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Part 2A of Form ADV: Firm Brochure

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This Brochure provides information about the qualifications and business practices of Charlesbank Capital Partners, LLC (“Charlesbank”). If you have any questions about the contents of this Brochure, please contact us at 617-619-5400 or legal@charlesbank.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Charlesbank also is available on the SEC’s website at www.adviserinfo.sec.gov. Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

This brochure contains several changes from Charlesbank’s last filing in March 2022 including, but not limited to, updates to fee and expense disclosure, new risk factors and enhanced conflicts of interest disclosure. In addition, Charlesbank routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and firm practices. Charlesbank believes that these changes are not material changes and does not describe them all in this Item 2.

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Item 4 – Advisory Business

Charlesbank is a middle-market private equity investment management firm that focuses on management-led buyouts and growth capital financings, and also engages in opportunistic credit and technology investments. Formed in 1998, Charlesbank provides investment advisory and management services to pooled investment vehicles within a middle market private equity strategy (the “Flagship Equity Funds”), within a lower middle market technology strategy (the “Technology Funds”, and together with the Flagship Equity Funds, the “Equity Funds”) and within a middle market opportunistic credit strategy (the “Credit Funds” and together with the Flagship Equity Funds and the Technology Funds, the “Charlesbank Funds”).

Certain of the Charlesbank Funds include pooled investment vehicles to allow certain business associates, other “friends of the firm” including primarily senior management of current and former portfolio companies, or other persons (including any related entity established by any of the foregoing, such as trusts, family investment vehicles, charitable programs, endowments and related programs and other estate planning vehicles) to invest alongside the other vehicles of the Charlesbank Funds on substantially the same terms and conditions (each, an “Executives Entity”).

Certain of the Charlesbank Funds include pooled investment vehicles for Charlesbank’s investment and operational staff (each, a “GP Entity”) and pooled investment vehicles for Charlesbank’s junior investment staff and junior operational staff (each, an “Associates Entity”), in each case formed to facilitate investment by Charlesbank staff in investments alongside certain of the Charlesbank Funds on a non-discretionary and programmatic, fixed basis. Charlesbank serves as the general partner to, or controls the general partner of, such GP Entities and Associates Entities.

In addition to providing investment advisory services to the Charlesbank Funds, from time to time and as permitted by the relevant Governing Documents (as defined below), Charlesbank also expects to provide (or agrees to provide) certain other investors or other third parties the opportunity to invest directly or to participate in co-investment vehicles that will invest in certain portfolio companies alongside one or more of the Charlesbank Funds (the “Co-Investment Vehicles,” and where appropriate and where the context permits, together with the Charlesbank Funds, the “Funds”). Please see Item 11 below regarding co-investors and co-investments generally. Charlesbank receives compensation for management or other services performed in connection with certain co-investments made in portfolio companies of the Funds.

The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and issue partnership interests that are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

As investment adviser to the Funds, Charlesbank participates in the structuring, management, monitoring and disposition of investments for each Fund. Focused primarily, but not exclusively, in the United States, Charlesbank generally seeks investment opportunities in the middle market, with enterprise values averaging between \$150 million and \$3.0 billion for its Flagship Equity Funds; averaging between \$50 million and \$400 million for its Technology Funds; and averaging between \$150 million and \$3.0 billion for its Credit Funds. Charlesbank’s strategy emphasizes investing across a broad range of industries, transaction types, and levels of the capital structure, provided that the Flagship Equity Funds and the Technology Funds primarily invest in equity and the Credit Funds primarily invest in debt.

Charlesbank provides investment advisory services to each Fund in accordance with separate investment and advisory agreements, as applicable (each, an “Advisory Agreement”), the applicable governing agreement of a Fund (such as a limited partnership agreement or analogous organizational document (each, an “Organizational Document”)) and/or side letter agreements or similar arrangements with limited

partners of the Funds (“Side Letters,” and together with the Advisory Agreements and the Organizational Documents, the “Governing Documents”). Guidelines for investment are contained in each Fund’s applicable Governing Documents and applicable private placement memoranda, which are provided to the limited partners of each such fund. Charlesbank tailors its services to the specific investment objectives and restrictions of each Fund pursuant to the applicable investment guidelines and restrictions, and subject to specific terms and conditions set forth in the Fund’s Governing Documents. Investors should refer to the Governing Documents and private placement memoranda of the applicable Fund for complete information on the investment objectives, restrictions, and guidelines of the particular Fund and the services Charlesbank provides to the Fund. Prior to making an investment in a Fund, the limited partners review the Governing Documents and applicable private placement memoranda for such Fund and in the case of the Charlesbank Funds, are permitted to negotiate the terms of such Governing Documents. Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to limited partners in the Funds. Limited partners do not have any control over the operation or management of the Funds or discretion over when capital is drawn or which and how investments are made.

Pursuant to an Advisory Agreement with each Charlesbank Fund, Charlesbank provides discretionary investment advisory services and has authority to decide which investments to purchase and sell for the Funds. Charlesbank further ensures that the Associates Entities and GP Entities participate in and exit investments alongside the associated Charlesbank Funds, as applicable, on the programmatic, fixed bases to which they are subject and on substantially the same investment terms and conditions as the other vehicles in such Charlesbank Funds, as applicable.

Charlesbank is wholly owned by Charlesbank Capital Partners, Limited Partnership. As of December 31, 2022, Charlesbank managed approximately \$15.19 billion of client assets, all of which is managed on a discretionary basis.

Item 5 – Fees and Compensation

Management Fee

Pursuant to its written Advisory Agreement with each Charlesbank Fund, Charlesbank is entitled to an annual management fee typically calculated based on a percentage of committed capital or remaining invested capital with respect to such Charlesbank Fund. Management fees with respect to the Equity Funds are payable quarterly in advance and management fees with respect to the Credit Funds are payable quarterly in arrears. Management fees may be reduced during the life of a Charlesbank Fund. Management fees paid by a Charlesbank Fund are indirectly borne by the limited partners in such Charlesbank Fund but such management fees are added to the cost of investment prior to any performance-based fees (as discussed below in Item 6) taken by Charlesbank.

The precise amount of, the timing and the manner and calculation of, and the annual management fee (and the terms of the reimbursement of expenses) for each Charlesbank Fund are set forth in such Charlesbank Fund’s Governing Documents. Management fees may differ from one Fund to another, as well as, in limited circumstances as allowed by a Fund’s Governing Documents, among limited partners in the same Fund. The management fees and other fees described herein are generally subject to modification, waiver or reduction by Charlesbank in its sole discretion, both voluntarily and on a negotiated basis with selected limited partners via Side Letter and other arrangements, which may not be disclosed to other investors in the same Charlesbank Fund. With respect to certain Charlesbank Funds as set forth in more detail in such Charlesbank Fund’s Governing Documents, the management fees, placement agent fees, and/or excess organizational expenses are reduced in some circumstances in connection with the receipt by Charlesbank or its related persons of various fees paid by actual or

prospective portfolio companies. The management fee and other fees with respect to the Equity Funds are generally subject to waiver or reduction by Charlesbank in its sole discretion. The amount and manner of any such reduction, if any, is set forth in the Governing Documents of the applicable Charlesbank Fund. The fee structures described above may be modified from time to time as allowed by a Fund's Governing Documents. Charlesbank directly invoices the limited partners of each such Charlesbank Fund for their portion of the management fee. In the event an Advisory Agreement is terminated, any fees paid in advance, and not yet earned, will be handled in a fair and equitable manner.

In accordance with the terms of the limited partnership agreement for each Charlesbank Fund, Charlesbank has the right to waive or reduce the management fee with respect to certain investors in the Executives Entities relating to such Charlesbank Funds. The GP Entities and Associates Entities do not pay a management fee.

As described above, Charlesbank is permitted to waive or reduce all or a portion of the management fee paid by a Fund in full or partial satisfaction of any obligation of the general partner and certain employees of Charlesbank or its affiliates, certain business associates, other "friends of the firm," or other persons to invest in and alongside such Fund. Any such waived or reduced portion of the management fee may be treated as a deemed capital contribution by the general partner and its affiliates in respect of the general partner's commitment after the date such waived amount would otherwise be due and reduces the amount of capital the Fund's general partner would otherwise be required to contribute to such Fund as part of its commitment. The Fund's investors other than the general partner are required to make a pro rata contribution according to their respective capital commitments to the Fund. Any contribution that would otherwise be required of the Fund's general partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver results in an acceleration of investor capital contributions. Waived or reduced management fees generally are not subject to any reduction of the management fee described below. Due to waived or reduced management fees by a Fund's general partner and/or timing of receipt of compensation subject to management fee offsets (as described herein), it is possible that such offsets will not be fully realized by investors in such Fund until liquidation of the Fund and the refunding of any unapplied offset (as described below) and will result in a benefit to the general partner until such liquidation.

Where the Governing Documents calculate management fees based on the amount of commitments or the amount of invested capital, the amount of management fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors.

Organizational Expenses

Consistent with, and subject to the terms of, its applicable Governing Documents, each Charlesbank Fund bears its portion of all other fees, costs, expenses, liabilities and obligations relating to the business, activities, investments and operations of such Charlesbank Fund, to the extent not borne by its portfolio companies, including without limitation: (i) the organizational expenses of such Charlesbank Fund (up to a certain cap) ("Organizational Expenses"); (ii) legal, accounting, administration, custodian, depository, auditing, investment banking, insurance premiums, business travel, meals and entertainment expenses, litigation, arbitration and indemnification costs and expenses, judgments and settlements, consulting (which, for the avoidance of doubt, includes certain consulting, training, educational, networking or similar services to the extent not paid by a portfolio company), brokerage, financing, finder's, appraisal, research, due diligence, third party valuation, filing, printing, title, transfer, registration and other fees, commissions and expenses (including fees, costs and expenses associated with the preparation or distribution of the Charlesbank Fund's financial statements, tax returns, tax estimates and Schedules K-1);

(iii) all fees, costs, expenses, liabilities and obligations attributable to finding, structuring, organizing, acquiring, financing, refinancing, managing, operating, holding, taking public or private, valuing, winding-up, liquidating, dissolving and disposing of the Charlesbank Fund's investments; (iv) costs and expenses of the Charlesbank Fund's advisory committee ("Advisory Committee"); (v) all fees, costs, expenses, liabilities and obligations incurred by the Charlesbank Fund or Charlesbank relating to investment and disposition opportunities for the Charlesbank Fund not consummated, including investment expenses and costs that would have been allocable to co-investors (including under the Overage Program, as defined in Item 11 below) had such proposed investment been consummated, if the amount allocable to such co-investors is not paid by such parties, including certain advisory, transaction, consulting and other similar expenses paid by Charlesbank and legal expenses incurred in connection with claims or disputes related to unconsummated or proposed transactions; (vi) management fees, (vii) any taxes, fees and other governmental charges levied against the Charlesbank Fund; (viii) generally, all fees, costs and expenses incurred in connection with the organization, management, operation and termination, dissolution, liquidation and final winding-up of any legal structures used to facilitate investments by the Charlesbank Fund; (ix) all fees, costs, expenses, principal, interest, liabilities and other obligations incurred by the Charlesbank Fund or Charlesbank (including financings and refinancings of portfolio companies) relating to the establishment of, negotiating, maintaining, amending, refinancing and borrowings under, any credit facility; (x) research expenses related to particular portfolio investments or proposed portfolio investments (e.g., third party reports, periodicals and publications and subscription-based services) and information technology expenses (including fees and expenses of technology service providers) related to acquiring, developing, implementing or maintaining related software; (xi) costs and expenses incurred in connection with developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Charlesbank Funds or their limited partners; (xii) all fees, costs and expenses incurred in complying with, administering or amending Side Letters (but excluding the process of distributing and implementing applicable elections pursuant to any "most favored nations" provisions, which shall be an Organizational Expense); (xiii) fees, costs and expenses related to complying with anti-money laundering, know-your-customer and similar laws, rules and regulations, including, without limitation, (A) fees, costs and expenses incurred in connection with vetting potential transferees in connection with any transfer of interests in the Charlesbank Fund, (B) fees, costs and expenses incurred in connection with monitoring the Charlesbank Fund's, its portfolio companies' or Charlesbank's ongoing compliance with such laws, rules and regulations, and (C) the external costs of any third party engaged to perform anti-money laundering and know-your-customer compliance and administration (including without limitation, in connection with any leverage or liquidity facilities for certain Charlesbank Funds) (in each case excluding, for the avoidance of doubt, any fees, costs and expenses related to complying with anti-money laundering know-your-customer and similar laws, rules and regulations in connection with the organization of the Charlesbank Fund and that are Organizational Expenses); and (xiv) all other expenses not specifically provided for above that are incurred by Charlesbank or its affiliates in connection with the Charlesbank Fund's accounts or operations or performing Charlesbank's duties, other than those specifically borne by Charlesbank as Operating Expenses (as defined below). Please refer to each Charlesbank Fund's Governing Documents for a more complete description of the expenses permitted to be borne by the Charlesbank Fund.

The portion of such expenses borne by each Charlesbank Fund is generally pro rata based on relative commitments to, or capital invested by, the related Charlesbank Funds. However, certain expenses not relating to the Associates Entities, such as certain expenses relating to other Charlesbank Fund entities' including the GP Entities' capital call credit facilities and certain non-investment-related legal costs relating solely to the Charlesbank Fund entities, are borne by each applicable Charlesbank Fund entity (including each applicable GP Entity) pro rata based on relative commitments and are not borne by the Associates Entities. From time to time, a Charlesbank Fund will pay an expense or obligation common to

multiple Charlesbank Funds (e.g., legal expenses for a transaction in which multiple Charlesbank Funds participate) and be reimbursed by the other Charlesbank Funds for their share of such expenses or obligations, without interest. To the extent the paying Charlesbank Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Charlesbank Funds for use of the facility. Further, for bank and custodian fees related to accounts for a specific Charlesbank Fund, and annual tax filing fees and entity-level tax expenses for a specific Charlesbank Fund, such Charlesbank Fund bears all such expenses. Charlesbank has in the past paid, and expects in the future to pay, all or a portion of any expenses borne by the Associates Entities and GP Entities.

Other Expenses

Charlesbank or its affiliates generally employ or engage persons primarily to provide acquisition integration and onboarding, technology, talent acquisition and management, business strategy, salesforce effectiveness, pricing, marketing, sourcing, supply chain, inventory management, logistics, operational and business consulting and/or other services to the Funds, or any of their current or prospective portfolio companies (such persons, collectively, “Portfolio Support Services”). Members of Portfolio Support Services comprise advisory directors, operating partners or other persons who provide consulting services for specific activities that arise in his or her areas of expertise and are identified by Charlesbank from time to time as being members of its “Portfolio Support Services” or “Portfolio Resources Group.”

Charlesbank will determine the manner in which Portfolio Support Services members are engaged or employed (which typically consists of a temporary or longer-term secondment to one or more portfolio companies) and the nature, form and amount of compensation for any Portfolio Support Services member, which compensation may include salary, bonus, employee benefits, securities, stock options, transaction fees in connection with the investment in or sale of a portfolio company, profits interests or other equity interests at a portfolio company or any entity through which a Fund invests in a portfolio company, one-time or periodic fees (including fees based on an hourly/daily/weekly/monthly or project-based rate, retainer fees, success-based fees or board fees), reimbursements of travel and other costs, employee benefits or other similar forms of compensation, whether paid in cash or in kind (collectively, “Portfolio Support Services Compensation”).

In certain cases, members of the Portfolio Support Services have attributes of Charlesbank personnel (for instance, they may have dedicated office space, receive Charlesbank administrative support services, participate in general meetings or events for Charlesbank personnel, or have Charlesbank e-mail address or business cards), even though some are not employees of Charlesbank.

Charlesbank employees that are not members of the Portfolio Support Services will, from time to time transition to become members of the Portfolio Support Services which will have the effect of shifting the compensation burden from Charlesbank to the relevant portfolio company and/or Fund.

Any Portfolio Support Services Compensation does not reduce the management fee and is not otherwise shared with investors in the Funds. While Charlesbank intends to seek to charge Portfolio Support Services Compensation to portfolio companies as appropriate, if consistent with, and subject to the terms of, a Fund’s Governing Documents, Portfolio Support Services Compensation typically will be charged to, and paid or reimbursed by, (a) such Fund and/or (b) one or more such portfolio companies (or prospective portfolio company or portfolio companies) to which the applicable Portfolio Support Services member’s services relate. For the avoidance of doubt, to the extent that Portfolio Support Services Compensation is not borne by one or more portfolio companies, if consistent with, and subject to the terms of, a Fund’s Governing Documents, Portfolio Support Services Compensation will be allocated among such Funds that benefit from such Portfolio Support Services in a manner that Charlesbank determines reasonably and in good faith to be fair and equitable in accordance with Charlesbank’s expense allocation policy.

In addition, members of the Portfolio Support Services will, from time to time, be invited to invest directly into a Funds or directly or indirectly in one or more portfolio companies (including on preferred economic terms such as a fee-free / carry-free basis) and participate in a portion of the carried interest distributions received by the general partners of the Funds.

As noted in “Other Fees and Allocation of Management Fee Offset” below, each Fund bears its portion of all consulting fees and expenses relating to the investing business and activities of such Fund, to the extent not borne by its portfolio companies, including as it relates to members of Portfolio Support Services. Charlesbank has in the past established, and expects to establish in the future, consulting arrangements both in connection with sourcing, structuring, organizing, and acquiring the Fund’s investments, as well as in connection with operating and holding the Fund’s investments. As part of the first type of these arrangements, from time to time the Funds retain companies or individuals, including members of Portfolio Support Services (who typically include persons employed or engaged by Charlesbank or its affiliates) and other third-party advisors such as specialized consultants or external executives, to assist the Funds with investment origination, investment structuring and due diligence investigation of the Fund’s investments. As part of the second type of these arrangements, from time to time the Funds retain, or assist a portfolio company with retaining, other companies or individuals, including members of Portfolio Support Services (who typically include persons employed or engaged by Charlesbank or its affiliates) and other third-party advisors such as specialized consultants or external executives, to provide strategic advice or operational support and similar or related services. These services include various levels of support to a portfolio company regarding, among other items, the company’s management, the company’s operations, revenue and margin enhancement (including determining sales and marketing strategy), finance (including metrics and reporting), human capital (including executive recruitment), information technology, customer service, sustainability, real estate matters, insurance and similar operational matters. In some cases, members of Portfolio Support Services and consultants also serve on the board of directors of portfolio companies, and/or directly receive stock options or other equity issued by portfolio companies, as well as receive expense reimbursement from the Funds or their portfolio companies. In some cases, members of Portfolio Support Services and consultants (or their estate planning vehicles) are investors in the Funds. In some cases, members of Portfolio Support Services and consultants are former executives of portfolio companies of the Funds or will become executives or directors of portfolio companies of the Funds.

Further, certain Charlesbank Funds (the “Borrowing Funds”) obtain credit facilities in order (i) to facilitate investments by the Borrowing Funds, (ii) to fund expenses or other obligations of the Borrowing Funds or (iii) to otherwise carry out the business of the Borrowing Funds. The interest expense and other fees, costs and expenses of or related to any borrowings under such credit facilities will be expenses of the applicable Borrowing Funds and, accordingly, will decrease net returns of such Borrowing Funds. Additional details regarding the credit facilities are contained in the Governing Documents of the Borrowing Funds.

Other Fees and Allocation of Management Fee Offset

Charlesbank receives other fees, such as, in some cases, portfolio company monitoring fees and transaction fees, and in some cases cash compensation for service by Charlesbank employees as directors of Charlesbank portfolio companies (collectively, “Other Fees”). In accordance with the calculation set forth in the Governing Documents for each of the Funds received by each investor prior to investment in such Fund, the management fee payable by limited partners to Charlesbank is offset by certain of such Other Fees, in some cases net of certain unreimbursed expenses, such as travel in the case of some Charlesbank Funds. The GP Entities, Associates Entities, and in some cases the Co-Investment Vehicles,

do not pay management fees and as such, these Funds do not receive the benefit of such Other Fees directly or through a management fee reduction.

The manner and calculation of a management fee reduction, and the fees for which a reduction will occur, varies from Fund to Fund and is described in the applicable Fund's Governing Documents. In addition, 100% of the economic value of any director compensation paid in the form of equity and received by a Charlesbank employee (other than a member of Portfolio Support Services) for service on a Fund portfolio company board of directors is assigned to the Funds invested in that portfolio company, pro rata based on their capital invested in such portfolio company. Typically any director compensation or other ancillary fees paid in the form of stock options or warrants or in any other form other than cash shall be valued at the time such compensation is disposed of at their realized values (taking into account any incremental taxes paid and offset by any tax benefits received, with respect to the securities in the event there has been a reduction in value of such securities between the date of grant and the date of disposition, in each case as reasonably determined by Charlesbank in good faith); provided, that any such non-cash compensation that has not been realized as of the liquidation of a Fund shall be valued at such time in the reasonable discretion of Charlesbank, and may be subject to review and approval by such Fund's Advisory Committee, as applicable.

To the extent an Other Fee relates to more than one Fund participating (or expecting to participate) in an investment, the Other Fee is generally allocated among such Funds pro rata based on the capital commitments of such participating Funds (or for an unconsummated investment, the proposed commitments of the Funds), or on such other basis that Charlesbank determines to be fair and reasonable in its sole discretion. However, in determining how to allocate an Other Fee among more than one participating Fund, Charlesbank will also take into account, among other things, the type of transaction (e.g., original acquisition or follow-on), the consideration involved in the transaction (cash or in-kind) and the value of the consideration.

To the extent an Other Fee relates to a Fund or third-party investor that does not pay management fees, the portion of such Other Fee allocable to the non-fee paying party will be retained by Charlesbank, and such amounts will not offset any management fee paid to Charlesbank.

Portfolio Company Expense Reimbursements

A portfolio company will typically reimburse Charlesbank for expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (whether or not such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by Charlesbank in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of "Other Fees" as defined herein under the terms of the applicable Governing Documents, and such reimbursements do not reduce the management fee. Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Charlesbank, are reimbursed by a Fund and/or its portfolio companies, Charlesbank may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses, which could result in lower returns to investors. As used throughout this brochure, "travel and travel-related" includes all

travel expenses for the use of private aircraft (provided that in the event that Charlesbank personnel use private aircraft, they shall only be reimbursed for the cost of first class (or equivalent) commercial air travel), first class or business class travel, black car ground transportation, accommodations, meals, events and entertainment.

Allocation of Expenses

From time to time Charlesbank will be required to decide whether certain fees, costs and expenses should be borne by Charlesbank, a Fund, a portfolio company, co-investors and/or a third party (each, an “Allocable Party”) and if so, how such fees costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party, or fees, costs and expenses may be allocated among multiple Allocable Parties. Charlesbank allocates fees, costs and expenses in accordance with its expense allocation policy, which takes into consideration, among other factors, a Fund’s Governing Documents. To the extent not addressed in the Governing Documents of a Fund, Charlesbank will make allocation determinations among Allocable Parties in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by Charlesbank in its sole discretion). Charlesbank will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance and a Fund will bear more or less of a particular expense based on the methodology used.

Co-Investment Vehicle Fees Expenses and Expense Allocation

In certain cases, a Co-Investment Vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside a Charlesbank Fund may be formed in connection with the consummation of a transaction. Consistent with the Governing Documents of a Charlesbank Fund, in the event a Co-Investment Vehicle is created to invest alongside a Charlesbank Fund, certain expenses (including those related to its organization and formation and other expenses incurred solely for the benefit of the Co-Investment Vehicle, as well as expenses incurred in connection with making and holding an investment) are generally borne by the investors in such Co-Investment Vehicle. In addition, a Co-Investment Vehicle will also generally bear its pro rata portion of expenses incurred in connection with the making of an investment.

Unless Charlesbank determines otherwise in its sole discretion or subject to negotiations with a particular co-investor, in general neither Co-Investment Vehicles nor co-investors will bear any expenses relating to a proposed but not consummated transaction (“Dead Deal Costs”), even if a Co-Investment Vehicle has been formed for the purpose of investing in the proposed transaction or if co-investors have otherwise committed to invest in the proposed transaction. As a result, Dead Deal Costs are generally borne by the Charlesbank Fund or Charlesbank Funds selected by Charlesbank as proposed investors for such proposed transaction which will result in the Charlesbank Fund bearing more than its pro rata share of Dead Deal Costs. Similarly, Co-Investment Vehicles (and co-investors) are not typically allocated any share of break-up fees received in connection with such an unconsummated transaction.

Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (including amounts payable to members of the Portfolio Support Services and other third

parties), any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Funds, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

From time to time, certain Charlesbank Funds will incur certain ongoing expenses that benefit a Co-Investment Vehicle or co-investor (for instance, insurance premiums). In such instances, these ongoing expenses will be borne solely by the applicable Charlesbank Fund or Charlesbank Funds and will not be borne by any benefiting Co-Investment Vehicle or co-investor.

Charlesbank and Fund Expenses

To the extent provided in the Governing Documents for the Charlesbank Funds (and to the extent not described as a Fund expense as set forth described above), Charlesbank will pay out of its management fees the following operating expenses: (a) ordinary office overhead, including rent, furniture, fixtures and office equipment; (b) other ordinary and usual overhead and administrative expenses incurred in connection with maintaining and operating Charlesbank's offices; (c) compensation of Charlesbank employees; and (d) compliance and regulatory costs to the extent not directly incurred as a consequence of forming, operating and managing the Charlesbank Funds (collectively, "Operating Expenses"); provided, that for certain Funds, Operating Expenses excludes the portion of any Portfolio Support Services Compensation (as defined below) (including salary, bonus and employee benefits) attributable to services provided to such Funds and/or the portfolio companies of such Funds.

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

In accordance with the terms of the Governing Documents for the Charlesbank Funds, a percentage of the net realized investment profit from each Charlesbank Fund (customarily referred to as a "carried interest") is allocated to the capital account of its respective general partner. Each general partner is an affiliate of Charlesbank. The precise amount of, and the manner and calculation of, carried interest and incentive allocations are detailed in each applicable Fund's Governing Documents. The carried interest paid by a Charlesbank Fund is indirectly borne by limited partners in such Charlesbank Fund and carried interest varies among the Charlesbank Funds.

In accordance with the terms of the Governing Documents for certain Charlesbank Funds, Charlesbank has the right to waive all or a portion of the performance-based fee with respect to certain investors in the Executives Entities.

Neither the Associates Entities nor the GP Entities pay a performance-based fee.

The payment of carried interest at varying rates has the potential to create an incentive for Charlesbank to disproportionately allocate time, services or functions to Funds paying carried interest at a higher rate or allocate investment opportunities to such Charlesbank Funds. Generally, this conflict is mitigated by (i) certain limitations on the ability of Charlesbank to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements including Charlesbank's investment allocation policy (the "Allocation Policy"). Please also see Item 11 below

regarding allocation for additional information relating to how conflicts of interests are generally addressed by Charlesbank.

Charlesbank seeks to mitigate potential conflicts among the Equity Funds by (i) charging investors in each Equity Fund (except for the Executives Entities, for which the performance-based fee may be waived in whole or in part with respect to certain investors, and the Associates Entities and the GP Entities, which do not pay a performance-based fee) the same performance-based fee percentage, (ii) allocating investments among the Equity Funds within a fund family on a pro rata basis, in accordance with the terms of the Equity Funds' Governing Documents, and otherwise in accordance with Charlesbank's Allocation Policy, and (iii) making investments among affiliated Equity Funds on substantially the same terms and conditions.

Charlesbank seeks to mitigate potential conflicts among the Credit Funds by (i) charging investors in each Credit Fund (except for the Executives Entities, for which the performance-based fee may be waived in whole or in part with respect to certain investors) the same performance-based fee percentage, (ii) allocating investments among the Credit Funds within a fund family on a pro rata basis, in accordance with the terms of the Credit Funds' Governing Documents, and otherwise in accordance with Charlesbank's Allocation Policy, and (iii) making investments among affiliated Credit Funds on substantially the same terms and conditions.

See Item 11 below for further discussion of Charlesbank's Allocation Policy.

Item 7 – Types of Clients

Charlesbank provides investment advisory services to pooled investment vehicles exempt from registration under the 1940 Act, which are organized as limited partnerships and for which an affiliate of Charlesbank serves as general partner or controls the general partner. Investment advice is not given to the limited partners of the Funds.

Investors in the Charlesbank Funds typically include endowments and foundations, corporate and public pension funds, private funds, financial institutions and family offices.

There is typically a minimum dollar amount requirement for the creation of a new Fund, which is decided by the applicable Fund general partner. This amount varies by Fund and is not a specified amount set by Charlesbank. Additionally, there is generally a minimum investment amount for the limited partners within each Fund discussed in the applicable Fund private placement memorandum. The applicable Fund general partner reserves the right to, and periodically does, waive the minimum investment amount for the limited partners.

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

The Charlesbank Funds have in the past entered into, and expect to enter into in the future, Side Letters with investors in the Charlesbank Funds that have the effect of establishing rights under or altering or

supplementing the terms of the Governing Documents of a Charlesbank Fund as they apply to a particular investor in that Charlesbank Fund. As a result of such Side Letters, certain investors can receive additional benefits that other investors will not receive.

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

Methods of Analysis and Investment Strategy

In its investment management of the Flagship Equity Funds, Charlesbank focuses its investment strategy primarily on management-led buyouts and growth capital financings for private companies in the middle market with enterprise values averaging between \$150 million and \$3.0 billion. For such investments, Charlesbank generally leads or co-leads majority control or highly structured minority private equity investments primarily in companies located in the United States. Charlesbank also participates in opportunistic credit investments with the Flagship Equity Funds. In its investment management of the Technology Funds, Charlesbank focuses its investment strategy primarily on providing capital for lower middle market technology companies with enterprise values of between \$50 million and \$400 million. In its investment management of the Credit Funds, Charlesbank focuses its investment strategy primarily on providing debt capital for private companies in the middle market with enterprise values averaging between \$150 million and \$3 billion, generally investing in loans and bonds that are trading at discounts issued by companies where Charlesbank believes it has unique knowledge and insight.

In each case, Charlesbank employs a disciplined approach to due diligence that typically involves extensive quantitative and qualitative analysis performed by an internal team of investment professionals, including Managing Directors, augmented by external resources as necessary. The investment and due diligence process generally includes the following:

Investment Themes

One of Charlesbank's primary investment approaches is to develop a detailed investment theme and then identify a specific investment opportunity to capitalize on it. The ongoing idea-generation process is informed by many sources, including the team's collective investment experience, its interaction with portfolio companies, frequent dialogue with Charlesbank's operating executive and consultant networks, and general observations about specific capital-market conditions where Charlesbank believes that valuations are inconsistent with underlying business trends or otherwise represent intrinsic value.

Proven Operating Management

In its private equity investing, Charlesbank seeks companies that have proven operating management in place or that can be joined, alongside Charlesbank's investment, with the skills, experience and vision to realize their growth and profitability objectives. Charlesbank considers it essential to establish appropriate incentives for portfolio company managers through co-investment and significant performance-based equity-incentive programs. Where appropriate, Charlesbank also augments a company's management team, from time to time, sourcing individuals from its networks of industry experts and prior portfolio company managers.

Strong Market Position

Charlesbank seeks to invest in what it believes to be high-quality businesses that have a strong market position, a promising business strategy and a demonstrated sustainable competitive advantage. Charlesbank typically invests in companies with attractive free cash-flow characteristics and the capacity

to sustain appropriate financial leverage under a realistic set of operating forecasts.

Potential for Profit Improvement

In its private equity investing, Charlesbank targets prospective investments that offer potential for profit improvement through revenue growth, cost reduction or both. Revenue growth may be generated by add-on acquisitions or organically, a successful strategic repositioning or a competitive advantage based on superior products, services, execution or delivery. Charlesbank also seeks to work with management to eliminate unproductive costs and improve asset utilization.

Flexible and Creative Capital Structures

Charlesbank employs a flexible approach to structuring investments, investing at various levels of the capital structure, including common and preferred stock, bridge equity, equity-linked mezzanine debt, and senior or subordinated loans for different expected durations. In doing so, Charlesbank seeks to establish a capital structure suited to each portfolio company's operating plans, projected cash flows and growth objectives.

Active Involvement Post-Investment

In its private equity investing, Charlesbank maintains regular communication with management teams both informally and through strategic planning sessions, periodic reviews of performance and active participation on the board of directors. Charlesbank also works with management to create a board of directors that includes individuals whose relevant industry expertise provides important perspective.

In its credit investing, Charlesbank maintains regular conversations with the management teams and/or sponsor of the company in which the Funds are invested and, where relevant, will be involved on the board of the company.

Exit Plan

Charlesbank identifies potential options for exit as part of each due diligence process and enters each investment with at least one articulated exit strategy. The timing and execution of realizing an investment takes into consideration portfolio company performance, prevailing public and private market conditions and the potential availability of a strategic or financial acquirer.

Analysis of Legal, Regulatory, Accounting and Tax Issues

Charlesbank utilizes a wide range of external resources, including accounting, legal, regulatory, insurance and benefits, information technology, and market research and analysis to augment its internal team.

Where Charlesbank determines it to be relevant and applicable in its sole discretion, Charlesbank may also consider certain environmental, social, governance and other characteristics during the due diligence process. When the situation warrants, Charlesbank also uses industry experts and other third-party consulting resources.

Additional information regarding the methods of analysis and investment strategy for a Charlesbank Fund is included in its private placement memorandum, limited partnership agreement and/or its subscription agreement and disclosure summary provided to investors prior to their making their investments in the Charlesbank Fund.

Material Risks

Investing in securities and other financial instruments involves a significant degree of risk. Funds may lose all or a substantial portion of the capital they invest and investors should be prepared to bear the risk of loss of their investment.

In addition, material risks exist relating to investment strategy, types of investments made and general market conditions, including those described below. Additional information regarding the material risks of a Charlesbank Fund is included in its private placement memorandum and/or its subscription agreement and disclosure summary provided to investors prior to their making their investments in the Charlesbank Fund.

General Economic and Market Conditions

General economic or market conditions may adversely affect the performance of the investments made by the Funds. Factors affecting economic conditions, including public market volatility, inflation rates, rising interest rates, currency and devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, and domestic and worldwide political, military and diplomatic events and trends, and innumerable other factors, none of which are in the control of Charlesbank or the Funds, can substantially and adversely affect the business and prospects of the portfolio companies in which they have invested. A general economic downturn could also result in the diminution or loss of value of the investments made by Funds due to a number of factors, including a reduced demand for the products or services produced by the Fund's portfolio companies. Market volatility may also impact the ability of portfolio companies to obtain financing for ongoing operations or expansions. In addition, a downturn or contraction in the economy or in the capital markets, or in certain industries or geographic regions, may restrict the availability of suitable investment opportunities for the Funds as well as opportunities to liquidate their investments on favorable economic terms, each of which could prevent the Funds from meeting its investment objectives. The ongoing COVID-19 pandemic has created significant global and national economic uncertainty. Furthermore, global uncertainty caused by political instability and conflicts such as the conflict between Russia and Ukraine could adversely affect a Fund's projections and the performance of the Fund's investments. The current Russia-Ukraine conflict, including any resulting sanctions, export controls or other restrictive actions imposed by the U.S. and/or other countries against governmental or other entities in, for example, Russia, also could lead to disruption, instability and volatility in the global markets, which may have an impact on the global economy and credit markets which in turn may impact a Fund's investments and returns.

Nature of Investments; Leverage

The companies in which Funds invest typically will rely on the use of leverage, and to some extent, a Fund's ability to achieve attractive rates of return on investments will depend on their ability to access sufficient sources of indebtedness at attractive rates. In many of the private equity investments expected to be made by a Fund, indebtedness may constitute a significant portion of a portfolio company's total capitalization, including debt that may be incurred by such portfolio company in connection with the Fund's investment. An increase in either the general levels of interest rates or in the risk spread demanded by sources of debt financing to a portfolio company (including a Fund's investment) as well as any disruption on the transition away from London interbank offered rate ("LIBOR") could make it more difficult for a Fund to consummate investments that are dependent on a portfolio company's ability to service its debt obligations and financially restructure. Increases in interest rates also could make it more difficult to consummate investments because other potential buyers, including operating companies as strategic buyers, may have sources of equity capital or access to lower cost debt that would allow them to bid for assets at a higher price due to their lower overall cost of capital. Additionally, for portfolio

companies that are averse to debt, or for other reasons, Charlesbank may use leverage or “back leverage” at another entity in the structure which may cause a Fund to pay a higher interest rate than had such leverage been placed at the portfolio company.

While investments in highly leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. The Funds’ portfolio companies may incur high degrees of leverage, as a result of which, recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. The amounts of a leveraged company’s borrowings and the interest rates on those borrowings, which may fluctuate from time to time, as well as the fees and other costs of borrowing, may have a marked effect on a leveraged company’s performance. Also, increased interest rates generally increase portfolio company interest expenses. In the event any such portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

The Funds’ investments may also be made in companies that may have substantial variation in operating results from period to period. Portfolio companies can experience failures or substantial declines in value at any stage and may face intense competition. Some portfolio companies may have the need for additional capital to support expansion or to achieve or maintain a competitive position, and there is no assurance that such capital will be available.

If a portfolio company cannot generate adequate cash flow to meet its debt service obligations or defaults under the covenants imposed on it pursuant to its borrowing arrangements, it may be required to immediately repay all outstanding indebtedness, including investments made by a Fund. An acceleration of a portfolio company’s repayment of indebtedness could result in a bankruptcy filing by the portfolio company, and a Fund may suffer increased costs and diminished returns on its investment, as well as a partial or total loss of its investment in such portfolio company. A Fund may also guaranty the obligations of its portfolio companies. In those instances, if a portfolio company defaults on its obligations, such Fund may be required to satisfy such obligation. In addition, favorable borrowing conditions in the debt markets, which historically have been cyclical, have often benefited the private equity industry. However, there have been periods of volatility, uncertainty and a deterioration of the global credit markets which reduced investor demand and liquidity for investment grade, high yield and senior bank debt and caused some investment banks and other lenders to be unwilling (or significantly less willing) to finance new investments or to offer committed financing for investments on terms less favorable than terms offered in the past, making it significantly more difficult for sponsors to obtain favorable financing. There can be no certainty that recurring periods of limited financing availability (or an increase in the interest cost) for leveraged transactions could return or persist, and should such conditions arise, they could impair, potentially materially, a Fund’s or a portfolio company’s ability to consummate transactions or could cause a Fund or a portfolio company to enter into certain leveraged transactions on less attractive terms. Indebtedness may constitute a significant portion of a portfolio company’s total capitalization, including that Funds may be invested at different levels of a portfolio company’s capital stack (e.g., as a senior secured creditor, a holder of second lien secured senior debt or a holder of junior indebtedness). An increase in either the general levels of interest rates or in the risk spread demanded by sources of debt financing to a portfolio company (including a Fund’s investment), as well as any disruption on the transition away from LIBOR, could make it more difficult for such Fund to consummate investments that are dependent on a portfolio company’s ability to service its debt obligations and financially restructure. Leveraged investments are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. Where a portfolio company is highly leveraged and unable to perform its debt obligations, the Funds may be limited in their ability to leverage their investment in a portfolio company. Where a number of portfolio companies are unable to

perform their debt obligations, they could become not qualified to be collateral in such Fund's debt financings, which could cause that Fund to be required to reduce its own leverage precipitously for a short or long period of time. If a portfolio company is unable to obtain favorable financing terms for its investments (including, but not limited to, investments that Charlesbank has accounted for in its investment model), refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect a Fund's ability to generate attractive investment returns for the limited partners. A failure by lenders to provide financing could also expose a Fund to potential claims by sellers of businesses which a Fund may have been contracted to purchase. A Fund may pledge its assets (including its capital subscriptions) in order to borrow additional funds or otherwise obtain leverage for investments or other purposes. The amount of borrowings which a Fund may have outstanding at any time may be substantial in relation to its capital.

Debt Investments

All of the Charlesbank Funds are permitted to invest in debt securities, including, without limitation, higher yielding (and, therefore, higher risk) debt securities. In certain cases, such debt will be rated below "investment grade" or will be unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. The market values of certain of these debt securities may reflect individual corporate developments. It is likely that a major economic recession could have a material adverse impact on the value of such securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these debt securities. In addition, debt investments are subject to credit and interest rate risks.

Credit and Interest Rate Risks of Debt Securities

Investments in debt securities are subject to both credit and interest rate risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. The financial strength and solvency of an issuer are the primary factors influencing credit risk. There can be no assurance that a portfolio company will have sufficient cash flow from operations or capital resources from follow on debt and equity financings to satisfy its loan obligations to a Fund as they become due. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument also affect credit risk. In the event of a default, the available remedies to a Fund may include legal action against the portfolio company and, if the investment has been secured, foreclosure or repossession of collateral given by the portfolio company. However, there is no assurance that a Fund will be able to recover value from realizing on collateral provided to such Fund to secure repayment of loans made by it sufficient to satisfy such obligations. Such collateral, if applicable, may lose value over the term of a loan obligation. If a portfolio company defaults on its loan obligations to a Fund, such Fund could experience significant delays and costs in exercising its rights to protect its investment. A Fund's ability to obtain payment from a portfolio company beyond the realizable value of a Fund's collateral, if applicable, may be limited by bankruptcy or similar laws affecting a creditor's rights. There can be no assurance that a Fund would ultimately collect the full amount owed on a defaulted loan.

"Interest rate risk" refers to the risk associated with market changes in interest rates. Interest rate changes may affect the value of an investment indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate investment and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is

generally more pronounced and less predictable in investments with uncertain payment or prepayment schedules. The Funds will finance a portion of their investments through credit facilities and other financings, which will also bear interest and be subject to fluctuations in interest rates. While the Funds do not anticipate a mismatch between floating and fixed rates between its borrowings and investments, a mismatch between borrowing at a floating rate and lending at a fixed rate could magnify the negative impact of rising interest rates. Similarly, mismatches between the reference rates for floating interest rates on borrowed capital and debt investments could result in a mismatch between the Funds' costs of borrowed capital and its return on debt investments. The credit markets are moving away from certain reference rates, e.g., LIBOR, to new reference rates, e.g., SOFR. As discussed below delayed or uneven implementation of new reference rates in credit markets could also negatively affect, or magnify the negative effects of, changes in interest rates.

Investments in Restructurings

The Funds may make investments in portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the original investments. In addition, under certain circumstances, payments to the Funds and distribution by the Funds to their limited partners may be reclaimed if any such payments or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular clients.

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

Competitive Market for Investments

The business of identifying and structuring transactions of the nature contemplated by the Funds is highly competitive and involves a high degree of uncertainty. Charlesbank competes for investments with other private equity and credit investment vehicles as well as other institutional investors, some of which may have more relevant experience, greater financial resources or more personnel than Charlesbank. There can be no assurance that Charlesbank will be able to identify suitable investment opportunities for the Funds or to acquire them for an appropriate level of consideration.

The size and number of private equity and debt investment vehicles, including debt and credit focused vehicles, has grown dramatically in recent years, and this trend may continue in the future. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to a Fund and adversely affecting the terms upon which such investments can be made. Accordingly, there can be no assurance that a Fund will be able to locate suitable investment opportunities, acquire or originate them for an appropriate level of consideration, achieve a strong rate of return or targeted rate of return, or fully invest its committed capital, and as a result of such circumstances, returns to limited partners may decrease. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment

decisions by a Fund general partner and Charlesbank will be dependent upon the ability of their respective members and agents to obtain relevant information from non-public sources, and a Fund general partner and Charlesbank often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify.

Illiquidity of Investments

A substantial portion of the investments held by the Funds consist of securities that are subject to restrictions on sale under applicable United States securities laws. Generally, the Funds will not be able to sell such securities publicly without the expense and time required to register the securities under the Securities Act or will be able to sell the securities only under Rule 144 or other rules and regulations under applicable securities laws which permit only limited sales under specified conditions. When restricted securities are sold to the public, any such Fund may be deemed an “underwriter,” or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act.

Partial or complete sales, transfers, or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made.

Dilution from Follow-On Investments

Following its initial investment in a portfolio company, a Fund has in the past and may in the future decide to provide additional needed funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient capital to make all or any of such investments and the amount of any follow-on investments after such Fund’s investment period is subject to limitations in the Fund Governing Documents. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for the applicable Fund to increase its participation in a successful portfolio company. In the event a Fund does not participate in a follow-on investment opportunity and other limited partners provide the requested financing, the applicable Fund’s investment in the portfolio company will likely be substantially diluted. Follow-on investments present risks and may involve conflicts of interest, including the determination of the priority and other terms of the new financing as well as the allocation of investment opportunities in the case of follow-on investments by a Fund in a portfolio company in which other Funds have previously invested. In addition, a Fund may on occasion participate in re-leveraging and recapitalization transactions involving portfolio companies in which other Funds have already invested or will invest, potentially in securities or on terms that give such other Funds priority over such Fund (e.g., debt securities that provide for repayment prior to any payments to equity holders). Conflicts of interest will likely arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low of a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Investment in Growth Equity Transactions

Growth equity investments such as those that a Fund may decide to make offer the opportunity for significant capital gains but involve a higher degree of business and financial risk that can result in substantial or total loss. Growth equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many growth equity portfolio companies will need substantial additional capital to support additional research and development activities or expansion,

to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. Further, the marketplace for the sale of interests in smaller, private companies may be more limited than that for the sale of larger companies and thus may make realizations of gains and sales of interests more difficult if a portfolio company remains smaller. Less established companies may have lower capitalizations and fewer resources than companies with long operating histories, and therefore may be more vulnerable to financial failure.

Limited Diversification of Investments

The Funds may make a limited number of investments. A consequence of a limited number of investments or of similar investments is that the aggregate returns realized by the investors may be adversely affected by the unfavorable performance of a small number of these investments. In addition, to the extent that a Fund concentrates investments in a particular industry, security or other financial instrument or geographic region the investments may be more susceptible to fluctuations in value resulting from certain adverse economic and conditions.

Each Fund's capital is or is expected to be invested in only a handful of targeted industries (including the technology, financial services, business services, healthcare, and consumer industries), several of which are highly regulated. As a result, any downturn or difficulties experienced by one or more of these industries, or an increase or change in the regulations they are subject to, could have a negative impact on such Fund's investments and the returns to limited partners.

Concentration of Investments

A Fund may participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto, which may substantially affect a Fund's aggregate return.

Investments and Political Uncertainty in respect of Regulated Industries; Investments in Technology Dependent Businesses

Changes in regulatory, geopolitical, social, or economic policies and other factors may have a material adverse effect on the portfolio companies and the Funds in the future. For example, the outcome of future U.S. federal elections and potential corresponding presidential administration change and congressional power realignments may result in significant changes, or uncertainty, in governmental policies, regulatory environments and many other factors and conditions, some of which could adversely impact the portfolio company operations or make it more difficult for the Funds to achieve their investment objectives. The U.S. President has significant influence including a role in appointing federal officials of various agencies that regulate and/or impact the various industries, and Congress has the ability to impact these industries as well. While it is not possible to predict when and whether significant policy changes would occur, policy changes at the federal level resulting from the outcome of future U.S. federal elections could significantly impact the industries in which the Funds invest, the economy and the geopolitical landscape. Similarly, changes on the state or local level resulting from the outcome of future state or local elections could significantly impact the industries in which the Funds invest. To the extent that the results of future election cycles have a negative impact on certain industries, it may materially and adversely impact the

business, results of operations and financial condition of the Funds and their portfolio companies in the periods to come. Finally, a portion of each Fund's capital is typically invested in companies involved in or reliant upon the technology and/or Internet industries, which markets are challenged by rapidly changing market conditions and/or participants, new competing products and services and improvements in existing products and services. In the event that the Internet industry, or the technology sector as a whole declines, returns to limited partners may decrease.

Time Required to Maturity of Investment

The Equity Funds are intended for long-term investors who can accept the risks associated with making highly speculative, illiquid investments in privately negotiated transactions. It is generally anticipated that there will be a significant period of time (up to six years or more) before an Equity Fund has completed its investments in its portfolio companies. Such investments typically take from three to ten years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved.

Middle-Market Companies

The Funds invest primarily in lower middle-market to upper middle-market companies. Investments in such companies may entail larger risks than are customarily associated with investments in larger companies. Middle-market companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group and on additional financing. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology.

Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies; Non-Controlling Interest in Portfolio Companies

In their private equity investing, related Equity Funds often own a controlling percentage of the common equity of its portfolio companies, which, depending upon other relevant facts and circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Funds. In addition, because of such equity ownership, representation on a portfolio company board of directors, and/or certain contractual rights, the Funds may often be thought to control, participate in the management of or influence the conduct of their portfolio companies. The exercise of such control may result in additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws), or other types of liability in which the limited liability generally applicable to business ownership may be ignored. If any of these liabilities were to arise, the Funds could suffer a significant loss.

On the other hand, related Funds may hold non-controlling interests in certain portfolio companies, including in its credit investing, in which case the related Funds may have a limited ability to protect their position in such portfolio companies. As a condition to making non-controlling investments, related Funds will seek to obtain appropriate shareholder or lender rights to protect the Funds' investment, but it may not be possible to obtain such rights in all cases. If the related Funds do not have a controlling position or other shareholder or lender rights to protect their interests, it is possible that a portfolio company could take actions that negatively impact the value of the Funds' investment or that prevent the Funds from disposing of their investment.

General Risks Associated with Non-U.S. Investments

The Funds invest a minority portion of their capital commitments in companies that are headquartered and that have their principal operations outside the United States and Canada. These investments involve

special risks not typically associated with investments in the securities or other financial instruments of U.S. issuers, including: (1) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability; (2) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards in foreign markets, and the relatively greater price volatility and illiquidity of foreign securities markets; (3) currency exchange risks, including the cost of converting investment cash flows from one currency into another and the possibility of fluctuations in exchange rates; and (4) tax-related issues, including the possibility of withholding taxes, confiscatory foreign taxes and the possibility of double taxation of income earned overseas.

Environmental Risks

Environmental laws, regulations and regulatory initiatives will be applicable in certain companies in which the funds may invest and can have a substantial impact on investments on those companies. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments. Any noncompliance with these laws and regulations could subject the funds and its portfolio companies to material administrative, civil or criminal penalties or other liabilities.

Climate Change

As consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international, federal, state, and regional regulatory authorities which may have a material effect on Charlesbank, the Charlesbank Funds and/or the Fund portfolio companies. The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); regulatory/litigation risk (e.g., changing legal requirements that could result in increased compliance costs, changes in business operations, the discontinuance of certain operations, and related litigation); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing. Additionally, these risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment or disposition activities once undertaken, any of which could have an adverse effect on the Fund.

Restricted Nature of Investment Positions

Generally, there will be no readily available market for a Fund's investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Partners, and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such limited partners. Investments distributed in kind may not be readily marketable or saleable and may have to be held by limited partners for an indefinite period of time. After a distribution of securities is made to the limited partners, many limited partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such limited partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to a Fund's general partner with respect to such investment.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of Charlesbank, service providers to Charlesbank or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. Charlesbank has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that Charlesbank will be able to identify or prevent such misconduct.

Financial Fraud

Instances of fraud and other deceptive practices committed by management of companies in which a Fund may invest may undermine a Fund's due diligence efforts with respect to such companies and may negatively affect the value of a Fund's investment in the portfolio company. In addition, the government is increasing focus on reducing corruption. A Fund's investment in a portfolio company could be adversely affected by a portfolio company's violations of anti-corruption laws, and in certain instances could expose a Fund to liability or penalties for such violations. Additionally, the Credit Funds will rely on the accuracy and completeness of representations made by borrowers to the extent reasonable when they make debt investments but cannot guarantee such accuracy or completeness. Of paramount concern to the Credit Funds in investing in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the company to perfect or effectuate a lien on the collateral securing the loan. Under certain circumstances, payments to the company may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance.

Adequacy and Availability of Insurance

While a Fund may seek to make investments where insurance and other risk management products are, to the extent available on commercially reasonable terms, utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, such coverage may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and any insurance proceeds from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or any necessary replacement or

rehabilitation, as applicable. Certain losses of a catastrophic nature (i.e., those caused by force majeure events) may be either uninsurable or insurable at such high rates as to adversely impact a Fund's profitability and returns from an investment if such insurance were obtained.

Advisory Committee

A Fund's general partner will designate one or more limited partners to be represented by a member on the relevant Fund's Advisory Committee. The Governing Documents may provide that to the fullest extent permitted by applicable law, none of the Advisory Committee members shall owe any fiduciary duties to a Fund or any limited partner. An Advisory Committee member may consider the interests of the limited partner it represents over the interests of the limited partners as a whole when voting or consenting to any matter submitted to the Advisory Committee. Members of the Advisory Committee may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the Advisory Committee for consideration or review. In addition, representatives of the Advisory Committee may have various business and other relationships with Charlesbank and its partners, employees, and affiliates. These relationships may influence their decisions as members of the Advisory Committee. To the extent that a limited partner is not represented by a member of the Advisory Committee, such limited partner will have no influence over matters submitted to the Advisory Committee for review or approval.

Cybersecurity and Privacy Threats

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

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on systems or web sites rendering them unavailable. The controls and procedures, business continuity systems, and data security systems of Charlesbank, the Funds, the portfolio companies and each of their respective service providers could prove to be inadequate. These problems may arise in both the internally developed systems of Charlesbank, the Funds or portfolio companies or in the systems of third party service providers.

Charlesbank and its affiliates have established policies with respect to nonpublic personal information provided to it with respect to individuals who are investors in a Fund. Charlesbank recognizes the importance of maintaining the privacy of any nonpublic personal information it receives with respect to each Fund investor. In the course of providing management services to a Fund, Charlesbank collects nonpublic personal information about investors from the subscription agreements and the certificates and exhibits thereto that each investor submits to Charlesbank. Charlesbank may also collect nonpublic personal information about each investor from conversations and correspondence between each investor and Charlesbank, both prior to and during the course of each investor's investment in a Fund. Charlesbank treats all of the nonpublic personal information it receives with respect to each Fund investor as confidential.

Charlesbank, its affiliates and the Funds are subject to the requirements of applicable data privacy laws, which may include the General Data Protection Regulation and data protection laws passed by many states and by localities that require enhanced levels of cybersecurity and notification to users and/or regulators when there is a security breach for personal data. Compliance with applicable regulations, including the obligation to timely notify stakeholders in the event of a cybersecurity incident, may divert Charlesbank's time and effort and entail substantial expense. Any failure by Charlesbank or its affiliates to comply with applicable laws and regulations could result in significant fines, financial losses from remedial actions, loss of business, injunctions and reputational and other harm.

Market and Credit Risks Generally and In Connection with the Russia/Ukraine Conflict and Other Geopolitical Matters

The business of the Funds and its portfolio companies has been and could continue to be adversely affected directly or indirectly by economic and political changes in the global markets and markets where they compete regarding: inflation rates, recessions, trade restrictions, tariff increases or potential new tariffs, foreign ownership restrictions and economic embargoes imposed by the United States or any of the foreign countries in which we do business; changes in laws, taxation, and regulations and the interpretation and application of these laws, taxes, and regulations; restrictions imposed by the U.S. government or foreign governments through exchange controls or taxation policy; nationalization or expropriation of property, undeveloped property rights, and legal systems or political instability; other governmental actions; and other external factors over which we have no control. Economic and political conditions within the United States and foreign jurisdictions or strained relations between countries could result in fluctuations in demand, price volatility, loss of property, state sponsored cyberattacks, supply disruptions, or other disruptions. An open conflict or war across any region significant to their business could result in plant closures, employee displacement, and an inability to obtain key supplies and materials. The Funds' investments are subject to risks of credit defaults and changes in market values. Periods of macroeconomic weakness or recession, heightened volatility or disruption in the financial and credit markets could increase these risks, potentially resulting in other-than-temporary impairment of assets in their investment portfolio. The impact of geopolitical tension, such as a deterioration in the bilateral relationship between the United States and China or the conflict between Russia and Ukraine, including the resulting sanctions, export controls or other restrictive actions that have been or may be imposed by the United States and/or other countries against governmental or other entities in, for example, Russia, also could lead to disruption, instability and volatility in the global markets, which may have an impact on the Funds' investments across negatively impacted sectors or geographies.

Potential Emerging Banking Crisis

Inflation, and resulting rapid increases in interest rates, have led to a decline in the trading values of previously issued government securities with interest rates below current market interest rates. Certain financial institutions holding significant positions in these government securities have accumulated substantial unrealized losses, which has impaired or could impair the ability of such institutions to meet customer and other liquidity needs. One such financial institution was Silicon Valley Bank ("SVB"), which faced the prospect of a possible "run on the bank" as depositors became concerned about the solvency of the bank and the ability of depositors to access their funds. SVB's position became increasingly untenable and, on March 10, 2023, regulators shut down SVB and placed it in receivership under the Federal Deposit Insurance Corporation ("FDIC"). Shortly thereafter, Signature Bank was also placed in FDIC receivership. Market concern about the SVB and Signature Bank situations, as well as the risks posed to other similar-profile banks, created the potential for a domino effect across the U.S. banking sector, which was confronting its most significant set of challenges since the 2008 financial crisis.

The FDIC, in conjunction with the U.S. Department of Treasury and the Federal Reserve Board, have announced various policy responses in an effort to stabilize this deteriorating situation. Despite these efforts, concerns about the overall financial health and stability of the U.S. banking sector remains high. Further governmental intervention may be required to stabilize the U.S. banking sector in the future if additional U.S. banks, particularly larger banks, appear to be at a risk of failure; it is unclear, however, whether the government would intervene in such circumstances and, if it did, whether such governmental intervention would be sufficient to forestall a full-blown banking crisis. It is also possible that further government intervention could result in other unforeseen adverse impacts on the economy over the short or long term. At the same time, global markets are being adversely impacted by the financial uncertainties surrounding Credit Suisse, which uncertainties have prompted the Swiss Central Bank's agreement to loan Credit Suisse up to 50 billion francs and has resulted in UBS agreeing to acquire Credit Suisse.

Even if, ultimately, market concerns about the financial health and stability of U.S. and global banking sectors are successfully addressed, many observers believe that the risk of a recession occurring in the U.S., and perhaps in other major global economies, has increased because of the recent events in the banking sector. Relatedly, these events may prompt the Federal Reserve Board and other central banking authorities to slow down the pace of future increases in benchmark interest rates, which could make it more difficult for the U.S. and other governments to mitigate inflationary pressures in the economy and contribute to a period of higher inflation.

The events described above present several potential risks including to: (i) investment advisers, general partners and their related entities, (ii) the funds which they manage, (iii) fund limited partners; (iv) the portfolio companies in which funds make and hold investments; and (v) founders and senior management teams of portfolio companies. Certain of these risks are described in more detail below but other risks may arise in the future as events unfold. In evaluating such risks in the context of a rapidly evolving situation like this one, one should assume that circumstances may change in ways that are not necessarily predictable, and that conditions may deteriorate. Any of the risks described below, or other risks not described, if realized, could have a material adverse effect on the liquidity, current and/or projected business operations, financial condition and/or performance results, as applicable, for any of Charlesbank or its related parties, a Fund and/or the portfolio investments.

Banking Sector Risks on Fund Operations and Performance

It is likely that, if the banking sector situation continues to deteriorate, the U.S. and/or other global economies would be adversely affected, including the possibility of recession, the duration and severity of which are difficult to predict. Among other things, a weakening in the macroeconomic situation could make it more difficult for the Funds to identify and source investments; finance and other consummate investments which are sourced or refinance existing investments; and dispose or otherwise monetize investments at attractive valuations. In addition, it is possible that the incidence of Fund investor capital call defaults may increase. The cumulative effect of the foregoing could adversely impact the value of Fund holdings and overall Fund performance.

Custody Risk

If a bank has custody of Fund assets and the bank goes into receivership, the receivership could adversely impact the safekeeping of those assets and the ability to retrieve and secure such assets, and the Fund may experience delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets. To mitigate this risk, Charlesbank tries to select custodians with a strong balance sheet and significant capital base by conducting due diligence on financial stability including a review of the bank's financial statements, credit ratings, and any other information regarding the bank's financial health. In addition, Charlesbank monitors the custodian's financial health periodically by reviewing the information

described above. Charlesbank will also, to the extent possible, diversify custodian risk by using multiple custodians to reduce the impact of a single custodian's failure. Charlesbank has developed a contingency plan outlining the steps that will be taken to protect the Fund's assets and to transfer them to another custodian.

Risk of Access to Fund Subscription Lines or Other Working Capital Facilities

If a bank provides a Fund with a so-called subscription line or other working capital facility and the bank goes into receivership, the availability of funds under that line or facility could be adversely affected, which could in turn adversely impact the Fund's ability to consummate investments or pay Fund expenses in a timely manner. Charlesbank believes it can mitigate this risk by doing business with banks that have strong balance sheets and, if it has concerns that a bank will not be able to fund a subscription or other working line loan, to call capital instead from its limited partners.

Limited Partner Default Risk

If a bank is a significant limited partner in a Fund and the bank goes into receivership, it may make it more likely that such limited partner will be unable to satisfy its capital call and other obligations to the Fund, which could result in the Fund not being able to consummate a potentially valuable investment and a possible breach by the Fund under its agreement to acquire such investment. In general, Charlesbank believes that the significant default remedies provided for in a Fund's Governing Documents should dissuade most limited partners from defaulting on capital calls and that the overcall provisions in certain of the Fund constituent documents allow certain Funds in most instances to make up for capital shortfalls resulting from capital calls by drawing additional capital from non-defaulting limited partners.

Adviser/General Partner Risk

If Charlesbank, a Fund general partner or related party has a banking relationship with the bank (for example, a payroll account), Charlesbank's ability to manage or operate a Fund consistent with its past business practices could be negatively impacted, potentially resulting in a disruption in operations. Charlesbank plans on mitigating this risk by monitoring the financial condition of its banking relationships and, where appropriate and practicable, maintaining more than one banking relationship.

In addition, service providers with whom Charlesbank or a Fund does business may have relationships with banks that go into receivership, which could negatively impact such service providers and, therefore, the services Charlesbank or the Fund receives from such service providers. Charlesbank will seek to mitigate this risk by periodically evaluating the risk profile of its service providers, and where appropriate, identifying in advance service providers which could be brought in quickly if an existing service provider is unable to provide critical services.

Portfolio Company Risks

Portfolio companies of a Fund typically have their own banking or other relationships with banks and other financial institutions that present many of the same risks described above. In addition, a Fund portfolio company that is unable to access a credit line because its bank is in receivership may require bridge or other temporary financing from a Fund to meet its payroll or other obligations. Such transactions may reduce the capital availability of the Fund to make other investments and may result in overall reduced returns to the Fund. Moreover, if a letter of credit or other form of credit support was being provided to a portfolio company by a bank that goes into receivership, such portfolio company may be in default of other obligations it may have requiring such letter of credit or credit support to be maintained.

Charlesbank intends to mitigate such risk by trying to influence its portfolio companies, wherever it has such influence, to select lending relationships with banks and other financial institutions with strong balance sheets; to monitor the financial health of its lenders on a regular basis; and to have more than one banking relationship where appropriate or practicable. In this regard it is important to note that, in certain situations (such as in non-control investments in portfolio companies or investments where there are several significant size investors in the portfolio company in addition to the Fund), Charlesbank may have limited or no influence on portfolio company banking decisions and, even where it has influence, portfolio management teams may make decisions regarding banking relationships which are different than the decisions Charlesbank would make in the same circumstances.

Founder/Other Portfolio Management Risk

Risks can arise when founders or senior management of portfolio companies have economic or personal relationships with banks in danger of failing. In such cases, their attention and focus may be diverted from their primary responsibilities towards these relationships, potentially affecting their ability to effectively manage the portfolio company and create value for the Fund as investor.

For instance, if the founder or senior management of a portfolio company has invested a significant portion of their personal wealth in a troubled bank, they may become preoccupied with monitoring the bank's financial health and taking steps to protect their investments, potentially at the expense of their duties towards the portfolio company. Similarly, if a founder or senior management has outstanding loans with a troubled bank, the founder or senior management may focus more on maintaining a good relationship with the bank to ensure that the loans are not called in, instead of prioritizing the portfolio company's operations and growth.

To mitigate this risk, Charlesbank will conduct thorough due diligence on the relationships between founders and senior management of the Fund's portfolio companies and any banks that may pose a conflict of interest or distraction risk.

Additional Risks Specific to the Equity Funds

Bridge Financings and Syndicated Investments

From time-to-time, a Fund will lend to portfolio companies on a short-term, unsecured basis or may otherwise invest in a portfolio company on an interim basis with the expectation of a subsequent refinancing or syndication. For reasons not always in a Fund's control, such refinancing or syndication may not occur, which would result in such bridge financing or interim investment remaining outstanding longer than anticipated and a Fund's exposure to such investment may be larger than originally intended. In such event, the interest rate (if any) or other terms of such bridge financing or interim investment may not adequately reflect the risk associated with the position taken by such Fund. Such bridge financing or interim investment may be entered into at prospective returns below a Fund's target investment returns. Therefore, such bridge financing or interim investment that is not exited as originally anticipated, even if successfully recovered by such Fund, could significantly reduce such Fund's overall investment returns.

Investment in Junior Securities

Although an Equity Fund expects to invest principally in senior equity and equity-related securities, the securities in which an Equity Fund will invest may be among the most junior in a portfolio company's overall capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment by a Fund once it is made.

Additional Risks more Prevalent in the Credit Funds

Credit Market Conditions

There can be no assurance that the credit markets in which the Funds invests will be liquid. Illiquidity in the market may adversely affect a Fund's ability to dispose of assets. In addition, price movements of investments in which a Fund invests may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies, as well as an issuer's performance. Governments from time to time may also intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence prices directly and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. If the debt securities and investments in which the Funds invest are or become illiquid and are collateral in the Funds' own financing facilities, such illiquidity could make it more difficult for the Funds to manage its own borrowings, which could result in magnifying the negative impact of new or increased illiquidity in the Funds' investments.

Portfolio Companies and the Nature of Debt Securities

The securities in which the Funds invest, by the nature of their issuers' leveraged capital structures, involve a high degree of financial risk. These securities may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency. As the Funds may hold a non-controlling interest in portfolio companies, they may have to rely solely on contractual covenants (which, as noted above, may not be available) to protect its position in such portfolio companies. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on the loans or debt securities and result in defaults on, and/or declines in the value of, such loans or securities. The Funds may incur expenses if they are required to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. There can be no assurance that a portfolio company will generate sufficient cash necessary to service its debt obligations, and, in any such case, the Funds may suffer a partial or total loss of invested capital. The risk of loss in a distressed situation may be exacerbated when a Credit Fund elects to receive a payment in kind instead of cash payments. The Funds' investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected. Early repayments of the Funds' investments may have a material adverse effect on the Funds' investment objectives and the rate of return on invested capital. Debt securities are also subject to other creditor risks, including (a) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (b) so called "lender liability" claims by the issuer of the obligations and (c) environmental liabilities that may arise with respect to collateral securing the obligations.

Lender Liability or Equitable Subordination

Because of the nature of certain of the Funds' investment practices, a Funds or its affiliates could be subject to allegations of lender liability or "equitable subordination". Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer; (b) engages in other inequitable conduct to the detriment of such other creditors; (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). The Funds do not intend to engage in conduct that would form the basis for a successful

cause of action based upon the lender liability or equitable subordination doctrines; however, because of the nature of the debt obligations, a Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Risk of Investments without Credit Ratings

The Funds may invest in investments that lack credit ratings. These investments may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses. There can be no assurance that these types of investments will perform, the borrowers will pay as expected, or, if the borrower defaults, that security in respect of the underlying assets will be able to be enforced and the relevant assets liquidated in a cost-effective manner. In addition to the risks of borrower default, the Funds will be subject to a variety of risks in connection with such investments, including risks arising from mismanagement or a decline in the value of collateral, contested enforcement proceedings, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on a Fund's exercise of contractual remedies for defaults on such investments.

Subordinated Debt Investments

A portion of the Funds' capital may be invested in indebtedness that is unsecured or subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured and/or bear floating interest rates. In addition, these investments may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. The securities in which the Funds may invest may also be among the most junior in a portfolio company's overall capital structure and, thus, subject to the greatest risk of loss. Generally, in the case of an investment in such junior securities, there will be no collateral to protect an investment by a Fund once it is made.

Second Lien Loans

The Funds may invest in loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in adverse economic circumstances. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy that can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products.

Involvement of Co-Lenders

Some of the Funds' investments may be made as a co-lender with other co-lenders that are not affiliated with a Fund or its affiliates. These investments may involve risks not inherent in other types of investment vehicles, including, for example, the possibility that such third-party entities may become insolvent and bankrupt, have economic or business interests or goals inconsistent with those of a Fund or otherwise be in a position to take action inconsistent with a Fund's objectives, desires or policies, including, for example, in the context of discussions following a borrower default. Actions taken by bankrupt entities could subject a Fund to liabilities larger than, or other than, those anticipated. Additionally, co-lenders, and not a Fund, may control the voting by lenders and may elect to take actions

with respect to the enforcement of a loan and the lenders' rights and remedies under that loan that a Fund does not support and cannot block.

Prepayment Risk

The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults and foreclosures) occur on loans underlying assets will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, borrowers tend to prepay their loans when prevailing interest rates fall below the interest rates on their outstanding loans. Certain Funds attempt to account for anticipated prepayment levels in investing in loan assets. However, increased prepayment levels may negatively impact the total cash realized over the life of the assets and may consequently affect the rate of return on such investments.

Variable Rate Loans

The Funds may acquire investments that provide for adjustments in the interest rate associated with such investments at various monthly, annual or other intervals. The variable interest rate of investments held by the Funds are subject to the risk that such interest rates may decline, which would reduce the amounts payable to the Funds with respect to such investments.

Floating Rate Investments; LIBOR and LIBOR Reform

To the extent that leverage obtained on behalf of portfolio companies bears interest based on LIBOR, a Fund will be subject to certain risks. Over the past several years, LIBOR experienced historically high volatility and significant fluctuations. Regulators and law-enforcement agencies from a number of governments, including entities in the U.S. and the UK, have been conducting civil and criminal investigations into whether the member banks that contribute to the British Bankers' Association in connection with the calculation of LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR for their own benefit. There were also allegations that member banks may have manipulated other inter-bank lending rates. If LIBOR or another inter-bank lending rate is manipulated, it may result in that rate being artificially lower (or higher) than it would otherwise have been and, to the extent an investment is made or acquired that bears interest on such rates, it may not appropriately embed a return that is commensurate with its risk exposure. As a result, in 2017, the UK Financial Conduct Authority ("FCA") announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies (e.g., the Secured Overnight Financing Rate for U.S. dollar LIBOR and the Sterling Overnight Interbank Average Rate for GBP LIBOR). Various financial industry groups have been planning for the transition away from LIBOR, and markets are developing in response to these new rates, but questions around the liquidity of the new rates and how to appropriately adjust these rates to eliminate any economic value transfer at the time of transition remain a significant concern. It is difficult to predict the full impact of the transition away from LIBOR on the Funds. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR. The transition may also result in a reduction in the value of certain LIBOR-based investments held by the Funds or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses for the Funds. Since the usefulness of LIBOR as a benchmark

could also deteriorate during the transition period, effects could occur at any time. For a discussion of material conflicts regarding allocation, please see “Allocation of Investment Opportunities among Clients” in Item 11 below.

Monetary Policy and Governmental Intervention

In response to the global financial crisis in 2008, the Board of Governors of the U.S. Federal Reserve System (the “Federal Reserve”) and certain non-U.S. central banks acted to hold interest rates to historic lows in addition to taking other governmental actions to stabilize markets and seek to encourage economic growth. While many of these actions have ceased or slowed significantly, these and other actions by the Federal Reserve and such other central banks, including changes in policies, may continue to have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of a Fund’s investments on an absolute and/or relative basis. More recently, in early 2020 in response to the economic impact of the COVID-19 global pandemic, the U.S. government, including the Federal Reserve, took a number of measures in an effort to stabilize the U.S. economy and to inject liquidity into the U.S. capital markets. The Federal Reserve, has, among other things, kept interest rates low through its targeted federal funds rate and resumed the purchase of Treasury securities and agency mortgage-backed securities in the amounts needed to support smooth market functioning. In addition, the U.S. government passed measures aimed to alleviate potential unemployment and stimulate and support the economy. The far-reaching implications of these actions, and any further actions by the U.S. government taken in response to the continued spread of COVID-19 and new variants and related economic disruptions are unknown and therefore create material uncertainty and risk with respect to a Fund’s prospects, performance and financial results for an indefinite period of time. There can be no assurance that actions taken by the U.S. government, including the Federal Reserve, will have a beneficial impact on the financial markets and/or a Fund’s returns. The current Russia-Ukraine conflict, which has resulted in increased energy prices and sanctions disrupting the normal patterns of global trade, is likely to exacerbate inflationary conditions. To address recent high inflation rates, the Federal Reserve has announced several interest rate increases to its benchmark interest rate and may approve one or more additional rate increases, which increases may be significant and which may spell the end for the foreseeable future of what has been a prolonged period of low interest rates.

Item 9 – Disciplinary Information

Charlesbank and its employees have not been involved in any material legal or disciplinary events over the past 10 years that require disclosure under this item or that would be material to a client’s evaluation of the company or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Charlesbank nor any of its management persons are registered, or have an application pending to register, as a (a) broker-dealer or a registered representative of a broker-dealer, or (b) futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Employees of Charlesbank and members of its Portfolio Support Services team serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders, including the Funds. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Funds that are shareholders, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individuals’ duties as employees of Charlesbank or members of

its Portfolio Support Services team, on the one hand, and such individuals' duties as a director or officer of such portfolio company, on the other. Charlesbank has adopted policies and procedures that are reasonably designed to address such potential conflicts of interest and that seek to ensure that the Funds are treated fairly and equitably. However, although Charlesbank's policies and procedures for addressing conflicts that can arise in these situations are intended to resolve those conflicts in an impartial manner, there can be no assurance that Charlesbank's own interests will not influence its conduct or that Charlesbank's policies and procedures will have adequately anticipated all conflicts that may arise.

Related General Partners

Affiliates of Charlesbank serve as the general partners of the Funds.

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

Code of Ethics

In accordance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Charlesbank has adopted a Code of Ethics (the “Code”) for all employees or other persons who provide investment advice on behalf of Charlesbank (each, a “Covered Person” and collectively, the “Covered Persons”) describing its standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the prohibition on insider trading, procedures for personal trading, restrictions on the acceptance and giving of significant gifts, and the making of political contributions, among other things. Annually, all Charlesbank Covered Persons must acknowledge that they have received, read and understand the terms of the Code, and that they have complied with, and will continue to comply with, the Code.

Charlesbank Covered Persons are required to follow the Code, which is designed to assure that the personal investment transactions, activities and interests of the Covered Persons of Charlesbank will not interfere with (1) making decisions in the best interests of the Charlesbank Funds and (2) implementing such decisions while, at the same time, allowing Covered Persons to invest for their own accounts. The Code requires preclearance of most personal investment transactions. Charlesbank maintains a restricted list against which trades requiring preclearance are checked. Under the Code, certain classes of investments have been designated as exempt from preclearance, based upon a determination that these would not materially interfere with the best interests of Charlesbank's clients. Trading by Covered Persons is monitored under the Code to reasonably prevent conflicts of interest between Charlesbank and its clients and prevent insider trading and the misuse of the material non-public information held by Charlesbank and its Covered Persons, including with respect to the Funds and their portfolio companies.

Charlesbank will provide investors or prospective investors in the Funds with a copy of Charlesbank's Code of Ethics upon written request to the Chief Compliance Officer, Charlesbank Capital Partners, LLC, 200 Clarendon Street, 54th Floor, Boston, MA 02116.

Participation or Interest in Client Transactions

As described in the responses to Items 5 and 6, Charlesbank and the general partners of the applicable Charlesbank Funds are generally entitled to receive management fees and carried interest from the Charlesbank Funds. The general partners of the applicable Charlesbank Fund also make capital commitments to the Funds. Further, certain employees and affiliates of Charlesbank will invest in and alongside the Funds, either through the general partners, as direct investors in the Executives Entities or otherwise. A Fund or its general partner, as applicable, may reduce all or a portion of the management fee and carried interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Potential Conflicts of

Interest” immediately below. In addition, Charlesbank and its affiliates may receive fees from a Fund’s portfolio companies for performing consulting and other services for or serving as directors (or similar positions) of, such companies and may also receive securities of a Fund’s portfolio company that were granted or paid in the recipient’s capacity as a director of such portfolio company or an affiliate thereof. Each of the foregoing may represent a material financial interest in the securities that Charlesbank recommends to the Funds. Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, Charlesbank may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Potential Conflicts of Interest

Charlesbank and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund likely will conflict with the interests of Charlesbank, other Funds or their respective affiliates. Potential conflicts of interest exist in the structure and operation of the Funds’ business. If any matter arises that any of the general partners or Charlesbank determines in its good faith judgment constitutes an actual conflict of interest, such general partner or Charlesbank, as applicable, will take such actions as it determines in good faith may be, or which pursuant to the applicable Fund’s limited partnership agreement are, necessary or appropriate to ameliorate the conflict. In resolving conflicts, Charlesbank considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) On any issue involving actual or potential conflicts of interest, Charlesbank will be guided by its good faith discretion and Charlesbank will seek to act in the best interests of any Funds potentially affected directly or indirectly by the conflicts of interest;
- (2) Where set forth in the Governing Documents for the Funds, Charlesbank will seek to resolve the conflict of interest in accordance with the set procedures, restrictions or other provisions contained in the Governing Documents;
- (3) In accordance with the Governing Documents for the Funds, Charlesbank may be required to consult or may consult at its discretion with the Advisory Committee of the Fund (if any), consisting of representatives of investors not affiliated with Charlesbank, as to certain potential conflicts of interest;
- (4) Charlesbank has adopted and implemented certain policies and procedures designed to reduce, avoid and mitigate certain conflicts of interest; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

While Charlesbank endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions.

There can be no assurance that the general partners and Charlesbank, as applicable, will ameliorate or resolve all conflicts of interest in a manner that is favorable to the Funds or any particular limited partner.

In addition, the Governing Documents contain provisions that, subject to applicable law, (a) reduce or eliminate the duties, including fiduciary and other duties, to the Funds and the limited partners to which the general partners would otherwise be subject, (b) waive duties or consent to the conduct of the general partners that might not otherwise be permitted pursuant to such duties and (c) limit the remedies of limited partners with respect to breaches of such duties. Additionally, the Governing Documents contains exculpation and indemnification provisions that, subject to the specific exception enumerated therein, provide that the relevant general partner and its affiliates (including Charlesbank) will be held harmless and indemnified, respectively, for matters relating to the operation of the Funds, including matters that involve one or more potential or actual conflicts of interest. Certain of these conflicts of interest, as well as a description of how Charlesbank addresses such conflicts of interest, can be found below.

The material conflicts of interest encountered by Charlesbank and the Funds include those discussed below, although the discussion below does not purport to be a complete list or explanation of all conflicts of interests that will be faced by Charlesbank or a Fund. Other potential conflicts are disclosed in the Governing Documents of the Funds and throughout this brochure and the brochure should be read in its entirety for other conflicts.

Conflicts Associated with the Allocation of Investment Opportunities

Charlesbank has an Allocation Policy that determines the allocation of investment opportunities, and an allocation committee administers the policy. For each investment opportunity, in addition to formal approval by the applicable investment committee, potential participation by the Funds in such investment opportunity is reviewed by the allocation committee in accordance with such policy and procedures as well as the Governing Documents relating to the Funds. In allocating investment decisions among the Funds, the allocation committee may consider a wide range of factors as set forth in the Allocation Policy.

Notwithstanding the foregoing, Charlesbank will not allocate investment opportunities among Funds based, in whole or in part, on (i) the relative fee structure or amount of fees paid by a Fund or (ii) the profitability of any Fund.

The application of the factors considered by the allocation committee will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. The allocation committee makes allocation determinations based solely on its expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight.

Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. While Charlesbank determines how to allocate investment opportunities using its best judgment, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which Charlesbank is subject, discussed herein, did not exist.

Conflicts Associated with Advisory Committee

In addition, Charlesbank consults with Advisory Committees for certain Funds to review potential conflicts and to ensure that one Fund is not favored over another. Each Charlesbank Fund advisory committee is comprised of representatives of the limited partners of that Charlesbank Fund. An advisory committee may also review allocation decisions outside of the scope or limitations of the Charlesbank Fund's Governing Documents. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee because those designating limited partners

will, for instance, have greater information rights. The advisory committee also has the ability to approve conflicts of interests with respect to Charlesbank and the Funds, which could be disadvantageous to the investors, including those limited partners who do not designate a member to the advisory committee.

Conflicts Associated with Allocation of Co-Investment Opportunities

From time to time, the opportunity to coinvest in a Charlesbank Fund investment becomes available. Where possible and appropriate, the general partner of the applicable Charlesbank Fund may, but is not obligated, to offer such co-investment opportunities, in some cases, to (i) certain Charlesbank Fund limited partners (or their beneficial owners), (ii) management or employees of the relevant portfolio company, consultants and advisors with respect to such portfolio company or pre-existing investors or other persons associated with such portfolio company, (iii) any joint venture partner, (iv) any other investment fund or managed account advised by Charlesbank or its affiliates, (v) the Overage Program (as defined below) or (vi) any other person, including persons or entities whom the general partner of the applicable Charlesbank Fund believes will be of benefit to the Charlesbank Fund or one or more portfolio companies or who may provide a strategic, sourcing or similar benefit to Charlesbank, the Charlesbank Fund, a portfolio company or one or more of their respective affiliates due to industry expertise, regulatory expertise, end-user expertise or otherwise (including private equity funds sponsored by persons other than Charlesbank) (collectively, “Co-Investors”).

Notwithstanding the foregoing, in general, (i) no limited partner has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of Charlesbank or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other limited partners in the sole discretion of Charlesbank or its related persons, investors may be offered a smaller amount of co-investment opportunities than originally requested and a limited partner may be offered fewer co-investment opportunities than other limited partners, with the same, larger or smaller capital commitments, (iv) co-investment opportunities may be offered to one or more of the categories of Co-Investors described above without offering the opportunity to other categories and (v) Co-Investors will generally purchase their interests in a portfolio company at the same time as the Fund or will on occasion purchase their interests from a Fund after the Fund has consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). The applicable general partner will, in its sole and absolute discretion, determine if an investment by the Fund alongside or with another person or entity in a given investment constitutes a co-investment.

Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities do not require Charlesbank to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, Charlesbank from time to time agrees to give particular limited partners or other Co-Investors priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect Charlesbank’s decision to offer certain opportunities for co-investment and could limit the ability of limited partners to be offered certain co-investment opportunities.

Subject to the terms of the applicable Charlesbank Funds’ Governing Documents, Charlesbank allocates co-investment opportunities among Co-Investors in any manner it deems appropriate, taking into account those factors that it deems relevant under the circumstances, including: (i) the character or nature of the

co-investment opportunity (e.g., its size, structure, geographic location, relevant industry, tax characteristics, timing and any contemplated minimum commitment threshold); (ii) the level of demand for participation in such co-investment opportunity; (iii) the ability of a prospective Co-Investor to analyze or consummate a potential co-investment opportunity on an expedited basis without harming or otherwise prejudicing the Fund, especially when the investment opportunity is time-sensitive in nature (including whether the prospective Co-Investor has a particular complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required); (iv) certainty of funding and whether a prospective Co-Investor has the financial resources to provide the requisite capital; (v) the investing objectives and existing portfolio of the prospective Co-Investor; (vi) the reporting, public relations, competitive, confidentiality or other issues that may also arise as a result of the co-investment; (vii) the legal or regulatory constraints to which the proposed investment is expected to give rise; (viii) whether the prospective Co-Investor has a history of participating in opportunities and Charlesbank's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the prospective Co-Investor to respond promptly and/or affirmatively to potential investment opportunities previously offered by Charlesbank and the expected amount of negotiations required in connection with prospective Co-Investor's commitment; (ix) the ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company; (x) the extent to which a prospective Co-Investor has been provided a greater amount of co-investment opportunities relative to others; (xi) whether the prospective Co-Investor would require any governance rights that would complicate the transactions (or, alternatively, whether the prospective Co-Investor would be willing to defer to Charlesbank and assume a passive role in governing a portfolio company); (xii) any interests a prospective Co-Investor has in any competitors of the portfolio company; (xiii) Charlesbank's perception of whether the investment opportunity may subject the prospective Co-Investor to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered; (xiv) Charlesbank's evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing; (xv) Charlesbank's evaluation of whether the profile or characteristics of the prospective Co-Investor may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the prospective Co-Investor is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the prospective Co-Investor, or the jurisdiction in which the prospective Co-Investor is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); (xvi) whether the prospective Co-Investor will make commitments to invest in other funds (including concurrently with the applicable co-investment); (xvii) whether Charlesbank believes, in its sole discretion, that allocating investment opportunities to a prospective Co-Investor will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to a Fund and/or Charlesbank and whether the prospective Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of the Funds and/or Charlesbank; (xviii) whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Funds (i.e., a stapled co-investment opportunity); and (xix) Charlesbank's own interests.

The factors above are not listed in order of importance or priority and Charlesbank is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant

circumstances. Charlesbank's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including a Fund, prospective Co-Investors, Charlesbank investors and other third-parties, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. With respect to allocations influenced by Charlesbank's own interests, there may be a variety of circumstances where Charlesbank will be incentivized to afford co-investment opportunities to one Co-Investor over another. Additionally, Charlesbank may be contractually incentivized or obligated to offer certain Co-Investors a minimum amount of co-investment opportunities or otherwise bear adverse economic consequences for failure to do so, which consequences may include, a loss of future economic rights, including carried interest or other incentive arrangements.

With respect to allocations influenced by Charlesbank's own interests, there could be a variety of circumstances where Charlesbank will be incentivized to afford co-investment opportunities to one Co-Investor over another. Additionally, in certain circumstances, Charlesbank is contractually incentivized or obligated to offer certain Co-Investors a minimum amount of co-investment opportunities or otherwise bear adverse economic consequences for failure to do so, which consequences may include, a loss of future economic rights, including carried interest or other incentive arrangements. A limited partner of a Charlesbank Fund that expresses interest in participating in co-investment opportunities is not guaranteed to be offered any such opportunity.

Without limiting the foregoing, the general partners of the Charlesbank Funds that constitute its Fund IX family of funds (collectively, "Fund IX") and its Fund X family of funds (collectively, "Fund X") have established programs (each, an "Overage Program" and together, the "Overage Programs") to make co-investment opportunities available to interested Fund IX or Fund X institutional limited partners, as applicable, in connection with Fund IX's or Fund X's larger portfolio investments. The terms of the Overage Programs are determined by the Fund IX general partner and the participating Fund IX limited partners or the Fund X general partner and the participating Fund X limited partners, as applicable, and include that (a) any co-investments by the Overage Programs with Fund IX or Fund X will generally be made at substantially the same time as (or within a reasonable time before or after) and on economic terms at the investment level substantially no more favorable to such Overage Program participants than those on which Fund IX or Fund X invests at the time of such co-investment (to the extent reasonably practicable, taking into account such facts and circumstances as are applicable with respect to such co-investment at the time of such co-investment and it being understood that legal, tax, regulatory or similar considerations or limitations may affect the form of such co-investments) and (b) any such co-investment generally will be sold or otherwise disposed of at substantially the same time (and, in the case of a partial disposition, in substantially the same proportion) as Fund IX's or Fund X's, as applicable, disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such Overage Program participants than those on which Fund IX or Fund X, as applicable, disposes of its interest in such investment at the time of such disposition (to the extent reasonably practicable, taking into account such facts and circumstances as are applicable with respect to such co-investment at the time of the disposition of such co-investment), unless, in either case, the Fund IX or Fund X general partner, as applicable, determines in good faith that other terms, proportions or timing are advisable due to legal, tax, regulatory or similar considerations or limitations, or advisable in order to facilitate a transaction.

All decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the general partner of the respective Charlesbank Fund.

Conflicts Associated with Co-Investments by Portfolio Company Officers and Executives

Current and former officers and executives of portfolio companies may also invest in a Fund. While Charlesbank believes this aligns portfolio company management teams with the best interests of the Fund, Charlesbank may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

Conflicts Associated with Principal and Cross Transactions

It is Charlesbank's general policy not to enter into principal transactions. A principal transaction is defined as a transaction in which an investment adviser, acting for its own account, buys a security from or sells a security to a client.

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

To address these conflicts of interest, in connection with effecting such transactions, Charlesbank will follow the requirements set forth in the Governing Documents of the relevant Funds. In general, Charlesbank will (i) consider its respective duties to each Fund, (ii) determine whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's-length transaction with a third party on commercially reasonable terms (which may or may not involve a valuation agent or a third-party bid), and (iii) obtains any required approvals of the transaction's terms and conditions. There can be no assurance that any such conflicts can be resolved in a manner that is beneficial to each Fund or portfolio company nor is there any assurance that such transaction will be equally or similarly profitable or advantageous to each participating Fund.

Charlesbank may cause a Charlesbank Fund to purchase additional securities of a portfolio company with the intent of selling such additional securities to one or more Co-Investors. In the event that Charlesbank is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to Co-Investors as originally anticipated could significantly reduce the Fund's overall investment returns. Therefore, it is possible that the Fund overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

Conflicts Associated with Product and Service Discounts

Charlesbank's Covered Persons receive product and service discounts from certain Charlesbank portfolio companies from time to time. Typically, portfolio companies will offer such discounts to customers other than Charlesbank's Covered Persons as part of their standard commercial practices to expand their respective customer bases, which Charlesbank believes helps to mitigate the potential for conflicts relating to such arrangements.

Conflicts Associated with Side Letters

The Funds have in the past entered into, and expect to enter into in the future, Side Letters (as defined above) with investors in the Funds that have the effect of establishing rights under or altering or supplementing the terms of the Governing Documents of a Fund as they apply to a particular investor in that Fund. As a result of such Side Letters, certain investors can receive additional benefits that other investors will not receive. The terms of such Side Letters may include, without limitation, the following: (i) various notification requirements (e.g., with respect to legal or regulatory actions); (ii) limitations on the Fund's ability to distribute assets in kind; (iii) covenants for the provision of audited financial statements or other reports within certain periods of time; (iv) forms of notice; (v) investment restrictions; (vi) the use and disclosure of information and other confidentiality provisions; (vii) limitations on indemnification; (viii) tax related provisions (e.g., limitations on withholding taxes or engaging in certain transactions that could result in adverse tax consequences for certain investors); (ix) co-investment rights; and (x) opting out of particular investments.

Conflicts Associated with Interactions Between Portfolio Companies

From time to time, we recommend the services of one portfolio company to one or more other portfolio companies where we believe, in our reasonable judgment, that such services would benefit one or more such other portfolio companies. Charlesbank will generally have a conflict of interest in making such recommendations, in that Charlesbank has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service. However, in an effort to mitigate potential conflicts associated with such arrangements, we will typically not require any portfolio company to engage another portfolio company for such services and we will request the applicable portfolio companies to independently assess the value-add from such services for their business and independently undertake a cost-benefit analysis.

Portfolio companies controlled by a Fund have in the past, and may, from time to time in the future provide services to Charlesbank, certain Fund investors or prospective investors. This creates a conflict of interest, as Charlesbank has an incentive to cause the portfolio company to favor itself, or those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. However, such pricing and other terms will generally be at market rates and/or on arm's length terms. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, Charlesbank may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by Charlesbank to a portfolio company may have adverse consequences to a separate portfolio company

owned by another Fund. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company; withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price; increase its own prices, purchase assets from, or sell assets to, another portfolio company; commence litigation against another portfolio company; or prevent one portfolio company from commencing litigation against another portfolio company.

Conflicts Associated with Preferred Service Providers

Charlesbank and/or its affiliates engage certain service providers to provide services to Charlesbank, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers or their affiliates are, in certain circumstances, investors in a Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel, pension consultants and/or other investors who provide services (including mezzanine and/or other lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as Charlesbank may give such investor preferred economics or other terms with respect to its investment in a Fund, enhanced information or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, Charlesbank will have a conflict of interest in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide Charlesbank information about markets and industries in which Charlesbank operates, will provide other services that are beneficial to Charlesbank and/or will provide financial sponsorship of events held by Charlesbank (such as transaction closing dinners or outings, or informational summits or training events for Charlesbank or portfolio company personnel). Charlesbank generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Charlesbank engages certain service providers (including law firms) on behalf of the Funds and personnel of such service providers have in the past and may in the future be seconded to Charlesbank on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. Charlesbank is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Charlesbank, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in Charlesbank's discretion taking into consideration the usage of such personnel. In such circumstances, a conflict of interest exists because Charlesbank has an incentive to select one service provider over another on the basis that Charlesbank may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not Charlesbank or its affiliates.

Conflicts Associated with Serving as Board Members of Portfolio Companies

As described above, Charlesbank employees and members of the Portfolio Support Services serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such person's fiduciary duties as a director conflicts with those of the

Fund, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Fund. Furthermore, a Charlesbank employee or a member of the Portfolio Support Services serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such person may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company. A Charlesbank employee or a member of the Portfolio Support Services serving as a director may make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company. In addition, to the extent such persons serves as a director on the board of more than one portfolio company, such person's fiduciaries duties among the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject Charlesbank, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify Charlesbank, its employees and members of the Portfolio Support Services from such claims.

Conflicts Associated with Collection and Use of Data from Portfolio Companies

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

Charlesbank or its personnel will not be subject to the management fee offset provisions or otherwise shared with a Fund or its investors. Charlesbank has in the past utilized and is likely in the future to utilize such information to benefit the Charlesbank, its affiliates and/or certain Funds.

Conflicts Associated with Allocation of Insurance Premiums and Other Expenses

Charlesbank has in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, Charlesbank and/or its employees and their respective agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by Charlesbank that cover one or more Funds and/or Charlesbank (including Charlesbank’s employees and their respective agents, representatives, members of the advisory committee and other indemnified parties). Charlesbank will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or Charlesbank on a fair and reasonable basis and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Conflicts Associated with Intangible Benefits

Charlesbank and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/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 may result in “miles” or “points” or credit in loyalty/status programs to Charlesbank and/or its personnel, and such benefits, rewards and/or amounts (whether or not de minimis or difficult to value), will exclusively benefit Charlesbank and/or such personnel even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for Charlesbank personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Charlesbank personnel to the extent the trip also serves a personal purpose.

Conflicts Associated with Investments in the Same Portfolio Company

It is possible that from time to time a Fund may invest in a company in which one or more other Funds hold an investment in the same, a different class or overlapping of such company’s debt or equity that is junior or senior to the Fund’s investment, or vice versa, or the Fund could make an investment alongside one or more other Funds. If a Fund determines to make a co-investment with one or more other Funds, the Funds generally will make the investment on, and ultimate disposition on, economic terms that are no less favorable than those terms provided to the relevant other Funds, subject to any specific investment limitations applicable to any participating Funds and certain other factors as described in the Governing Documents of such Funds and Charlesbank’s Allocation Policy, or as otherwise approved by the Charlesbank Funds’ Advisory Committees. If such a co-investment opportunity among Funds includes different tranches of investments, each tranche is considered a separate investment opportunity and allocated to the Funds subject to any specific investment limitations applicable to any participating Funds.

and certain other factors as described in the Governing Documents of such Funds and Charlesbank's Allocation Policy.

Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and the Charlesbank may be incentivized to choose a course of action that benefits a Fund to the detriment of another Fund.

For example, a situation may arise where a Fund is a holder of equity securities of a portfolio company and one of the other Funds has the opportunity to invest in loans or debt securities or such portfolio company. Such a debt investment could arise in a number of contexts, including where another Fund acquires debt of the portfolio company in a secondary purchase, where another Fund becomes a lender to the portfolio company at the time the Fund acquires a controlling interest and finances such acquisition, and where another Fund participates in a refinancing of the portfolio company's debt after the Fund has acquired its equity investment. If such a situation were to arise, the Fund's investment, by virtue of being an equity investment, would be effectively junior in the capital structure to the debt investment of the other Fund. These situations may arrive where the Fund is a majority/controlling equity holder of the portfolio company, and where the Fund holds a minority/non-controlling equity investment, and where the other Fund is the sole lender or a majority holder of a given debt tranche, and where the other Fund is a minority holder of such debt. In certain instances, the Fund may also take a minority or majority interest in the same tranche of debt in which another Fund holds an interest, or in a tranche of debt that is senior to, or junior to, the debt in which such other Fund holds an interest, such as where certain debt is secured and other debt is secured on a junior basis or unsecured, or where certain debt is contractually senior to other debt. All of these situations may give rise to additional conflicts of interest. In addition, a portfolio company may engage in a refinancing transaction following which another Fund could hold all, or substantially all, of the debt of a portfolio company in which the Fund is invested. Conflicts may arise in connection with such investments and transactions, including for, but not limited to, the conflicts described herein. Further, in such situations it is expected that the Fund and any such other fund will have overlapping or the same members of the investment committee, so the same individuals will be making decisions and resolving conflicts on behalf of the Fund and such other Fund.

In the event that one of the Funds has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with another Fund if it does not that have the same level of control or influence over the portfolio company.

Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. Most importantly, equity holders have the potential to benefit from transactions that may have the potential to greatly increase a portfolio company's value, but may also present risks, while the return of debt investors are limited to the return of principal and their agreed upon economics. In addition, holders of debt instruments of different priorities have differing interests as well, since generally speaking holders of more senior securities have lower return and lesser tolerance for risk. Under such circumstances Charlesbank may be required at times to make decisions with respect to debt or preferred equity investments held by one or more Funds that are adverse

to the interests of one or more other Funds as a subordinated equity or debt investor in the same company and conflicts of interest may arise.

These conflicts are exacerbated in the event the company is facing financial distress. For example, in the event such company enters bankruptcy, the Funds holding securities that are senior in bankruptcy preference may have the right to aggressively pursue the company's assets to fully satisfy the company's obligations to such other Funds, and Charlesbank may be required to pursue such remedies on behalf of such other Funds. Conversely, in certain instances, it may be in the best interest of the Funds holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm the other Funds' equity investments in the portfolio company. As a result, if the one or more Funds have an investment in the same company that is more junior in the capital structure to the investments of other Funds, it could lose some or all of its investment. In addition, the involvement of the Funds at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, the Funds could be prohibited from exercising voting or other rights and may be subject to claims by other creditors with respect to the subordination of their interest.

Conflicts arise in determining the terms of investments, particularly where these Funds may invest in different types of securities in a single portfolio company. In particular, conflicts may arise in negotiating the initial terms of debt investments, given the differing interests of holders of equity and debt, or of different tranches of debt, including economic terms (including, without limitation, fees, interest rates, whether or not "payments-in-kind," of interest are permitted and penalties for early repayment), the covenants (including whether financial covenants will be required and their formulation and levels, the degree to which such the portfolio company is permitted to engage in acquisition or disposition transactions, incur additional indebtedness, and make distributions to equity holders). Conflicts may also arise if amendments or waivers are sought, e.g., to permit transactions in which the portfolio company wishes to engage, or to address defaults or liquidity issues, and in restructuring or bankruptcy process.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and, if provided, each Fund will supply such additional capital in such amounts, if any, as determined by Charlesbank. In the event a Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund or Funds may be obligated to fund more than its share of such amount. In such event, the other Fund or Funds will gain greater exposure to such investment than may have been intended and the Fund not funding its share will be diluted in such investment.

Furthermore, investments to finance follow-on acquisitions are a regular part of the business of the Funds. Follow-on investments involving more than one Fund present conflicts of interest, including in connection with the determination of the equity component and other terms of the new financing, and, if the Funds making the follow-on investment have not previously invested in the relevant portfolio company or raise the risk of using such Fund's assets to support positions taken by other Funds.

In addition, from time to time, a Fund will participate in recapitalization transactions involving portfolio companies in which other funds managed by Charlesbank have invested or will invest. Recapitalization transactions will present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

There are also conflicts of interest if a Fund holds junior debt instruments, as junior debt has greater inherent risks than senior debt. For example, conflicts may arise with respect to the acceleration of

principal payments in the event of a default (as a Fund holding junior debt may be incentivized to accelerate payment while it would be in another Fund's best interest for such acceleration not to occur). In addition, in the event a portfolio company breaches a debt or asset covenant, the Funds holding investments or a different priority may have differing interests in terms of deciding whether to waive certain available remedies. Such actions would have a direct (and likely negative) impact on the Fund's equity investment in such a company.

Other conflicts are expected to arise in cases where a Fund that is a holder of equity securities desires the portfolio company to have optimal flexibility to grow, while another Fund that is a holder of debt instruments of the same company, would not benefit from such flexibility and may instead benefit by placing tighter restrictions on the types and amounts of such company's acquisitions and activities, which could restrict and/or adversely affect the ability of the Fund holding the equity to make operational decisions on behalf of a portfolio company that would benefit such Fund. Furthermore, because of the different legal rights associated with debt and equity investments, Charlesbank will face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, the Funds holding the debt as compared to the other Funds holding the equity.

Furthermore, it is expected that the decision-making personnel at Charlesbank (e.g., investment committee members) will overlap with respect to the Funds. These personnel also have investments in and alongside the Funds. Such interests vary and such personnel may have an incentive to take a course of action to benefit a Fund in which such personnel holds a greater interest.

Charlesbank has adopted policies and procedures that are reasonably designed to address such potential conflicts of interest and that seek to ensure that the Funds are treated fairly and equitably. However, although Charlesbank's policies and procedures for addressing conflicts that can arise in these situations are intended to resolve those conflicts in an impartial manner, there can be no assurance that Charlesbank's own interests will not influence its conduct or that Charlesbank's policies and procedures will have adequately anticipated all conflicts that may arise.

Item 12 – Brokerage Practices

Since most of its investments are in private companies, Charlesbank does not generally use the services of broker-dealers to effect transactions. When it does, including in connection with its investments by the Funds, Charlesbank seeks "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. Best execution is not limited solely to the consideration of the best available commission rate. In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, Charlesbank takes into account all factors that it deems relevant, including, but not limited to, the size and type of transaction, the markets for securities to be purchased or sold, execution, efficiency, settlement capability, financial condition of the broker-dealer, the quality of the broker-dealer's trade execution on a continuing basis and reasonableness of brokerage commissions. While Charlesbank attempts to achieve the best overall price for its clients, Charlesbank does not necessarily select a broker offering the lowest possible commission cost because such a selection may not result in the best quality execution of transactions effected for the Funds.

To the extent that orders for purchase and sale are placed, Charlesbank aggregates such orders among affiliated Equity Funds in a fund family, for investments made by such Equity Funds, and affiliated Credit Funds in a fund family, for investments made by the Credit Funds, on a pro rata basis in accordance with the limited partnership agreement of each Charlesbank Fund.

Charlesbank does not have any soft dollar arrangements.

Item 13 – Review of Accounts

Oversight and Monitoring

Charlesbank's investment teams actively monitor the investments held by the Funds, generally representing the Funds on each Equity Fund portfolio company board of directors. Each investment team includes Managing Directors (and typically two Managing Directors) along with several additional investment professionals. The entire investment staff for each team (i.e., the investment team focused on the Flagship Equity Funds, Technology Funds and Credit Funds) and certain senior administrative staff generally meet periodically to review and discuss material portfolio company developments. The respective teams also meet quarterly to review each investment in detail, including progress against budget and key performance metrics.

Reporting

Investors in the Charlesbank Funds receive audited financial statements on an annual basis and unaudited financial statements on a quarterly basis. On a quarterly basis, investors also receive an investment summary for each portfolio company held by the applicable Charlesbank Fund, which describes the initial investment, as well as any material developments. In addition to other routine reporting, Charlesbank holds an annual limited partner meeting at which Charlesbank Fund performance information and all active investments are discussed in detail. Charlesbank may from time to time, in its sole discretion, provide additional information upon request relating to such Fund to one or more investors in such Fund, as they deem appropriate.

Item 14 – Client Referrals and Other Compensation

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

While Charlesbank does not engage in client solicitation arrangements, Charlesbank has engaged Monument Group and GrovePeak, each a registered broker-dealer, as placement agents relating to certain of its Credit Funds. Such persons generally will receive a set fee or a fee in an amount equal to a percentage of the capital commitments for interests made by certain potential limited partners to such Credit Fund that are subsequently accepted. Charlesbank utilizes its placement agents primarily to supplement and assist Charlesbank's Investor Relations and the Credit Team in the day-to-day fundraising activities.

Item 15 – Custody

Charlesbank is deemed to have constructive custody of cash and securities of the Funds pursuant to Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

The cash and securities of the Funds are maintained with third party qualified custodians, unless there is an applicable exemption under the Custody Rule.

With respect to certain of the Funds, Charlesbank seeks to deliver audited financial statements, prepared in accordance with U.S. generally accepted accounting principles, to the investors in the Funds, in each case, within 120 days of their fiscal year ends. Investors in such Funds typically will not receive any statements from the custodians of the Funds.

To the extent the Fund is not subject to an annual audit in compliance with Rule 206(4)-2, Charlesbank has designated, or will designate, in accordance with the Fund's Governing Documents, an independent representative on behalf of such Fund's investors to receive quarterly account statements required to be delivered pursuant to the Custody Rule by any qualified custodian. Such independent representative is required to compare the account statements received from the custodian to the account statements Charlesbank delivers to investors.

Item 16 – Investment Discretion

Charlesbank provides investment advisory services to each of the Charlesbank Funds pursuant to an Advisory Agreement, subject to the direction and control of the general partner of each Charlesbank Fund, and not individually to the investors in the Charlesbank Funds. Any investment restrictions are contained in the limited partnership agreement and related documents for each Fund. Prior to making an investment in a Fund, the limited partners review the Governing Documents for such Fund.

From time to time, the opportunity to coinvest in a Charlesbank Fund investment becomes available. Where possible and appropriate, the general partner of the applicable Charlesbank Fund offers such co-investment opportunities, in some cases, to some but not other Charlesbank Fund limited partners, and in some cases to persons other than limited partners, including, in the case of Fund IX and Fund X, through the Overage Program described in more detail above. All decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the general partner of the respective Charlesbank Fund.

Item 17 – Voting Client Securities

Charlesbank has established written policies and procedures setting forth the principles and procedures by which Charlesbank votes or gives consent with respect to securities owned by the Funds. The guiding principle by which Charlesbank votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund's holdings, taking into account the relevant Fund's investment horizon, the contractual obligations under the relevant Governing Documents of the Fund, and any other relevant facts and circumstances Charlesbank determines to be appropriate at the time of the vote. Charlesbank does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is Charlesbank's practice to review and vote on proxy and shareholder consent matters on a case-by-case basis, taking into account the relevant facts and circumstances known at the time. In all cases, Charlesbank evaluates the issues to determine whether and to what extent they may have a material impact, economic or otherwise, on the Charlesbank Funds. In accordance with the authority delegated to Charlesbank by the general partner of each Charlesbank Fund, under the terms of the applicable agreement of limited partnership, Charlesbank will vote all proxies and shareholder consents in the best interest of the respective Charlesbank Fund. Proxies voted for affiliated Charlesbank Funds are voted in the same manner.

Certain Covered Persons who are investment professionals of Charlesbank serve as board members for the Funds' portfolio companies. In situations where Charlesbank votes the proxy for a company in which a Covered Person of Charlesbank serves on the board of directors, Charlesbank has determined that it does not inherently present a conflict of interest as the purpose for serving on the board is to maximize the return on the Funds' investment and to ensure that the Funds' interests are protected. If there is a conflict of interest with deal team members voting the proxy (i.e., in connection with the general consideration of potential conflicts of interest), the Chief Compliance Officer will appoint another Charlesbank managing director to vote the proxy or shareholder consent.

Charlesbank will provide investors in the Funds with a copy of Charlesbank's Proxy Voting Policy, as well as information about how Charlesbank voted proxies on behalf of a Fund, upon written request to the Chief Compliance Officer, Charlesbank Capital Partners, LLC, 200 Clarendon Street, 54th Floor, Boston, MA 02116.

Item 18 – Financial Information

Item 18 is not applicable to Charlesbank.