimize the risk of such misconduct occurring. No assurances can be given that Wazee Street will be able to identify or prevent such misconduct.

## Risks Related to the Fund's Business

*Risks Surrounding Distressed Investments.* The Funds invest in obligors and issuers with weak financial conditions, poor operating results, substantial financing needs, negative net worth or significant competitive issues. This often includes obligors and issuers that are involved in bankruptcy or reorganization proceedings. In these situations, it can be difficult to obtain full information as to the exact financial and operating conditions of these obligors and issuers. Furthermore, some of the distressed debt investments are not widely traded or have no recognized market. Following an investment, near-term valuations are expected to be volatile. Depending on the specific investment profile, exposure to the investments can be substantial in relation to the market for those investments, and the acquired assets are likely to be illiquid and difficult to transfer. As a result, it generally takes a number of years for the market value of the investments to ultimately reflect their intrinsic value as Wazee Street perceives it.

A central strategy of the Funds is to anticipate the occurrence of certain corporate events, such as debt or equity offerings, restructurings, reorganizations, mergers, takeover offers and other transactions. If the relevant corporate event that Wazee Street anticipates is delayed, changed or never completed, the market price and value of the applicable Fund's investment will likely decline sharply.

In addition, these investments can subject the Funds to certain potential additional liabilities that have the potential to exceed the value of its original investment. Under certain circumstances, payments or distributions on certain investments can be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. In addition, under certain circumstances, a lender that has inappropriately exercised control of the management and policies of a debtor can have its claims subordinated or disallowed or be found liable for damages suffered by parties as a result of such actions. In the case where the investment in securities of troubled companies is made in connection with an attempt to influence a restructuring proposal or plan of reorganization in bankruptcy, there is a risk that a Fund will become involved in substantial litigation.

*Litigation:* In connection with ordinary course investing activities, Wazee Street, the Funds and their respective affiliates, employees and directors as well as portfolio companies of the Funds are and may become involved in litigation either as a plaintiff or a defendant. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Funds. Any such litigation could be prolonged and expensive and typically such costs (which may include consultants, investigators, experts, electronic discovery vendors and other advisors, in addition to legal costs, and which in the aggregate may be substantial) are borne by the Funds. In addition, it is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique. To the extent the principals have board seats in connection with a public company, the risk of litigation may be enhanced and thus the litigation costs borne by the Funds are likely to be greater than if the Funds did not invest in any public companies. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments generally would

be borne by the Funds and would reduce net assets or could require limited partners thereof to return to the Funds distributed capital and earnings.

*Defaulted Securities.* The Funds often invest in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings and in such circumstances Wazee Street will have an active participation in the affairs of the issuer. This potentially subjects the Funds to litigation risks or prevents (or otherwise limits) the Funds from disposing of securities. In a bankruptcy or other proceeding, there exists the possibility that a Fund as a creditor will be unable to enforce its claims or rights in any collateral or have its claims or security interest in any collateral challenged, disallowed or subordinated to the claims or security interests of other creditors. While the Funds attempt to avoid taking the types of action that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that such Fund will be able to successfully defend against them. Even if a Fund is ultimately successful, it is possible that the Fund will in the interim be required to post a bond pending an appeal that could limit its ability to deploy capital to other investment opportunities, which could adversely affect such Fund. If a Fund's investment in such securities is significant, there is a chance that the Fund will receive a higher proportion of post-reorganization securities (as discussed below) than cash payments after any bankruptcy proceeding, reorganization or financial restructuring of a company.

*Volatility.* To the extent that companies in which a Fund invests participate in the structured credit, leveraged loan and high yield bond markets, the results of their operations can suffer if such markets experience dislocations, illiquidity and volatility. In addition, to the extent that such marketplace events continue (or even worsen), this can have an adverse impact on the availability of credit to businesses generally and can lead to an overall weakening of the U.S. and global economies. Any continuing economic downturn can adversely affect the financial resources of a Fund's investments (in particular those investments that depend on credit from third parties or that otherwise participate in the credit markets) and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund can lose both invested capital in, and anticipated profits from, the affected portfolio companies.

*High Yield, Low or Unrated Securities.* The Funds often invest in "high yield" bonds and preferred stock or debt securities that are unrated or rated in the lower categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration or general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-

rated securities, whether or not based on fundamental analysis, can be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

*Highly Leveraged Portfolio Companies.* In some cases the Funds invest in companies whose capital structures involve significant leverage. These investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of these companies increases the exposure of the applicable Funds to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired by the Funds can be the most junior in what could be a complex capital structure, and thus subject to the greatest risk of loss.

*Bankruptcy and Other Proceedings.* When a company seeks relief under the U.S. Bankruptcy Code (or has an involuntary petition filed against it), an automatic stay generally prevents (with limited exceptions) all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or seize collateral securing such claims. Creditors who have secured claims against the company prior to the date of the bankruptcy filing must petition the court to permit them to take any action to enforce their claims or their rights in any collateral. Secured creditors can be prohibited from exercising their rights against their collateral if the court concludes that the value of the property in which the creditor has an interest will be “adequately protected” during the proceedings. What constitutes adequate protection in a particular case is committed to the broad discretion of the bankruptcy judge, determined from all of the facts and circumstances. If the protection is ultimately inadequate to protect the creditor from loss in value of the collateral, the bankruptcy court can grant the creditor a super-priority claim for any lost value in the collateral, which super-priority claim generally has priority over every other allowable administrative or general unsecured claim except super-priority claims and liens granted to post-petition lenders. Moreover, a secured claim is secured only to the value of the security or collateral. If the claim exceeds the value of the collateral, the insufficient portion generally becomes an unsecured claim.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and can be invalidated for a variety of reasons. For example, it is possible that security interests will be set aside because, as a technical matter, they have not been perfected properly under the Uniform Commercial Code or other applicable law. If a security interest is invalidated or avoided, the secured creditor loses its secured status, causing its claim to be treated as an unsecured claim. If this occurs, the holder of such claim is more likely to experience a significant loss of its investment. There can be no assurance that the security interests of securities held by the Funds will not be challenged vigorously and found defective in some respect, or that the Funds will be able to prevail against the challenge.

Moreover, debt will, in certain instances, be disallowed or subordinated to the claims of other creditors if the creditor is found to have engaged in certain inequitable conduct resulting in harm to other parties with respect to the affairs of a company filing for protection from creditors under the U.S. Bankruptcy Code. If a creditor is found to have interfered with the company’s affairs to the detriment of other

creditors or shareholders, the creditor can be held liable for damages to injured parties. While the Funds attempt to avoid taking the types of actions that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that the Funds will be able to successfully defend against them. It is also possible that claims acquired by the Funds from third parties can be subject to equitable subordination or disallowance as a result of the inequitable conduct of prior holders of such claims. Such claims can also be subject to defenses or setoff relating to the prior holders. Additionally, in certain circumstances, debt obligations can be recharacterized as contributions to capital (*e.g.*, equity) and, therefore, be structurally subordinated to the claims of all creditors.

While the challenges to liens and debt described above normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding can in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor or even the debtor itself or a representative of the debtor in other state or federal proceedings. There can be no assurance that such claims will not be asserted or that the Funds will be able to successfully defend against them. To the extent that the Funds assume an active role in any legal proceeding involving the debtor, the Funds can be prevented from disposing of securities issued by the debtor due to the Funds' possession of material, non-public information concerning the debtor. In certain circumstances, a Fund's active role in certain legal proceedings involving the debtor can itself restrict such Fund's ability to dispose of its securities. A Fund can also incur significant costs with respect to any active role it plays in any legal proceeding.

*Post-Reorganization Securities.* Post-reorganization securities typically entail a higher degree of risk than investments in securities of companies that have not undergone a reorganization or restructuring. Moreover, post-reorganization securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If a General Partner's evaluation of the anticipated outcome of an investment situation should prove incorrect, the related Fund could experience a loss. Unlike certain distressed investors that focus on investing in senior securities that typically receive cash or debt in a reorganization, the Funds' investment approach will frequently result in the receipt of post-reorganization equity securities, which can be subject to greater risk than debt securities.

*Bank Loans and Participations.* Wazee Street is permitted to invest a portion of the Funds' assets in bank loans and participations. In addition to the risks described above, the special risks associated with these obligations include (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) environmental liabilities that can arise with respect to collateral securing the obligations, (iii) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality, (iv) limitations on the ability of the Funds or Wazee Street to directly enforce its rights and (v) assertions of lender liability (as described below). Wazee Street balances the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks can be borne by the Funds.

*Contingent Liabilities.* The Funds from time to time incur contingent liabilities in connection with an investment. For example, the Funds on occasion purchase from a lender a revolving credit facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, a Fund would be obligated to fund the amounts due.

*Lender Liability Considerations and Equitable Subordination.* There currently exist a number of judicial decisions in the United States that have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed “lender liability”). Generally, such lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Funds’ investments, a Fund could be subject to allegations of lender liability.

In addition, under principles that in some cases form the basis for lender liability claims, if a lending institution (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court can subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, which is referred to as “equitable subordination.” Because of the nature of certain of the Funds’ investments, the Funds could be subject to claims from creditors of an obligor that the Funds’ investments issued by such obligor that are held by the Funds should be equitably subordinated. The Funds’ investments typically involve investments in which the Funds are not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the investments will arise without the direct involvement of the Funds.

*Difficult Market Conditions.* The Funds’ business is materially affected by conditions in the financial markets and economic conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors are outside Wazee Street’s control and can affect the level and volatility of securities prices and the liquidity and the value of investments, and there can be no guarantee that Wazee Street will be able to or choose to manage the Funds’ exposure to these conditions. In the event of a market downturn, the Funds’ business has the potential to be affected in different ways. The Funds’ profitability can also be adversely affected by its fixed costs and the possibility that the Funds would be unable to scale back other costs within a time frame sufficient to match any decreases in net income relating to changes in market and economic conditions.



The Funds can also be affected by reduced opportunities to exit and realize value from their investments and by the fact that Wazee Street will not necessarily be able to find suitable investments for the Funds to effectively deploy capital. During periods of difficult market conditions or slowdowns in a particular sector, companies in which the Funds invest can experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies can also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due, including expenses payable to the applicable Fund. In addition, during periods of adverse economic conditions, a Fund is more likely to have difficulty accessing financial markets, which can make it more difficult or impossible for Wazee Street to obtain funding for additional investments and harm such Fund's assets under management and operating results. A general market downturn, or a specific market dislocation, can result in lower investment returns for a Fund, which would adversely affect its financial performance. Furthermore, such conditions would also increase the risk of default with respect to investments the Funds hold.

*Geopolitical Risks and Force Majeure.* An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. U.S. military actions around the globe; the threat or occurrence of terrorist attacks in the future; rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof); and the United States' military, economic and political responses to terrorism all can have material consequences on the U.S. and global economies. Wazee Street is not able to predict the extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events can have on investment objectives or the markets where an underlying Fund investment will be located. For example, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for certain commodities and could affect certain portfolio companies' financial results. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence has the potential to increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund's returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Additionally, the Funds or portfolio companies can be affected by force majeure events such as events beyond the control of the party claiming that the event has occurred including, without limitation, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some force majeure events may adversely affect the ability of a party, including a Fund, portfolio company or a counterparty to a Fund or a portfolio company, to perform its obligations until it is able to remedy the force majeure event. In certain circumstances,

a Fund or a portfolio company may be a party to a contract which does not provide a remedy in favor of the Fund or such portfolio company if a force majeure event occurs. In this event, the Fund or such portfolio company may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance can cause the Fund or such portfolio company to suffer economic loss, and such loss has the potential to be exaggerated if a force majeure event subsists for an extended period of time.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private fund industry. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds. Any such changes are expected to materially impact Wazee Street, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

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

Any Distress Event has a potentially adverse effect on the ability of Wazee Street to manage the Funds and their investments, and on the ability of Wazee Street, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees

and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of Wazee Street and/or the portfolio companies to make payroll, fulfill obligations and maintain operations. Although Wazee Street expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event Wazee Street determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “Custody Rule”), even if performed in the Firm’s best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

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

*Valuation Methodologies.* There is generally no readily ascertainable market prices for some of the illiquid investments of the Funds. When determining fair values of investments, Wazee Street intends to use the price determined by its prime broker and/or other brokers with whom Wazee Street has a relationship. When an investment is not priced by those sources, the fair value of the investment represents the value, as determined by Wazee Street in good faith, at which the investment could be sold in an orderly disposition over a reasonable period of time between willing parties other than in a forced or liquidation sale. There is no single standard for determining fair value in good faith and in many cases fair value is best expressed as a range of fair values from which a single estimate is derived. Wazee Street also considers a range of additional factors that it deems relevant, including the price at which the investment was acquired, the nature of the investment (such as whether it is a controlling interest), local market conditions, market prices for comparable securities and financing transactions and internal models that consider the current and expected operating performance and cash flows of the company in which the investment was made.

Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, can fluctuate over short periods of time and are based on estimates, determinations of fair value can differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for the Funds’ investments, there can be no guarantee that such quotations will reflect the value that the Funds would actually be

able to realize because of various factors, including possible illiquidity. Limited partners' capital can be adversely affected if the values of investments that a Fund records are materially higher than the values that are ultimately realized upon the disposal of the investments and changes in values attributed to investments from quarter to quarter can result in volatility in the Firm's assets under management; such changes can materially affect the results of operations that Wazee Street reports to limited partners from period to period. No assurance can be given that the investment values determined by Wazee Street from time to time will ultimately be realized.

Because there is significant uncertainty in the valuation of, or in the stability of the value of illiquid investments, the fair values of investments reflected in a Fund's net asset value do not necessarily reflect the prices that would actually be obtained by Wazee Street on behalf of a Fund when such investments are realized. Realizations at values significantly lower than the values at which investments have been reflected in prior net asset values would result in losses for such Fund(s) and the loss of potential Carried Interest and other fees.

Even if market quotations are available for Fund investments, there is a risk that such quotations will not necessarily reflect the value that could actually be realized because of various factors, including the possible illiquidity associated with a large ownership position, subsequent illiquidity in the market for a company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance.

In addition, because each General Partner will value some Fund's investments on a quarterly basis only, subsequent events that have a material impact on those valuations will generally not be reflected until the next quarterly valuation date.

*The Due Diligence Process that the Firm Undertakes in Connection with Fund Investments Will Not Necessarily Reveal All Relevant Facts in Connection with an Investment.* Before making investments, the Firm expects to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment and, in the case of private equity investments, to prepare a framework that can be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence, Wazee Street will typically evaluate a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. Outside consultants, legal advisers, accountants and investment banks are typically involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Firm will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process will at times be subjective with respect to newly organized companies for which only limited information is available. Accordingly, the Firm cannot be certain that the due diligence investigation that it carries out with respect to any

investment opportunity will reveal or highlight all relevant facts necessary or helpful in evaluating such investment opportunity. Wazee Street also cannot be certain that its due diligence investigations will result in investments being successful.

*High-Risk, Illiquid Assets.* The Funds hold investments in securities that are not publicly traded. In many cases, the Funds are prohibited by contract or by applicable securities laws from selling such securities for a period of time. The Funds will generally not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration is available. The ability of the Funds to dispose of investments is heavily dependent on the public equity markets. For example, the ability to realize any value from an investment can depend upon the ability to complete an initial public offering of the portfolio company in which such investment is made. Even if the securities are publicly traded, large holdings of securities can often be disposed of only over a substantial length of time, exposing investment returns to risks of downward movement in market prices during the intended disposition period. Accordingly, under certain conditions, the Funds can be forced to either sell securities at lower prices than it had expected to realize or defer sales that it had planned to make, potentially for a considerable period of time. Contributing capital to the Funds is risky, and limited partners can lose some or all of the principal amount of their investments.

*Control Positions.* In some cases, the Funds will assume control positions in certain of their portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations will potentially be ignored.

*Minority Positions.* The Funds hold investments that include securities of companies that the Firm does not control. Such instruments and securities are acquired by the Funds through trading activities or through purchases of securities from the issuer. In addition, the Funds on occasion acquire minority equity interests, particularly when sponsoring investments as part of a larger investor consortium and can also dispose of a portion of majority equity investments in portfolio companies over time in a manner that results in a Fund retaining a minority investment. Those investments will be subject to the risk that the company in which the investment is made will make business, financial or management decisions with which the Firm does not agree or that the majority stakeholders or the management of the company takes risks or otherwise acts in a manner that does not serve the Funds' interests. If any of the foregoing were to occur, the value of investments by a Fund can decrease and its financial condition, results of operations and cash flow could suffer as a result.

*Non-United States Exposure.* The Funds are permitted to invest in companies with operations outside of the United States. Investing in companies with operations outside of the United States, particularly in countries characterized as having emerging markets, involves risks and considerations that are not typically associated with investments in companies established in the United States. These risks include the possibility of exchange control regulations, political and social instability, nationalization

or expropriation of assets; the imposition of non-U.S. taxes; less liquid markets; reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms; adverse fluctuations in currency exchange rates; higher rates of inflation; less available current information about an issuer; higher transaction costs; less government supervision of exchanges, brokers and issuers; less developed bankruptcy laws; difficulty in enforcing contractual obligations; lack of uniform accounting, auditing and financial reporting standards; less stringent requirements relating to fiduciary duties; fewer investor protections; and greater price volatility.

Although the Firm expects most of the Funds' capital commitments to be denominated in U.S. dollars, investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Firm can employ hedging techniques to minimize these risks, but Wazee Street can offer no assurance that such strategies will be effective. If a General Partner engages in hedging transactions, it is possible the respective Fund will be exposed to additional risks associated with such transactions.

*Investments in Junior Securities.* The companies in which a Fund invests are expected to have outstanding indebtedness or equity securities that rank senior to such Fund's investment. By their terms, such instruments can provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of a Fund's investment. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of securities ranking senior to a Fund's investment would typically be entitled to receive payment in full before distributions can be made in respect of a Fund's investment. After repaying senior security holders, there can be no guarantee that the company will have any remaining assets to use for repaying amounts owed in respect of a Fund's investment. To the extent that any assets remain, holders of claims that rank equally with a Fund's investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets. Also, during periods of financial distress or following an insolvency, the ability of the Firm to influence a company's affairs and to take actions to protect the Funds' investments can be substantially less than that of the senior creditors.

*Concentration of Investments.* Each Fund is expected to hold a limited number of investments, resulting in a fairly concentrated portfolio with limited diversification. Additionally, the Governing Documents contain only limited investment restrictions and only limited requirements as to diversification of Fund investments, either by geographic region or asset type. During periods of difficult market conditions or slowdowns in these sectors or geographic regions, decreased revenues, difficulty in obtaining access to financing and increased funding costs can be exacerbated by this concentration of investments, which can result in lower investment returns.

*Derivative Instruments Generally.* The Funds directly or indirectly use various derivative instruments primarily for hedging purposes. Use of derivative instruments presents various risks, which include the following:

*Tracking.* When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged can prevent the Funds from achieving the intended hedging effect or expose the Funds to the risk of loss.

*Liquidity.* Derivative instruments, especially when traded in large amounts, are not necessarily liquid in all circumstances, so that it is possible that in volatile markets the Funds will not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which a Fund conducts its transactions in derivative instruments can prevent prompt liquidation of positions, subjecting such Fund to the potential of greater losses.

*Counterparty and Credit Risk.* To the extent that contracts for investment are entered into between a Fund and a market counterparty as principal (and not as agent), such Fund will be exposed to the risk that the market counterparty will, in an insolvency or similar event, be unable to meet its contractual obligations to such Fund.

Because certain purchases, sales, hedging, financing arrangements (including the lending of portfolio securities) and derivative instruments in which the Funds are permitted to engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, the Funds will be subject to the risk that a counterparty will not perform its obligations under the related contracts. Although the Funds intend to pursue their remedies under any such contracts, there can be no assurance that a counterparty will not default and that the Funds will not sustain a loss on a transaction as a result. The Funds will also be subject to the risk that a decrease in the net asset value of a Fund resulting from portfolio performance, distributions or both, can result in such Fund defaulting under such contracts and losses to the applicable Fund.

*Risk Management Activities Can Adversely Affect the Returns on the Funds' Investments.* When managing the Funds' exposure to market risks, Wazee Street is permitted from time to time use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit the Funds' exposure to changes in the relative values of investments that can result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices. The success of any hedging or other derivative transactions generally will depend on the Firm's ability to correctly predict market changes, the degree of correlation between price movements of a derivative instrument and the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while Wazee Street is authorized to enter into a transaction in order to reduce a Fund's exposure to market risks, the transaction can result in poorer overall investment performance than if it had not been executed. Such transactions also have the potential to limit the opportunity for gain if the value of a hedged position increases.

*Borrowings; Leverage.* The Funds are permitted to borrow money to (i) pay Fund expenses and (ii) provide interim funds required to consummate an investment in advance of issuing a drawdown notice for such purpose. With respect to fund-level borrowing generally, prospective limited partners should note that calculations of (a) net IRR in respect of investment and performance data with respect to the Funds, as reported to limited partners from time to time, are based on the payment date of capital contributions received from limited partners and (b) gross IRR in respect of investment and performance data included and/or referred to in the Governing Documents and with respect to the Funds, as reported to limited partners from time to time, are based on the date on which the relevant investment was made (including where the relevant investment was made using the proceeds of borrowings prior to the receipt of capital contributions from limited partners). This treatment also applies in instances where a Fund utilizes borrowings under a credit facility in advance of receiving capital contributions from limited partners to repay any such borrowings and related interest expense. As a result, use of a subscription-based credit facility (or other leverage) with respect to investments can generate a higher reported IRR for the limited partners than if the facility had not been utilized and instead the limited partners' capital had been contributed at the inception of an investment, which can present conflicts of interest as a result of certain factors, including the interest rate on such borrowings typically being less than the rate of the preferred return and that such preferred return does not accrue on such borrowings but will accrue when capital contributions are made as described in the Governing Documents. As a result, use of such leverage arrangements with respect to portfolio investments can reduce or eliminate the preferred return received by the limited partners and accelerate or increase distributions of Carried Interest to a General Partner, providing the General Partner with an economic incentive to use such borrowings. The General Partners therefore have a conflict of interest in deciding whether to borrow funds because a General Partner has the potential to receive disproportionate benefits from such borrowings and can be deemed to benefit during fundraising from the enhanced IRR. Subject to the limitations in the Governing Documents, the use of a credit facility by a Fund is within the relevant General Partner's discretion. It is expected that costs to limited partners of a Fund maintaining a credit facility and drawing down on it will be material and there can be no guarantee that the benefit to the limited partners of such Fund using a credit facility will be commensurate with the costs.

*Other Security Investments.* The Funds are permitted to from time to time undertake other kinds of investments, including, without limitation, emerging market debt securities, private debt or equity securities, convertible securities, warrants and futures and options with respect to securities, which involve special risks. Futures and options involve risks of pricing differences between the market value of the underlying securities and the futures and options and a possible lack of a liquid secondary market for a futures or options contract, and the resulting inability to close a futures or options position, which could adversely affect the Funds. Risk arbitrage is subject to high risk because of the uncertainty of the outcome of an arbitrage situation, which can depend on the outcome of litigation, changes in the terms of a transaction or regulatory developments or actions. If a General Partner's evaluation of an anticipated outcome of an arbitrage situation should prove incorrect, the associated Fund could experience substantial losses as a result of a decline in the market value of securities in



which such Fund holds a long position or an increase in the value of securities in which such Fund holds a short position or both.

*Regulated Industries.* The Funds are subject to certain restrictions when making or considering investments in regulated industries (e.g., banking, insurance, gaming or communications). These restrictions include, for example, limits on the size of the investment that can be made absent regulatory approval or licensure. Failure to comply with these restrictions can cause a Fund and/or its limited partners to suffer disadvantageous effects. Accordingly, the Firm will, on occasion, determine to impose restrictions or limitations on a Fund's investments in certain regulated industries, such as restricting or limiting certain transactions or the exercise of certain of a Fund's rights, limiting the amount of voting securities purchased for the Fund or restricting the governance rights the Fund possesses or exercises in connection with such investments.

*Short Sales.* The Funds are permitted to sell securities short. Selling securities short runs the risk of losing an amount greater than the amount invested. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security can appreciate before the short position is closed out. A short sale can result in a sudden and substantial loss if, for example, an acquisition proposal is made for the subject company at a substantial premium over market price. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Funds can be subject to losses if a security lender demands return of the borrowed securities and an alternative lending source cannot be found or if the Funds are otherwise unable to borrow securities that are necessary to hedge their positions.

*Wazee Street's Capital Commitments Can be Funded by Borrowings.* In certain cases, affiliates of the General Partners are expected to fund all or a portion of their requisite capital commitments through draws on a credit facility or other borrowings. To the extent a person who is funding all or a portion of their capital commitment defaults under the relevant loan documents or is otherwise precluded from borrowing additional funds, that person will potentially be unable to fund their capital commitment.

*Co-Investments with Third Parties.* Under appropriate conditions the Funds are expected to co-invest with third parties through joint ventures or other entities. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer or partner of the Funds will at any time have economic or business interests or goals which are inconsistent with those of the Funds or will be in a position to take action contrary to the Funds' investment objectives. In addition, in certain circumstances the Funds can be liable for actions of its co-venturers or partners.

*Financial Fraud at Portfolio Companies and in the Market Generally.* Instances of fraud and other deceptive practices committed by senior management of certain companies in which the Funds invest can undermine Wazee Street's due diligence efforts with respect to such companies and, if such fraud is discovered, negatively affect the valuation of a Fund's investments. In addition, financial fraud can contribute to overall market volatility, which can negatively impact a Fund's investment program.

*Interest Rate Fluctuations.* The prices of portfolio investments tend to be sensitive to interest rate fluctuations, and unexpected fluctuations in interest rates can cause the corresponding prices of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs to the Funds of borrowed securities and leveraged investments.

*Changes in the Law.* Amendments to the U.S. Bankruptcy Code, the Code or other relevant laws, the application of recently enacted legislation, as well as a reversal of established precedent by a bankruptcy or other court could alter an expected outcome or introduce greater uncertainty regarding the likely outcome of an investment situation.

*Recent Market Events; Government Regulation and Changes in Law.* In response to severe global market volatility and dislocations, financial institution failures and defaults, and large financial frauds over the past decade, U.S. and non-U.S. governments have enacted or will potentially in the future enact various regulations that can impact the Funds, their investments and their opportunities. New regulations, changing regulatory schemes and the burdens of regulatory compliance can have a material negative impact on the performance of the Funds. Such government actions can lead to diminished investment opportunities for a Fund, prevent Wazee Street from successfully executing the Funds' investment strategy, cause the Firm to alter a Fund's investment strategies, or require a Fund to dispose of investments at a loss.

In addition, changes in U.S. federal, state or foreign tax, securities or bankruptcy laws, or in accounting standards can make corporate restructurings or other transactions less desirable or make risk arbitrage less profitable. Amendments to the U.S. Bankruptcy Code, non-U.S. bankruptcy laws or other relevant laws can also alter an expected outcome or introduce greater uncertainty regarding the likely outcome of an investment situation.

*Use of Alternative Investment Vehicles.* To the extent necessary to address legal, regulatory, tax or other similar considerations, Wazee Street has the authority to structure, and to cause limited partners to participate in, particular investments through alternative investment vehicles. While the economic and other substantive provisions governing any alternative investment vehicle are intended to be materially the same as those of the Funds in light of the tax, regulatory or similar objectives sought to be achieved, the rights of the limited partners in, and the obligations and duties of Wazee Street as manager of, the alternative investment vehicle can differ from those applicable to the Funds by virtue of the specific terms, or jurisdiction of establishment, of the alternative investment vehicle. In addition, the structural attributes of certain alternative investment vehicles can result in divergent return characteristics for certain investors.

*Investments Longer than Term.* It is possible the Funds will make investments which are not able to be advantageously disposed of prior to the date a Fund is dissolved, either by expiration of the relevant Fund's term or otherwise. Although Wazee Street expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the Firm has a limited ability to extend the term of the Funds, a Fund may have to sell, distribute or otherwise dispose of investments

at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the time frame in which the winding-up and the final distribution of proceeds to the limited partners will occur.

*Tax Risks.* An investment in the Funds involves complex federal income tax considerations that will differ for each limited partner. Under certain circumstances, the limited partners could be required to recognize taxable income in a taxable year for federal income tax purposes, even if a Fund makes no cash distributions in such year or makes a cash distribution in such year in an amount less than such amount of taxable income. In addition, the Funds are permitted to invest in securities of corporations and other entities organized outside the United States. Income from such investments included in a limited partner's distributive share of the Funds' income related to such investments can be subject to non-U.S. withholding taxes, which in certain cases can be reduced or eliminated by an income tax treaty. Furthermore, special tax rules apply to non-US investments and tax-exempt investors.

### **Potential Conflicts of Interest**

*Conflicting Interests.* The Funds are likely to have a diverse range of limited partners that have conflicting interests stemming from differences in investment preferences, tax status and regulatory status. The Firm will consider the objectives of the respective Fund as a whole and no one individual limited partner when making investment decisions with respect to the selection, structuring and sale of portfolio investments. However, such decisions can be more beneficial for one limited partner than for another limited partner depending upon the facts and circumstances.

Moreover, no limited partner will have the right to participate in any profits, income or business opportunities accruing or presented to Wazee Street or its affiliates other than the investments made through and on behalf of the Funds.

*Other Investment Vehicles and Investment Advisory Relationships.* Wazee Street and its affiliates carry on investment activities for multiple Funds. While the investment activities of the Funds are similar, one Fund will not share in the risks or rewards of another Fund. However, the Funds will compete with each other for the time and attention of Wazee Street and its affiliates, thereby creating additional conflicts of interest. For example, other investment activities may in the future include investment strategies that are substantially different from, and potentially opposed to, the strategies implemented for the Funds. It is also possible that one Fund will experience substantial profits while another Fund does not. Furthermore, future investment activities by Wazee Street and its affiliates, including the establishment of other investment funds, can give rise to additional conflicts of interest. The officers and key employees of the General Partners and Wazee Street will not necessarily have or can terminate employment agreements, and the loss of the services of one or more of them is likely to have a material adverse effect on the Funds. In addition, unless restricted by the Governing Documents or Wazee Street's policies, Wazee Street personnel are permitted to serve on boards or act in other roles unaffiliated with Wazee Street, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. Such companies are not portfolio

companies of a Fund and, as a result, any compensation received by an employee is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or limited partners.

*Allocation of Trading Opportunities by Wazee Street.* Wazee Street and its affiliates shall act in a manner that they consider fair, consistent and equitable in allocating investment opportunities to the Funds and other Wazee Street investment vehicles or accounts, but are not otherwise subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Funds or any restrictions on the nature or timing of investments for other investment vehicles, funds or accounts which Wazee Street or its affiliates manage or advise (collectively, the “Other Accounts”). In allocating investment opportunities among the Funds and the Other Accounts, Wazee Street will act in good faith and will consider factors reasonably appropriate for such determinations, including, but not limited to, investment strategies, relative exposure to an investment, the nature of the investment, investment time frames and other similar factors. Wazee Street’s professionals are not obligated to devote any specific amount of time to the affairs of the Funds, and the General Partners, Wazee Street and their affiliates are not required to accord exclusivity or priority to a Fund in the event of limited investment opportunities.

When Wazee Street determines that it would be appropriate for both a Fund and any Other Account to participate in, or sell, an investment opportunity, Wazee Street will seek to execute orders for all of the participating accounts on an equitable basis. If Wazee Street has determined to trade in the same direction in the same security at the same time for a Fund and any Other Account, Wazee Street is authorized to combine one Fund’s order with orders for any Other Accounts and, if all such orders are not filled at the same price, the Fund’s order will generally be filled at an average price, which normally will be the same average price at which contemporaneously entered orders are filled on that day. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, Wazee Street will allocate the trades among the different accounts on a basis that it considers equitable and which will not necessarily be pro rata among the participating accounts. Situations can occur where the Funds could be disadvantaged because of the various other activities conducted by Wazee Street.

*Potential Conflicts in Calculation of Certain Fund Costs and Expenses.* The Governing Documents provide that the Funds will be responsible for all costs and expenses in connection with its operation, other than the costs and expenses that will be the responsibility of the relevant General Partner or Wazee Street. The applicable General Partner will in good faith seek to ensure that expenses are properly allocated between Wazee Street, the General Partners and the Funds. The Funds will be reliant on the determinations of Wazee Street in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as between a Fund and other investment vehicles managed by Wazee Street and any other affiliates of Wazee Street. Where it deems appropriate, Wazee Street consults with the advisory committees, compliance consultants and/or outside counsel when making such determinations.

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

Additionally, Wazee Street and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses often result in "miles" or "points" or credit in loyalty/status programs to Wazee Street and/or its employees, and such rewards or amounts will exclusively benefit Wazee Street and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its limited partners, or the portfolio companies.

*Allocation of Co-Investment Opportunities.* On occasion, Wazee Street offers co-investment opportunities for investment alongside a Fund in an investment, including to limited partners, strategic investors, affiliates of Wazee Street or third parties, the terms of which will be determined by the Firm and are expected to differ from the terms of the Funds. Such potential co-investors will generally also not bear broken deal expenses, in which case the full amount of such expenses would be borne by the relevant Fund. Wazee Street has entered into an agreement with one limited partner in Fund V granting the limited partner co-investment rights for certain investment opportunities offered in Fund V. In connection with such co-investment, the Fund V General Partner, together with its employees, principals or other investment professionals, directly or through one or more affiliated entities ("GP Related Parties") are required to participate alongside the limited partner in any co-investments consummated by such investor. GP Related Parties do not pay Management Fees or Carried Interest on such co-investments.

*Related Party Transactions with Regard to Certain Investments.* A portfolio company of one Wazee Street Fund is managed by the Chief Investment Officer. The Fund is the sole investor in the portfolio company. The Chief Investment Officer receives no compensation nor has any direct ownership of the portfolio company.

*Cross Trades.* Wazee Street is permitted to cause a Fund to purchase securities from or sell securities to Other Accounts when Wazee Street believes such transactions are appropriate and in the best interests of such clients and subject to U.S. securities laws. In the event Wazee Street wishes to reduce the investment of one or more of such clients in a security and increase the investment of other clients in such security, it can effect such transactions by directing the transfer of the securities between clients. Any incremental costs and expenses associated with any such investment will be borne by all such clients (including a Fund) on a pro rata basis. In addition, Wazee Street is permitted to recommend that a Fund purchase or sell an investment that is being sold or purchased, respectively, at the same time by Wazee Street, an affiliate or an Other Account. From time to time, a Fund is permitted to sell or purchase investments to or from another Fund.

*Principal Trades.* Wazee Street or its affiliates is permitted to enter into “principal transactions” with a Fund within the meaning of Section 206(3) of the Advisers Act in which any of Wazee Street or its affiliates act as principal for its own account (which can arise in situations where a commingled Fund is considered a proprietary account for these purposes due to Wazee Street’s ownership percentage in such Fund) with respect to the sale of a security to or purchase of a security from a Fund. Principal transactions and other significant transactions between a Fund and Wazee Street or its affiliates will be done in compliance with applicable law. Such transactions can be submitted to an advisory committee of the relevant Fund (which will be comprised of members representing limited partners unaffiliated with Wazee Street) or a majority in interest of the limited partners where approval is required by law or pursuant to the policies and procedures adopted by Wazee Street. In analyzing such transactions, Wazee Street will have a conflict between acting in the best interests of the Funds and assisting itself or its affiliate by selling or purchasing a particular security.

*Industry Relationships.* As with other private fund managers, as part of Wazee Street’s business, Wazee Street and its employees have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include, but are not limited to, investment bankers, consultants, restructuring advisors (such as attorneys and accountants), turnaround specialists, private equity and hedge fund investors, limited partners, co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees of Wazee Street. It is expected that certain of such third parties will introduce investment opportunities to Wazee Street, arrange for, or facilitate the financing or recapitalization of potential portfolio companies or other portfolio investments, introduce portfolio companies to potential acquisition or merger candidates, facilitate the disposition of portfolio company securities or other portfolio investments, provide investment banking, consulting or advisory services to Wazee Street and its affiliates, the Funds or portfolio companies, invest in the Funds, co-invest in portfolio companies or other portfolio investments, or provide other significant business, investment or other services to Wazee Street and its affiliates, the Funds and portfolio investments. It is possible that such third parties will receive direct commercial compensation from a portfolio company, a Fund or Wazee Street for providing these services, which compensation and services are intended to be on arm’s length terms. Employees of Wazee Street on occasion obtain personal financial and other services on an arm’s length basis from banking institutions that also provide services to the Funds and portfolio companies. Wazee Street

seeks to assure that such transactions are conducted on an arm's length basis and at prevailing market rates and that service providers are chosen based on their ability to benefit the Funds and their portfolio investments. However, no guarantee can be made that such procedures will prevent actions which are to the detriment of the Funds.

*Strategic Relationships with Certain Limited Partners.* As mentioned in Item 4 above, Wazee Street has minority owners that are not large enough to be reported on the Firm's Form ADV Part 1. These investors do not have authority over the day-to-day operations or investment decisions of Wazee Street as they relate to the Funds and do not maintain a seat on any Fund advisory committees. These investors pay full Management Fees and full Carried Interest in the Wazee Street Funds in which they are invested. In addition, and separate from the above, an investor and advisory committee member of one Fund participates in the Carried Interest of a Fund in which it is not invested. Finally, an investor and advisory committee member in one Fund has been granted co-investment rights for that Fund as well as has negotiated for a perpetual interest in Wazee Street revenues.

There is the potential for conflicts of interest in these arrangements were Wazee Street to hold a vote of limited partners for a given Fund in which Wazee Street's interests as investment manager have the potential to diverge from those of the Fund's limited partners. Examples of such conflicts include, but are not limited to, decisions to extend a given Fund life and the potential to continue paying Management Fees during such extension, to dissolve a given Fund, to agree to the payment of additional fees to the investment manager, or to remove a given Fund's General Partner for cause.

Wazee Street believes the risk of these and other conflicts of interest are mitigated by the fact that the limited partners' ownership and financial exposure, respectively, to Wazee Street as limited partners is far greater than their exposure as owners of Wazee Street or as participants in Wazee Street revenues, respectively.

*Material Non-Public Information.* From time to time, Wazee Street or its employees may come into possession of material non-public information concerning specific companies. Under applicable securities laws, this can limit Wazee Street's flexibility to buy or sell portfolio securities issued by such companies. The Funds' investment flexibility can be constrained as a consequence of Wazee Street's inability to use such information for investment purposes. Alternatively, Wazee Street and its affiliates can decline to receive material non-public information which it is entitled to receive on behalf of the Funds or other clients, in order to avoid trading restrictions for the Funds as well as Other Accounts, even though access to such information might have been advantageous to the Funds and other market participants are in possession of such information.

*Service Providers.* Certain service providers (or their affiliates), including lenders, brokers, attorneys, consultants, custodians and investment banking firms to the Funds or their portfolio companies also have relationships with, or have provided goods or services to members of Wazee Street's team or to organizations in which they have an interest. Wazee Street may choose to engage or seek to have engaged the same service providers to provide services to the Funds, the portfolio companies or to Wazee Street and its affiliates. In some cases, these service providers provide services for one or more

of these parties on terms that are more beneficial than those afforded to other of these parties. There can be no guarantee that the Funds or any of their portfolio companies will receive the most beneficial terms offered by any particular service provider. These services and relationships, or more favorable terms offered by service providers for certain work or to certain of the Funds, other investment vehicles managed by Wazee Street, the portfolio companies of the foregoing or to Wazee Street and its affiliates, have the potential to influence Wazee Street in deciding whether to select such a provider to perform services for such parties.

*Advisory Committee.* As provided for by the Governing Documents, the Firm is permitted to consult with the advisory committees with respect to certain conflicts of interest. The members of the advisory committees may have other professional obligations such as senior executive, supervisory or board positions, which are not related to the Funds or their portfolio companies. Therefore, conflicts of interest may arise in allocating time, services or functions among the Funds and the time required for these other obligations. Furthermore, in connection with any matter presented to an advisory committee for consideration, advisory committee members generally will be acting in respect of their own interests and are not required to take into consideration the interests of any other limited partners. There is also a conflict of interest in that not all limited partners are asked to join an advisory committee.

*Data and Information.* Wazee Street receives and generates various kinds of data and other information, including information related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information allows Wazee Street to better anticipate macroeconomic and other trends and otherwise develop investment strategies. As a result, Wazee Street may gain industry, sector and other general expertise and knowledge in connection with a company that will benefit a different Fund. In such circumstances where the benefitting company is in another Fund, one Fund will have borne the cost for value that will benefit the other. It is possible that Wazee Street will in certain instances use this information in a manner that would provide a material benefit to, or present a conflict of interest between, Wazee Street, its affiliates, or to certain other Funds or limited partners without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, Wazee Street has an incentive to pursue investments in companies based on the data and information expected to be received or generated.

*Research Costs for Investments.* Wazee Street expects that there will be circumstances when it considers a portfolio investment on behalf of the Fund and determines not to make such portfolio investment; however, Wazee Street could eventually cause a successor Wazee Street Fund to make such investment. In these circumstances, Wazee Street or such Wazee Street Fund may benefit from research undertaken by the original investment team and/or from costs borne by the Fund in pursuing the potential investment, but such Wazee Street Fund will not be required to reimburse the Fund for expenses incurred in connection with such research.

*Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements.* The Governing Documents of each Fund and related documents are detailed agreements that establish complex



arrangements among Wazee Street, the limited partners, the Fund, the General Partner and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While Wazee Street will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel and or the advisory committee), the interpretations Wazee Street adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their limited partners.

#### **Item 9 – Disciplinary Information**

Like other registered investment advisers, Wazee Street is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor's evaluation of Wazee Street or the integrity of Wazee Street's management. Wazee Street and its management persons have not been subject to any material legal or disciplinary events applicable to this Item.

On occasion, in the ordinary course of its business, Wazee Street, the Funds, or the Funds' portfolio companies (or their respective directors and executive officers) are named as defendants in a legal action. Although there can be no assurance of the outcome of such legal actions, Wazee Street does not believe that any current legal proceedings or claims to which Wazee Street, the Funds, or the Funds' portfolio companies (or their respective directors and executive officers) are a party would individually or in the aggregate materially affect a limited partner's or prospective limited partner's evaluation of the Firm or the integrity of the Firm's management.

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

Neither Wazee Street nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing. One of the General Partner's qualifies for an exemption from registration as a commodity pool advisor with the CFTC pursuant to Regulation 4.14(a)(8) and as a commodity pool operator pursuant to Regulation 4.13(a)(3).

Wazee Street does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading adviser, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business or to its Funds or its limited partners. Wazee Street has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, fund administration, custodial, banking,

investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to the principals, the Funds or their portfolio companies. Additionally, some of these professionals are limited partners in Wazee Street Funds, either personally or through their company.

As described above in Item 4, Wazee Street is affiliated with the Funds' General Partners which are deemed registered with the SEC under the Advisers Act pursuant to Wazee Street's registration. These General Partners together with Wazee Street operate as a single advisory business and serve as the General Partner, affiliate or managing members of private investment funds and other pooled vehicles and share common owners, officers, partners, employees, consultants, or persons occupying similar positions. These General Partners do not have employees of their own.

From time to time, Wazee Street receives training, information, promotional materials, meals, entertainment, gifts or other perquisites from vendors and others with whom it does business or to whom it makes referrals. However, at no time will Wazee Street accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing individual Fund transactions to a specific investment, product or provider. Similarly, Wazee Street employees have in the past, and expect in the future, to speak at and attend conferences and programs for potential investors interested in investing in private funds and other industry events that are sponsored by various broker-dealers, custodians or others. Through such capital introduction and other events, prospective limited partners have the opportunity to meet with Wazee Street. Neither Wazee Street nor any Fund compensates these investment bankers, broker-dealers or others for investments ultimately made by prospective limited partners attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

Wazee Street does not recommend or select other investment advisers for the Funds.

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

### **Code of Ethics and Personal Trading**

Pursuant to Rule 204A-1 of the Advisers Act, Wazee Street has adopted a written code of ethics ("Code of Ethics") that sets forth standards of conduct expected of supervised persons and addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. The Code of Ethics requires all supervised persons to place Fund interests ahead of the Firm's interests and to maintain full compliance with the federal securities laws. With respect to third parties that are not subject to the trading restrictions under Wazee Street's Code of Ethics and that may otherwise obtain sensitive and nonpublic information relating to a Fund deal (*e.g.*, co-investors, legal, financial, prime brokers, administrators and other similar service providers), such persons typically are subject to contractual provisions in confidentiality agreements or professional obligations that prohibit the misuse of any such information.

Supervised persons are required to certify their compliance with the Code of Ethics upon hire and on an annual basis. Supervised persons who violate the Code of Ethics will be subject to remedial actions, including, but not limited to, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

The personal trading policy for Wazee Street supervised persons is set forth in Wazee Street's Code of Ethics and is acknowledged as received and understood by each supervised person. Wazee Street's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by a supervised person and that supervised persons do not misappropriate any benefit properly belonging to a Fund.

Wazee Street's supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding publicly traded securities or communicating material non-public information about such securities to others. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Wazee Street maintains a restricted list of issuers about which it has or may have material non-public information. Supervised persons are permitted to make securities transactions in their personal accounts, subject to certain limitations. Pre-clearance is required by supervised persons and their covered family members for certain personal securities transactions, including trading in restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to file certain reports and link certain brokerage accounts to Wazee Street's compliance software to enable monitoring of personal trading by the Chief Compliance Officer.

The principals and employees of Wazee Street will occasionally carry on investment activities for their own account and for family members or others, and in connection therewith, can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds. In addition, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds. All such employee private investments are subject to pre-approval and/or review by the Chief Compliance Officer.

Limited partners can request a copy of the Firm's Code of Ethics by contacting its Chief Compliance Officer, Kayla Kreuzberger, at (303) 645-9300 or [kayla@wazeestreetcapital.com](mailto:kayla@wazeestreetcapital.com).

### **Participation in Client Transactions**

Certain Wazee Street employees and their family members have invested in the Funds either through the General Partner and/or as Fund limited partners. In addition, one of the Fund V limited partners required as a condition of investment that the Fund V General Partner make a small investment into the limited partner's co-investment Fund, Fund V Splitter. As mentioned in Item 5 above, Wazee Street generally reduces or waives the Management Fee and Carried Interest related to investments

held by employee limited partners. Wazee Street does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of limited partners in the Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. Wazee Street will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of Wazee Street's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future fund or Wazee Street or a Fund General Partner purchasing the interest of an existing limited partner. Cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of Wazee Street's business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to Wazee Street.

In the event Wazee Street were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory committee or limited partners, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

### **Conflicts of Interest**

The Governing Documents of each Fund include a description of what Wazee Street believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

## Item 12 – Brokerage Practices

### Selection or Recommendation of Broker-Dealers

Wazee Street is authorized to determine the broker or dealer to be used for each securities transaction for its Funds. Transactions for the Funds are allocated to broker-dealers on the basis of best execution available in light of the overall quality of brokerage, prime brokerage, financing and other services provided. In selecting broker-dealers to execute transactions, Wazee Street will consider the following factors, among others: (i) Wazee Street's experience in evaluating the broker-dealer's reliability and capability based on previous and pending transactions effected by the broker-dealer for Wazee Street; (ii) the broker-dealer's execution capabilities with respect to the relevant type of order and access to the markets for the securities being traded (*i.e.*, actual execution); (iii) the commissions charged; (iv) the ability of the broker-dealer to locate liquidity and minimize market impact; (v) confidentiality considerations; (vi) the broker-dealer's financial strength and responsiveness; (vii) the amount of business with each broker-dealer and the justification for directing trades to those broker-dealers, such as the quality of research provided by the broker-dealer; (viii) the gross compensation paid to each broker-dealer and the transaction costs incurred; (ix) the broker-dealer's familiarity both with the investment practices generally and the techniques employed by Wazee Street; (x) statistics or other information by independent consultants on the relative quality of executions/financial services of each broker-dealer; (xi) the financial strength and stability (net capital) of each broker-dealer; (xii) the broker-dealer's ability to respond promptly to inquiries during volatile markets; (xiii) and the broker-dealer's expertise in the particular markets and its general reputation and ability to execute an order in an appropriate time frame (*i.e.*, the overall responsiveness of the broker-dealer, as expressed in how well the broker-dealer serves Wazee Street). Wazee Street need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Due to the nature of distressed debt, including the lack of transparency of holders and the infrequency of trades, it can be very difficult to ascertain best execution. Often, brokers are seeking buyers or sellers in a very limited market and price negotiations, in which the Firm is always involved, are extensive. Therefore, the most relevant factor for the Firm in selecting a broker or dealer is actual execution.

Each Fund's securities transactions generate brokerage commissions and other compensation, all of which the respective Fund, not Wazee Street, will be obligated to pay. Wazee Street has complete discretion in deciding which broker-dealers each Fund will use and in negotiating the rates of compensation a Fund will pay. Although Wazee Street will make a good faith determination that the amount of commissions paid to a broker-dealer is reasonable in light of the products or services provided by the broker-dealer, commission rates are generally negotiable and as noted above, distinct in the distressed debt markets, and thus, selecting broker-dealers on the basis of considerations that are not limited to the applicable commission rates can result in higher transaction costs than would otherwise be obtainable.

Broker-dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by a broker-dealer has the potential

to be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker-dealer is not excluded from receiving business because it has not been identified as providing research services.

### **Research and Other Soft Dollar Benefits.**

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a “safe harbor” that permits an investment manager to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Wazee Street is permitted under the terms of the Governing Documents to use permitted research and brokerage services under Section 28(e). Wazee Street limits the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e). Permitted research and brokerage services within Section 28(e) include, but are not limited to: (i) advice as to the value of securities and the advisability of investing, purchasing or selling securities; (ii) analysis and reports concerning issuers, securities, economic factors and trends, portfolio strategy and performance of accounts; (iii) research reports analyzing the performance of a particular company or stock; (iv) discussions with research analysts relating to the advisability of investing in securities; (v) meetings with corporate executives to obtain oral reports on the performance of a company; (vi) seminars or conferences that provide substantive content relating to issuers, industries and securities; (vii) software that provides analyses of securities portfolios or algorithmic trading strategies, or is used to transmit orders or account data; (viii) corporate governance research if reporting or analyzing issuers; (ix) financial newsletters and trade journals that are not targeted to a wide, public audience; (x) effecting securities transactions and performing functions incidental to such transactions, such as clearance, settlement, net pricing, online pricing, block trading, block positioning; or (xi) post-trade communications and activities, including settlement instructions to custodians, matching of information and short-term custody.

In some instances, Wazee Street will receive a product or service that is used only partially for functions within Section 28(e) (*e.g.*, an order management system or trade analytical software). In such instances, Wazee Street will make a good faith effort to determine the relative proportion of the product or service used to assist Wazee Street in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting Wazee Street in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Wazee Street from its own resources.

The receipt of such products or services and the determination of the appropriate allocation in the case of “mixed use” products or services can create a potential conflict of interest between Wazee Street and its Funds. The use of client brokerage commissions to obtain research or other products and services is a benefit to Wazee Street as it does not require Wazee Street to produce or pay for such research, products or services. As a result, Wazee Street has an incentive to select specific broker-

dealers based on a Fund's interests in receiving the research or other products and/or services rather than basing decisions on a Fund's interest in receiving the most favorable execution. In addition, it is possible that soft dollar benefits are not proportionately allocated to each Fund that pays the actual commissions that generate the soft dollars. Finally, research and brokerage services obtained by the use of commissions arising from a Fund's portfolio transactions can be used by Wazee Street in its other investment activities and thus, in such circumstances, a Fund will not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. The availability of these non-monetary benefits could influence Wazee Street to select one broker-dealer rather than another to perform services for the Wazee Street Funds.

During the last fiscal year, the Firm acquired products and services with client brokerage commissions similar, but not limited to, the following: (i) research, such as proprietary research from broker-dealers, in either written and/or oral form; (ii) research products, such as databases and quotation services; (iii) research services, such as research concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; pricing data and availability of securities; financial publications; electronic market quotations; performance measurement services; analyses concerning specific securities, companies, industries or sectors; market, economic and financial studies and forecasts; appraisal services; (iv) invitations to attend conferences or meetings with management or industry consultants; and (v) execution services to effect securities transactions as eligible brokerage.

During the last fiscal year, the Firm has taken into account the quality, comprehensiveness and frequency of available research services and products considered to be of value provided by broker-dealers when directing client transactions to a particular broker-dealer. Wazee Street directed transactions to such broker-dealers only consistent with best execution.

### **Brokerage for Client Referrals**

On occasion, Wazee Street places transactions with a broker or dealer that (i) provides it (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds, if otherwise consistent with seeking best execution. In such circumstances, Wazee Street is not selecting the broker-dealer solely in recognition of the opportunity to participate in such capital introduction events or the referral of investors. Neither Wazee Street nor any Fund separately compensates any broker-dealer for any of these other services.

### **Directed Brokerage.**

Wazee Street does not engage in directed brokerage transactions.

### **Trade Aggregation.**

Wazee Street aggregates the purchase or sale of securities for its Funds' accounts when to do so is in the Funds' best interest. In such circumstance, the Firm will generally allocate on a pro rata basis

among Funds, unless investment restrictions or investment guidelines otherwise require, subject to minimum share order quantities and other appropriate factors such as the leveling of accounts, client tax profiles and the timing of capital flows.

### **Item 13 – Review of Accounts**

The investment portfolios of each Fund are generally illiquid and long-term in nature and accordingly Wazee Street’s review of them is not directed toward a short-term decision to dispose of securities. Wazee Street closely monitors the portfolio companies of its Funds and maintains an ongoing oversight position in such portfolio companies. The Chief Investment Officer and other investment professionals of Wazee Street regularly review the portfolio companies’ legal, financial and operational fundamentals. In addition, Kayla Kreuzberger, Chief Compliance Officer, reviews records of trades placed for the Funds and the overall portfolio on a regular basis. Reviews on an other-than-periodic basis would occur in the event of performance anomalies and market volatility.

Wazee Street provides to limited partners on behalf of its Funds the following written reports: (i) annual audited financial statements prepared in accordance with United States generally accepted accounting principles (“GAAP”) as promulgated by the Financial Accounting Standards Board (“FASB”), accompanied by the report of the independent certified public accountant within 120 days of fiscal year end (or earlier as agreed to in the relevant Fund Governing Documents); (ii) quarterly unaudited financial statements; and (iii) annual tax information necessary for the completion of tax returns (K-1s). The Firm also has contact with limited partners (*e.g.*, personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence, investors periodically request information pertaining to Wazee Street’s investments. Wazee Street responds to these requests, and in answering such requests, provides information that is not always made available to other investors who have not requested such information. Additionally, as it pertains to existing limited partners, upon request or pursuant to contractual obligations (such as agreed to in a side letter), certain limited partners receive additional information and reporting that other limited partners do not receive. The fact that Wazee Street provides such information upon request to one or more limited partners does not obligate Wazee Street to affirmatively provide such information to all limited partners. As a result, certain limited partners will have more information about a Fund than other limited partners, and Wazee Street has no duty, and does not intend, to ensure that all limited partners seek, obtain or possess the same information regarding a Fund and its investments and/or portfolio companies.

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

When raising capital for a new Fund, Wazee Street on occasion engages the services of a registered broker-dealer to serve as placement agent for Fund units. Fees for the placement agent include a retainer and a percentage fee based on the amount of capital raised with respect to capital raised from specified limited partners pursuant to applicable law. Placement agent fees are payable by the Funds and offset dollar-for-dollar against the Management Fee, although related expenses incurred pursuant



to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund as part of its organizational expenses.

## **Item 15 – Custody**

Wazee Street is deemed to have custody of the Funds' assets because of its affiliation with each Fund's General Partner and the General Partners' ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), Wazee Street has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board for each of the Funds over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective limited partners within 120 days of fiscal year end (or earlier as agreed to in the relevant Fund Governing Documents). In addition, upon the final liquidation of a Fund, Wazee Street will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying limited partners promptly upon completion of the audit. Limited partners are encouraged to carefully review such financial statements.

Wazee Street does not accept physical custody of Fund assets. Called capital is directly deposited or wired to the relevant Fund's bank account maintained with a qualified custodian and public securities are held with broker-dealers or transfer agents who act as custodians for such securities. Wazee Street receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds' qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

## **Item 16 – Investment Discretion**

Wazee Street generally receives and exercises complete discretionary authority to manage investments on behalf of the Funds as per the Governing Documents of each Fund. Investment advice is provided directly to the Funds, subject to the discretion and control of the relevant General Partner, and not to limited partners in the Funds individually. To become a limited partner in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement) with a Fund. Such documents generally contain a power of attorney that grants Wazee Street or the applicable Fund's General Partner certain powers related to the orderly administration of the affairs of the Funds. Once a limited partner executes these documents, with limited exceptions discussed elsewhere in this Brochure, Wazee Street is not required to contact such limited partner prior to transacting business in a Fund.

Generally, Wazee Street's only restrictions with respect to managing a Fund, such as, but not limited to, the type of securities in which a Fund invests, will be contained in the relevant Fund's Governing Documents. However, a limited partner can seek to impose limitations on Wazee Street's authority through a side letter agreement, and the Firm and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions

placed upon Wazee Street's investment authority with respect to a limited partner's investment must be presented to Wazee Street and the relevant Fund's General Partner in writing and agreed to by all applicable parties. There can be no assurance that the side letter rights granted to one or more limited partners will not in certain cases disadvantage others. Other limited partners meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights over such agreements. For Fund V, Wazee Street is subject to a restricted trading list on behalf of one of its limited partners.

### **Item 17 – Voting Client Securities**

By virtue of the investment management agreements with the Funds, Wazee Street has the authority to vote proxy statements on behalf of the Funds. Wazee Street has adopted a proxy voting policy pursuant to Advisers Act Rule 206(4)-6 to describe how it votes the Funds' proxies. In general, Wazee Street votes proxies consistent with the best interests of the Fund's limited partners and in accordance with the Fund's stated objectives, primarily with the intention to maximize portfolio values.

In the event of a conflict of interest, Wazee Street will evaluate and vote the proxy on a case-by-case basis. If it is determined that the conflict of interest is not material, Wazee Street is permitted to vote the proxy notwithstanding the existence of the conflict. If it is determined that the conflict of interest is material, Wazee Street will resolve the conflict in one of several possible ways, such as by engaging a third party to recommend a vote with respect to the proxy, by seeking the advice of an independent third party, by establishing a committee to address the conflict or by any other method Wazee Street deems appropriate under the circumstances. Limited partners in the Funds cannot direct how Wazee Street votes proxies nor is Wazee Street required to seek limited partner approval or direction when voting proxies.

Limited partners can obtain a copy of Wazee Street's proxy voting policy upon request from its Chief Compliance Officer, Kayla Kreuzberger, at (303) 645-9300 or [kayla@wazeestreetcapital.com](mailto:kayla@wazeestreetcapital.com). Limited partners can also obtain information from Wazee Street, free of charge, about how Wazee Street voted previous proxies.

### **Item 18 – Financial Information**

Wazee Street does not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance; has no financial condition reasonably likely to impair its ability to meet contractual commitments to Funds or limited partners; and has not been the subject of a bankruptcy proceeding.