

**INVESTMENT ADVISER BROCHURE  
FORM ADV PART 2A**

**WINDJAMMER MANAGEMENT PARTNERS, L.P.**

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**March 30, 2023**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Windjammer Management Partners, L.P. (“Windjammer Management”). If you have any questions about the contents of this Brochure, please contact us at (949) 721-9944. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

Windjammer Management is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

## **MATERIAL CHANGES**

Windjammer Management filed its most recent Form ADV Part 2A on March 30, 2022. This annual amendment updates the description of the business practices of, and the risks and potential conflicts of interest associated with, Windjammer Management and its affiliates.

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## ADVISORY BUSINESS

Windjammer Capital Investors is a private investment management firm, including several investment advisory entities and other organizations affiliated with Windjammer Management (collectively, “**Windjammer Capital Investors**”), that manages private fund assets. Windjammer Capital Investors commenced operations in October 1990.

Windjammer Management, a Delaware limited partnership and a registered investment adviser, together with its affiliated investment advisers, provides investment advisory services to investment funds privately offered in the United States and elsewhere. Windjammer Management commenced operations in November 2011.

Windjammer Management’s clients include the following (each, together with related feeder, co-investment or parallel investment vehicles, a “**Fund**,” and, collectively, together with any future private investment funds to which Windjammer Management and/or its affiliates provide investment advisory services, the “**Funds**”):

- Windjammer Mezzanine & Equity Fund II, L.P. (“**Fund II**”);
- Windjammer Senior Equity Fund IV, L.P. and Windjammer Senior Equity Fund IV Feeder, L.P. (together, “**Fund IV**”);
- Windjammer Senior Equity Fund V, L.P. and Windjammer Senior Equity Fund V Feeder, L.P. (together, “**Fund V**”);
- Windjammer Capital Fund VI, L.P. and Windjammer Capital Fund VI Feeder, L.P. (together, “**Fund VI**”); and
- Windjammer VRC Investors, L.P. (“**VRC Investors**”).

The following are the general partner entities affiliated with Windjammer Management:

- Windjammer Capital Partners, LLC (“**WCP**”);
- Windjammer Capital Investors, LLC (“**WCI**”);
- Windjammer Capital Investors IV, L.P. (“**WCI IV**”);
- Windjammer Capital Investors V, L.P. (“**WCI V**”);
- Windjammer Capital Investors VI, L.P. (“**WCI VI**”); and
- Windjammer VRC Investors GP, L.P. (“**VRC GP**,” and together with WCP, WCI, WCI IV, WCI V and WCI VI, each, a “**General Partner**”, and collectively, together with any future affiliated general partner entities, the “**General Partners**,” and the General Partners, together with Windjammer Management, the “**Advisers**”).

Each other General Partner is subject to the Advisers Act pursuant to and in reliance upon Windjammer Management's registration in accordance with SEC guidance. This Brochure also describes the business practices of the Advisers, which collectively operate as a single advisory business.

In their respective capacities as the management company or General Partner, as applicable, of the relevant Fund, the Advisers have the authority to manage the business and affairs of such Fund. The Funds are private equity funds and invest primarily through negotiated transactions in operating entities generally referred to herein as “**portfolio companies.**” The Advisers' investment advisory services to their respective Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted. The senior principals or other personnel of Windjammer Management or its affiliates generally serve on such portfolio companies' respective boards of directors or otherwise influence the management of portfolio companies held by a Fund.

The Advisers' advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a “**Memorandum**”), investment management agreements, limited partnership agreements or other operating agreements of the Funds (each, a “**Partnership Agreement**” and, together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” In performing investment advisory services for the Funds, the General Partners have retained Windjammer Management to provide advisory personnel and services. Investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; such arrangements generally do not and will not create an adviser-client relationship between the Advisers and any investor. The Funds and the General Partners generally enter into “side letters” or other similar arrangements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other material rights) under, or altering or supplementing the terms of, the respective Funds' Governing Documents with respect to such investors.

Additionally, from time to time, and as permitted by the relevant Governing Documents, the Advisers expect to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-investment vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, Strategic Consultants (as defined below), other consultants and other service providers, the Advisers' principals, personnel and/or certain other persons associated with the Advisers and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment, subject to certain exceptions set forth in the relevant Governing Documents of such Fund. However, from time to time, for strategic and/or other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of

a Fund credit facility. Any such purchase from a Fund by a co-investor (or co-invest vehicle) generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in the Advisers' sole discretion, the Advisers reserve the right to charge interest and/or fees on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions) to compensate the relevant Fund for the holding period, and to seek reimbursement to the relevant Fund for related costs.

As of December 31, 2022 Windjammer Management and its affiliates managed approximately \$2,494,130,786 in client assets on a discretionary basis. Windjammer Management is principally owned and managed by Costa Littas, Gregory Bondick and Jeffrey Mieke through WCP. Messrs. Bondick and Mieke also serve on the management committee that oversees WCI VI. Messrs. Littas, Bondick and Mieke serve on the management committee that oversees WCI V and VRC GP. Robert Bartholomew and Costa Littas serve on the management committee that oversees WCI and WCI IV.

## **FEES AND COMPENSATION**

In general, the Advisers receive a management fee and/or performance-based carried interest in connection with the provision of advisory services. Windjammer Management or other Windjammer Capital Investors entities or affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation, other than most director fees, generally will offset in whole or in part the management fees otherwise payable to the relevant Adviser to the extent provided by the Governing Documents. Investors in the Funds also bear certain fund expenses.

### **Management Fees**

Fund VI will pay Windjammer Management or its designee, quarterly in advance, a management Fee (the "**Management Fee**") equal to 2.0% per annum of aggregate investor capital commitments ("**Commitments**"). Investors participating in a closing after Fund VI's initial closing will pay the Management Fee retroactive to the effective date, and may pay interest as set forth in the Partnership Agreement. Commencing with the first Management Fee due date after the expiration of the Fund VI's investment period or earlier upon the occurrence of certain events as set forth in the Partnership Agreement, the Management Fee will be calculated semi-annually and payable quarterly in advance and will equal 2.0% of (a) the aggregate investment contributions, as reduced by (b) investments that have been disposed of or completely written off, in each case with respect to partners not designated as "affiliated partners" by WCI VI, (c) plus the aggregate amount of outstanding borrowings made in anticipation or in lieu of the partners making investment contributions. Following the eleventh anniversary of the final closing date and ending upon the financial distribution of Fund VI's assets, the Management Fee will be an amount negotiated in good faith by WCI VI and the Advisory Board (as defined below) during the calendar quarter immediately preceding the commencement of such period or, if WCI VI and the Advisory Board are unable to reach an agreement, an amount calculated in accordance with the immediately preceding sentence.

Fund V pays Windjammer Management, quarterly in advance, a Management Fee equal to 2.0% per annum of aggregate Commitments. Investors participating in a closing after Fund V's initial closing paid the Management Fee retroactive to the effective date, and may pay interest as set forth in the Partnership Agreement. Commencing with the first Management Fee due date after the expiration of the Fund V's investment period or earlier upon the occurrence of certain events as set forth in the Partnership Agreement, the Management Fee will be calculated semi-annually and payable quarterly in advance and will equal 2.0% of (a) the aggregate investment contributions, as reduced by (b) investments that have been disposed of or completely written off, in each case with respect to partners not designated as "affiliated partners" by WCI V. Following the eleventh anniversary of the final closing date and ending upon the financial distribution of Fund V's assets, the Management Fee will be an amount negotiated in good faith by WCI V and the Advisory Board during the calendar quarter immediately preceding the commencement of such period or, if WCI V and the Advisory Board are unable to reach an agreement, an amount calculated in accordance with the immediately preceding sentence.

Fund IV pays Windjammer Management, quarterly in advance, a Management Fee. Investors participating in a closing after Fund IV's effective date paid the Management Fee retroactive to the effective date. In accordance with Fund IV's Partnership Agreement, following the occurrence of certain events specified in the Partnership Agreement, the Management Fee was reduced to 1.5% per annum, calculated semi-annually of (a) the aggregate funded Commitments with respect to investments held by Fund IV on the calculation date, as reduced by (b) investments that have been written off as worthless. Further, upon the date on which (i) receipt or accrual of management fees with respect to Fund V began, and (ii) committed capital of Fund V equaled at least 75% of the aggregate Fund IV investor Commitments, the Management Fee was reduced to 1.0% per annum, calculated semi-annually, of (a) the aggregate funded Commitments with respect to investments held by Fund IV on the calculation date, as reduced by (b) investments that have been written off as worthless. The Management Fee will be payable until the final distribution of Fund IV's assets. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period.

Fund II paid Windjammer Management, quarterly in advance, a Management Fee originally equal to 1.625% per annum of aggregate Fund II investor Commitments, but in accordance with the Fund II Partnership Agreement, the Management Fee was reduced to 1.0% per annum, calculated semi-annually, of (a) the cost basis of investments held by Fund II on the calculation date, as reduced by (b) investments that have been written off as worthless. Prior to December 31, 2014, the Management Fee amount was not less than \$200,000 in any year. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period. Subsequent to December 31, 2014, Fund II did not pay a Management Fee to Windjammer Management.

VRC Investors does not pay a management fee.

As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

The Governing Documents provide that a Fund's Management Fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (generally representing the earlier of the end of the Fund's defined investment period and the date the relevant General Partner (or an affiliate thereof) first begins receiving or accruing management fees from another Fund meeting certain criteria) (the "**Stepdown Date**"), Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions made by the relevant Fund that have not been [fully] realized or completely written off for U.S. federal income tax purposes.

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. However, where there has been a partial distribution, partial writedown or partial sale of an investment and the fair market value of such investment following such event exceeds the total amount of investment contributions relating to such investment, the Governing Documents do not require Management Fees after the Stepdown Date to be reduced. Following the Stepdown Date, the amount of Management Fees otherwise payable will be reduced based on the ratio of the fair market value of each relevant remaining investment(s) as compared to the amount of total investment contributions relating to such investment(s).

As a result, the amount of Management Fees generally will not correspond with fluctuations in the Fund's net asset value, including following the investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of investments completely written off for U.S. federal income tax purposes. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments.

In many circumstances, the fair value component of such post-Stepdown Date Management Fees will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period.

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

Subject to variations in the Partnership Agreement, each Fund's Management Fee will be reduced in part by an offsetting credit for "Portfolio Company Fees" (as defined below) attributable to partners not designated as "affiliated partners" paid by portfolio companies of the relevant Fund to Windjammer Management or the relevant General Partner, after reimbursement of "Broken Deal Expenses" (as defined below) to Windjammer Management or the relevant



General Partner. “**Portfolio Company Fees**” are any fees, commissions and other compensation, including transactional consulting and/or advisory compensation, monitoring compensation, break-up fees with respect to transactions not completed but excluding Strategic Consultants’ compensation and expenses (as defined below), directors’ fees (whether in cash, securities or otherwise, as described below) and certain amounts received by the General Partners as set forth in the Partnership Agreements, paid by a portfolio company or a potential portfolio company to Windjammer Management and/or the relevant General Partner, as applicable, net of expenses relating thereto. “**Broken Deal Expenses**” are any out-of-pocket costs and expenses incurred by Windjammer Management, the relevant General Partner or an affiliate of any of the foregoing, as applicable, related to the investment activities of such Fund in developing, negotiating and structuring prospective or potential investments that are not ultimately made, including, without limitation, any reasonable legal, accounting, advisory, consulting and third-party financing costs in connection therewith. To the extent that an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for application against future Management Fees, and if a credit remains upon liquidation, a payment will be made crediting partners (including the General Partner) unless a partner has elected to waive such amount (*e.g.*, where an adverse tax consequence potentially will result). Similarly, unless otherwise agreed with limited partners, Portfolio Company Fees generally will be payable, even if Management Fees are reduced or eliminated, including during an extended Fund term. Subject to the Partnership Agreements, Windjammer Management or another Windjammer Capital Investors entity will be permitted to receive, without offset against the Management Fee, all or a portion of reasonable and customary directors’ fees received from any portfolio company (such fees, “**Supplemental Fees**”). Supplemental Fees earned are governed by the relevant Partnership Agreement and/or Side Letter(s) and generally are reported annually to the relevant Fund advisory board (the “**Advisory Board**”) and disclosed in the aggregate in the annual audited financial statements of each Fund. Similarly, Windjammer Management will not offset compensation received from outside sources, such as residual employee board seats that are no longer Fund portfolio companies.

As a matter of practice, Windjammer Management or the relevant General Partner is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors (including limited partners, third-party co-investors, portfolio company management or employees or other third-party investors) in an investment or potential investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to General Partner or “affiliated partner” commitments or that relates to any other person that holds an economic interest in (or, in the case of an unconsummated transaction, would have held an economic interest in) the applicable investment or potential investment, and the amount of such fees retained by Windjammer Management or the relevant General Partner has the potential to be significant. In certain circumstances, Windjammer Capital Investors expects that co-investors, lenders, consultants or other parties from time to time will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons.

## **Carried Interest**

The relevant Fund's General Partner will receive a carried interest with respect to such Fund of up to 20% of all realized profit, subject to Fund limited partners having received an 8% preferred return, as more fully described in the relevant Partnership Agreement. The carried interest distributed to each General Partner may be subject to a potential clawback or giveback at periodic dates during the relevant Fund's term and at the end of the life of the relevant Fund if such General Partner has received excess cumulative distributions. It is expected that any future Funds will have a similar compensation structure.

## **Other Information**

The Advisers are permitted to exempt certain investors in the Funds (e.g., "affiliated partners") from payment of all or a portion of Management Fees and/or carried interest, including the Advisers and any other person designated by the Advisers, such as "friends and family" of the Advisers or its personnel, or other investors meeting certain qualification requirements based on commitment size and/or the timing of an investor's commitment. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by the Advisers and/or their affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Windjammer Management professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents or as may be approved by the relevant Advisory Board, the Advisers have the right to permit their principals, personnel and certain other persons, affiliated with an Adviser or otherwise, to make direct co-investments or invest through the relevant General Partner or other vehicles (including co-investment vehicles or other structures) alongside one or more Funds in certain portfolio investments made by the Funds. Such investments do not bear Management Fees and/or carried interest. The Advisers retain flexibility to structure their compensation from investors and expect in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

The Funds invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the applicable Governing Documents, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in any Fund.

Principals or other employees of Windjammer Management and/or Windjammer Capital Investors generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, Portfolio Company Fees, Supplemental Fees, carried interest or other compensation received by Windjammer Management or its affiliates.

In addition to the Management Fee and carried interest payable to Windjammer Management and its affiliates, the Funds bear certain expenses. As set forth more fully in the Governing Documents, each Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio

company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations (referred to collectively in this paragraph as “costs”) relating or attributable to: (i) activities with respect to the sourcing, identifying, pursuing, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund’s portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence software and service providers, consultants and similar professionals in connection therewith); (ii) indebtedness of, or guarantees made by, the Fund, its General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including repayment of principal and interest with respect thereto, or seeking to put in place or amend any such indebtedness or guarantee; (iii) financing, commitment, origination and similar costs; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services (including buy and sell-side finders’ fees as well as similar deal sourcing payments); (v) brokerage, sale, custodial, depositary, local paying agent, registered office (including any depositary appointed pursuant to the AIFMD and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof), trustee, record keeping, account and similar services; (vi) legal, accounting, research, (including expert consultants, research reports, subscriptions to any periodicals, databases and/or research services and research or industry conference) auditing, technology, administration (including costs associated with any third-party administrator or administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, bonuses and guaranteed minimums provided to or on behalf of, Strategic Consultants (as defined below), consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services; (vii) reverse breakup, termination and other similar arrangements; (viii) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions); (ix) filing, title, transfer, survey registration and other similar activities; (x) printing, communications, mailing, courier, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with partners, any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and any filings, compliance or reports contemplated by the AIFMD or any similar law, rule or regulation), or other information, including costs of any third-party service providers and professionals related to the foregoing; (xii) compliance with any Foreign Account Reporting Requirements, including, without limitation, Foreign Account Tax Compliance Act (“FATCA”) and the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; (xiii)

developing, licensing, implementing, maintaining or upgrading any web portal, website, extranet tools, computer software (including accounting, investor tracking, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or its limited partners; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data (including any costs incurred in connection with data protection laws or Freedom of Information Act requests); (xv) to the extent provided in the Governing Documents, or otherwise approved by the relevant General Partner in its reasonable discretion, activities or proceedings of the Fund's Advisory Board (including any reasonable out-of-pocket costs incurred by representatives of the Fund's General Partner, Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Fund's Advisory Board); (xvi) indemnification (including any legal and any other costs incurred in connection with indemnifying any partner or other person pursuant to the Governing Documents and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents; (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xviii) any annual limited partner meeting or other periodic, if any, meetings of the Fund's limited partners and any other conference or meeting with any limited partner(s); (xix) except as otherwise determined by the Fund's General Partner in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xx) the termination, liquidation, winding up or dissolution of the Fund, its General Partner, any entities owned directly or indirectly by the Fund (including portfolio companies) and related entities; (xxi) defaults by partners in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, its General Partner and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxiii) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider, costs related thereto, and any regulatory costs of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Fund, its General Partner and/or any of their respective affiliates and/or (B) the validation or other confirmation of any payments made to the Fund or its General Partner (including pursuant to or otherwise in connection with any anti-money laundering laws, rules or regulations); (xxiv) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents; (xxv) any third-party experts, consultants or advisors, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an

investment in the same entity as one or more other funds or other investment vehicles (other than the Fund) managed or controlled by the General Partner or its affiliates; (xxvi) unreimbursed costs incurred in connection with any transfer or proposed transfer by a limited partner; (xxvii) any taxes, fees and other governmental charges levied against the Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund and any costs of or related to the “partnership representative” of the Fund and the “designated individual” thereof; (xxviii) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund’s investments, including extraordinary expenses; (xxix) unreimbursed costs of the Strategic Consultants or persons engaged by the Strategic Consultants; (xxx) compliance or regulatory matters related to the Fund, except as otherwise set forth in the Governing Documents, including compliance with the Governing Documents and/or any side letter or similar agreement; (xxxi) any travel (including air travel, ground transportation (including car service) and incidental travel expenses) and lodging, meals or entertainment relating to any of the foregoing; (xxxii) all costs and expenses associated with operating a feeder fund which invests all or substantially all of its assets in the Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder fund’s financial statements, tax returns and feeder fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder fund; (xxxiii) any of the items listed in clauses (i) through (xxxi) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful, whether undertaken prior to the Fund’s initial closing date or otherwise and/or that may have been offered to co-investors (including co-investors’ proportionate share of any costs and expenses related to an investment or other opportunity not consummated); (xxxiv) any organizational expenses; (xxxv) any placement fees; and (xxxvi) any other costs approved by the Advisory Board. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Windjammer Capital Investors and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. No Fund will bear Windjammer Capital Investors’ expenses in connection with maintaining and operating Windjammer Capital Investors’ offices (such as compensation of employees, rent, utilities or general office expenses). Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (including Portfolio Company Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies (“SPACs”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effects of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to the Advisers and their personnel. Windjammer Capital Investors reserves the right to agree with Strategic Consultants, joint venture or similar partners,

service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Windjammer Management's related policies and practices and the Governing Document(s) and/or Side Letter(s). Where a co-investment vehicle is formed, such entity will generally bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all Broken Deal Expenses relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. To the extent that such co-investors have already invested in or committed to a co-investment or other vehicle in connection with such transaction, such co-investor or vehicle is expected to bear its share of such Broken Deal Expenses where permitted by the applicable governing documents. The Advisers' practice of allocating Broken Deal Expenses among investing Funds is discussed under "Conflicts of Interest," below. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

The Advisers and/or their affiliates generally have discretion over whether to charge transaction fees, monitoring fees, board of directors fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Advisers and/or their affiliates on the other hand.

### **Strategic Consultants**

Additionally, as described more fully in the Governing Documents of each Fund, certain consulting firms and/or individual consultants "**Strategic Consultants**" (as set forth more fully under "Conflicts of Interest" below) provide transaction-specific and post-transaction operational

consultative services to (or with respect to) the Funds, and current or prospective portfolio companies in which one or more Funds may invest. Such Strategic Consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies, including as board members. In connection with such services, such Strategic Consultants generally receive cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, carried interest, guaranteed minimums and other compensation from such portfolio companies, the Funds and/or the Advisers, as well as the opportunity for Strategic Consultants or their affiliates to make fee and carry-paying or fee and carry-free minority equity investments and/or receive a profits or participation interest, incentive equity or other stock awards in one or more portfolio companies or holding companies, the Funds and/or General Partners. Strategic Consultants generally provide certain services to one or more Funds pursuant to a contract, and any other services provided to a portfolio company that are not specified in such contract (*e.g.*, service on a board or executive management services) generally will be borne directly by the applicable portfolio company and will be in addition to payments under such contract made by the relevant Funds. Strategic Consultant compensation typically is determined according to one or more methods, including the value of the anticipated time (including an allocation for overhead and other fixed costs) of such Strategic Consultant, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Strategic Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on a Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation. The relevant Fund and/or its portfolio companies typically will bear the costs of all Strategic Consultant compensation as well as fees, costs and expenses of structuring Strategic Consultant payments. Such compensation and expense reimbursements (including travel, meal and other expenses) generally will not reduce or offset Management Fees payable to Windjammer Management by the relevant Fund(s). Such amounts are not otherwise covered by the Management Fees. The use of Strategic Consultants subjects the Advisers to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," Windjammer Management or its affiliates generally receive a carried interest allocation on certain realized profits in the relevant Fund. Windjammer Management or its affiliates may also advise certain Funds formed as co-investment vehicles that are not subject to, or are subject to a different, carried interest and/or Management Fee. This practice could present a conflict of interest because Windjammer Management or such affiliate has an incentive to favor accounts for which it receives the highest performance-based compensation. Windjammer Management or such affiliate seeks to address the potential for conflicts of interest in this area by investing on behalf of such entities in accordance with its Investment Allocations/Co-Investment Policy that provides that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the General Partners generally consider performance-based compensation to better align their interests with those of their investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals. Additionally, to the extent that the Advisers have Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or the Advisers' personnel are assigned varying percentages of carried interest from the Funds, the Advisers and such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. While all investments generally are made sequentially across Funds, in the event an investment could be made by more than one Fund, the Adviser may be subject to conflicts of interest in allocating such investment. Except as required by the relevant Governing Documents, the Advisers are not obligated to recommend any investment to any particular investment vehicle. The Advisers seek to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Funds' investment guidelines and governing agreements, as well as other factors that do not include the amount of performance-based compensation received by the Advisers or any personnel.

## **TYPES OF CLIENTS**

Windjammer Capital Investors provides investment advice solely to its Fund clients and references throughout this Brochure to "clients" and to the Advisers' related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Windjammer Management and its affiliates and members of their families, Strategic Consultants and/or other service providers retained by Windjammer Management, as well as executives of portfolio companies.

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

The Funds generally have a minimum investment amount of \$10 million for third-party investors, and Fund interests are offered and sold generally to third-party clients that are (i) qualified investors and (ii) unless waived in the discretion of the General Partner, qualified



purchasers (or qualified knowledgeable Windjammer Capital Investors personnel). The relevant General Partner is generally permitted to waive such minimum investment amount.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

The description of Windjammer Capital Investors' investment activities contained herein is general in nature and is subject in its entirety to the description of Windjammer Capital Investors' (or its affiliate's) investment activities with respect to the relevant Fund as set forth in such Fund's Governing Documents, which may in certain cases differ from or be more detailed than the description herein.

Windjammer Capital Investors is a private investment firm that invests in middle-market companies and supports management in their initiatives to grow earnings and build shareholder value. Windjammer Capital Investors has the capability to invest in various layers of such companies' capital structure, including control and non-control private equity and subordinated debt financings.

Windjammer Capital Investors typically seeks control investments, though in some cases it may make non-control investments in companies meeting its investment criteria, and may provide subordinated debt to companies in certain scenarios. Windjammer Capital Investors remains committed to the middle market (sub \$500 million enterprise values) and typically invests in companies operating in a diverse set of niche industries and generating earnings before interest, taxes, depreciation and amortization of approximately \$10 million to \$50 million.

Once a company is part of Windjammer Capital Investors' investment portfolio, the firm deploys significant internal resources, including the firm's senior investment and operating professionals, as well as established consulting relationships (including Strategic Consultants), to assist management in seeking to optimize the company's revenue potential, profitability and strategic value.

Windjammer Capital Investors thoroughly evaluates and analyzes potential exit opportunities before making an investment and updates its analysis throughout the investment holding period. When Windjammer Capital Investors deems it to be in the best interests of the relevant Fund, it causes such Fund to exit a given investment, generally through a sale to a strategic or financial buyer, though in certain cases it may cause a Fund to exit a given investment through an initial public offering.

There can be no assurance that the relevant Fund will achieve the investment objectives of such Fund and a loss of investment is possible.

### **Investment and Operating Strategy**

*Disciplined, Quality-Focused Investment Strategy.* Windjammer Capital Investors is committed to investing in leading, niche middle-market businesses with differentiated and difficult-to-replicate operating attributes. Each Fund generally pursues investments in middle-market companies that meet a majority of the following investment criteria: (i) significant

participant in a niche market that has strong barriers to entry; (ii) operations in a mature and growing industry that typically is growing faster than U.S. gross domestic product; (iii) providing customers with a mission critical, proprietary product or service that offers high value-to-cost benefits; (iv) strong management team with demonstrated track record of success; (v) stable cash flows; (vi) strong and resilient market positions with potential value creation pockets; and (vii) historically generated Windjammer Capital Investors' benchmark return on net assets. Windjammer Capital Investors applies quality standards in deal generation and due diligence, across varying capital market cycles, deploying capital only when it is convinced that an opportunity meets its well-defined investment criteria.

*Engaged, Transformative Investment Platform.* Post-closing, Windjammer Capital Investors is an active, hands-on investor that works closely with portfolio company management to develop and execute a set of customized "Performance Enhancement Initiatives" that are captured in a series of timeline objectives - 100-day plan and subsequent annual goals that build on prior year's performance. These customized initiatives typically are focused on: (i) driving sales growth through organic initiatives, such as market share expansion, new product introductions, and greater focus on underpenetrated domestic and international markets, as well as targeted strategic acquisitions; (ii) implementing operational initiatives to improve customer service, order fulfillment, cost structure and manufacturing efficiencies; and (iii) strengthening core business practices/protocols, management teams, and governance boards.

## **Risks of Investment**

Each Fund and its investors bear the risk of loss that Windjammer Capital Investors' investment strategy entails. The risks involved with Windjammer Capital Investors' investment strategy and an investment in a Fund include, but are not limited to:

(1) *Business and Market Risks.* Each Fund's investment portfolio is expected to consist primarily of securities and/or other interests issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war, pandemics and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist and investors should not invest unless they can readily bear the consequences of such loss.

(2) *Past Performance Not Indicative of Future Results.* In considering the prior experience of the principals and Windjammer Management personnel (the "Team"), prospective investors should understand that an investment in a Fund does not represent an interest in any investment or investment portfolio associated with their prior experience. Information about the prior experience of the Team is not necessarily indicative or a guarantee of a Fund's future results. There can be no assurance that a Fund will generate investment returns commensurate with the past experience of the Team. Similarly, there can be no assurance historical trends will continue. An investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in a Fund will resemble that of the Team's prior experience. An investor

should only invest in a Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment in a Fund. While the General Partners intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible. An investment in a Fund should only be considered by persons or entities who can afford a loss of their entire investment.

(3) *Investment in Junior Securities.* The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

(4) *Concentration of Investments.* A Fund will participate in a limited number of investments and intends to make most of its investments in one industry or one industry segment or within a short period of time. As a result, such Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its Fund's aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified. If a Fund makes a co-investment with regards to any portfolio company, a limited partner participating outside a Fund in such co-investment may have increased exposure to such single portfolio company, potentially multiplying such limited partner's losses.

The Funds expect to provide interim financing ("Bridge Financing") to facilitate portfolio company investments. It is possible that all or a portion of a Bridge Financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of a Fund. As a result, a Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under a Fund's investment limitations, certain of which exclude Bridge Financing investments.

(5) *Lack of Sufficient Investment Opportunities; Competition for Investments.* The activity of identifying, buying and selling private equity investments is highly competitive, involves a high degree of uncertainty, and is subject in some cases to the prevailing capital market, regulatory or political environment. A Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives are expected to be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the General Partners, the Funds and their affiliates. The General Partners expect that competition for appropriate investment opportunities may increase, which increases the likelihood that a Fund will need to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to a Fund and/or adversely affecting the terms upon which portfolio companies can be made. Participating in auctions will also increase the pressure on a Fund with respect to pricing of a transaction. Furthermore, given the increasingly competitive environment, the General Partners may find it more difficult to obtain buyer-favorable terms in a transaction,

such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate a transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, competitors for investment opportunities may be willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and Fund-level guarantees. In the event a financing-related closing condition is not available to a Fund or if a Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, a Fund may become obligated to consummate a transaction on less favorable terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. There can be no assurance that a Fund will be able to locate, complete and exit investments which satisfy a Fund's rate of return objectives, or realize upon their values, or that it will be able to invest fully its committed capital. However, regardless of the extent to which the Commitments of the limited partners are invested (or drawn down to be invested), limited partners will be required to bear Management Fees through a Fund during the investment period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the Governing Documents. To the extent that a Fund encounters competition for investments, returns to limited partners may decrease including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, a Fund is expected to incur bid, due diligence, negotiating, consulting or other costs of investments, which may not be successful. As a result, a Fund may not recover all of its costs, which would adversely affect returns.

(6) *Dynamic Investment Strategy.* While the General Partners generally intend to seek attractive returns for the Funds primarily through making control-oriented, private equity investments as described herein, the General Partners are authorized to pursue additional investment strategies and to modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partners are authorized to pursue investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience.

(7) *Risks of Investing in the Consumer Sector.* Changes in the worldwide economy, consumer spending, demographics and consumer preferences have the potential to adversely affect companies in the consumer sector. Changes in government regulation and economic conditions, interest rates, as well as natural and man-made disasters and political, social or labor unrest, global pandemics and other events also can significantly affect consumer preferences and companies in this sector. In particular, consumer trends and preferences have the potential to change rapidly and unpredictably. Fund portfolio companies also potentially will face intense competition, including from companies with greater financial resources, more expensive research and development, sales and marketing, customer service and support and other capabilities and a larger number of qualified managerial and technical personnel.

(8) *Control Investments.* A Fund, either alone or together with co-investors, is expected to hold controlling interests in some of the portfolio companies in which it invests. The exercise of such control by a Fund may result in additional risks of liability for violations of governmental regulations (including securities laws), failure to supervise management or other types of liability in which the general limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, a Fund might suffer significant and material losses. Even

when a Fund prevails in any such claims for liability, it may incur significant costs of defending against those claims. If a Fund co-invests with another investment fund (including another Windjammer Management fund), an investor invested in such other investment fund may have exposure to a single portfolio company through more than one fund, potentially multiplying such investor's losses.

(9) *Active Management.* A Fund expects to take majority positions in a portfolio company from time to time, which may be alongside other investors, such as institutions, other pooled investment vehicles and management. Depending upon the amount of equity owned by a Fund, any relevant contractual arrangements between a portfolio company and a Fund, and other relevant factual circumstances, such majority position could result in an extension of the ninety-day bankruptcy preference period to one year or longer with respect to payments made to a Fund. In addition, because of its equity ownership, representation on the board of directors, and/or contractual rights, a Fund may often be thought to control, participate in the management of or influence the conduct of such portfolio companies. This could expose the assets of a Fund to claims by such portfolio company, its employees, its other security holders, its creditors, its customers or governmental agencies.

(10) *Investor Services to Partnership.* The General Partners may be presented with opportunities to seek financing and other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in the lending business or other businesses, respectively. This has the potential to subject the General Partners to conflicts of interest, because although the General Partners select lending and other service providers that it believes are aligned with its operational strategies and will enhance investment performance and, relatedly, returns of the limited partners, the General Partners may have an incentive to pursue financing and other opportunities with certain limited partners because of its financial or other business interests, including a limited partner's historical or potential future relationship with the General Partners and an investment in a Fund made or to be made by a limited partner. There is a possibility that the General Partners, because of a belief that a limited partner will invest or continue to invest in one or more investment funds managed by the General Partners or any of its affiliates, or for other reasons, may favor the retention or continuation of lending or other services from such limited partner even if better rates and/or quality of service could be obtained from another provider. Whether the General Partners have a relationship or receives financial or other benefit from recommending a particular limited partner for lending or other services, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lower cost.

(11) *Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which a Fund intends to invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While a Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement

programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests.

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

(12) *Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by a Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partners) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded Commitments.

(13) *Operating Risks of Portfolio Companies.* Although each Fund plans to invest in high quality companies, there is still a risk that its portfolio companies could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, a change in business or industry conditions or an economic downturn. As a result, portfolio companies expected by a Fund to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress.

(14) *Leveraged Investments.* A Fund is permitted to make use of leverage by incurring (or having a portfolio company incur) debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. As security for such borrowing or guarantees, a Fund is authorized to guarantee a portfolio company's debt and/or grant liens on any of a Fund's assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio company. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a limited partner to such assets in an insolvency event or proceeding. It is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. Co-investors are expected to receive the benefit of such

guarantee, although as co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Additionally, the Funds expect to borrow through a subscription-based credit facility (e.g., “subscription line”), which poses additional risks and potential conflicts of interest as further described below. The Funds also reserve the right to have a portfolio company incur leverage through the use of a Fund’s subscription line or otherwise to finance operations and/or add-on investments. Leverage generally magnifies both a Fund’s opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to a Fund that may not be covered by distributions made to a Fund or appreciation of its investments. The use of leverage also often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. In addition, the leveraged capital structure of portfolio companies will increase the exposure of a Fund’s investments to any deterioration in a company’s condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund’s investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company as well as any guaranteed amounts, which could adversely affect the returns of a Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. A Fund may borrow money or guaranty indebtedness (such as a guaranty of a portfolio company’s debt) or otherwise be liable therefor, and in such situations, it is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. If a portfolio company is unable to obtain favorable financing terms for its investments, 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 a Fund as a whole. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partners or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. Additionally, the incurrence of leverage or certain guarantees by a Fund or certain entities in (or through which) a Fund invests may cause tax exempt Partners to recognize “unrelated business taxable income” within the meaning of Section 512 of the U.S. Internal Revenue Code of 1986, as amended (“UBTI”).

(15) *Subscription Line and Fund-Level Borrowing.* As indicated above, a Fund may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of a Fund’s investments and the payment of expenses). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner’s right to call capital from the limited partners, limited partners may be obligated to contribute capital directly

to a Fund's lenders and/or contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against a Fund would likely be subordinate to a Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional expenses that will be borne by limited partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, including amendment fees as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating, amending or terminating the facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of the limited partners and the terms of a Governing Documents, it may be higher than the interest rate a limited partner could obtain individually.

To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported returns. Calculations of performance in respect of a Fund as used in marketing and reported to limited partners are generally based on the payment date of capital contributions received from limited partners and not the date of an investment by a Fund. This treatment also applies in instances where a Fund utilizes borrowings under a Fund's subscription line in advance of receiving capital contributions from limited partners to repay any such borrowings and related interest expense. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which generally enhances the Fund's internal rate of return (and potentially other return) calculations and thereby increases the likelihood that the preferred return component of the Fund's carried interest waterfall will be met, and generally benefits the marketing efforts of the General Partner and its affiliates.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses. Co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement typically contains other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line secured by the capital commitments of the Fund's limited partners often imposes restrictions on the relevant General Partner's ability to consent to the direct or indirect transfer of a limited partner's interest in a Fund or imposes concentration or other limits on the Fund's investments (and/or financial or other covenants that could affect the implementation of the Fund's investment strategy). In addition, in order to secure a subscription line, the relevant General Partner is often required to request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of



any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a Fund to make investments and pay expenses without calling capital, potentially for extended periods of time. To the extent provided in the Governing Documents, any such borrowing may remain outstanding for such time as the relevant General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that may decrease net returns of a Fund. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The General Partner reserves the right to use Fund-level borrowing to pay Management Fees and to reimburse the Advisers for expenses incurred on behalf of a Fund. A Fund is also permitted to utilize Fund-level borrowings when the General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed without a preferred return accrual on the amount invested by a Fund (due to the absence of invested capital funded by limited partners). Accordingly, borrowings by a Fund may support the distribution of proceeds to limited partners and increase the potential carried interest for the General Partner; however, the interest incurred by a Fund due to such borrowing would reduce such distributions and the carried interest received by the General Partner. Subject to the limitations in the Governing Documents, if any, this conflict of interest may incentivize the General Partners to permanently fund the acquisition and ongoing capital needs of investments of a Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

(16) *Limited Transferability of Fund Interests.* There will be no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of the Funds' interests under the Governing Documents and applicable securities laws. In general, withdrawals of the Funds' interests are not permitted. In addition, the Funds' interests are not redeemable. Limited partners generally are not be able to liquidate their investment prior to the end of a Fund's term and must be prepared to bear the risks of an investment in a Fund for an extended period of time.

(17) *Restricted Nature of Investment Positions.* Generally, there will be no readily available market for the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Although, prior to the termination of a Fund, a Fund generally intends to make distributions in cash or marketable securities, it is possible that under certain circumstances, distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer will be made in-kind. It may be difficult for limited partners to liquidate the investments received at a price or within a time period that is determined thereby to be ideal, and significant administrative burden may be involved. After a distribution of investments is made, the recipients may decide to liquidate such investments within a short period of time, which could have an adverse impact on the price of such investments. Limited partners in receipt of a distributed investment will have no guidance from a Fund or the relevant General Partner with respect to disposition of such investment (including timing of such disposition). The price at which such investments may be sold by such limited partners may be lower than the value of such investments determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest accruing to the General Partners with respect to such investment.

(18) *Reliance on the General Partners and Portfolio Company Management.* Control over the operation of the Funds will be vested with the General Partners, and the Funds' future profitability will depend largely upon the business and investment acumen of the principals. The loss or reduction of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the principals currently, and expect in the future, to manage other investment funds besides the Funds and the principals are likely to need to devote substantial amounts of their time to the investment activities of such other funds, which is likely to pose conflicts of interest in the allocation of the time of the principals. The Funds' limited partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Funds will depend on the actions of the General Partners. In addition, certain changes in the General Partners or circumstances relating to the General Partners may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Although the General Partners will monitor the performance of each Fund's investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with each Fund's objectives.

(19) *Absence of Operating History.* A Fund will generally begin with no operating history and will be entirely dependent on the relevant General Partner. While the Team will generally have previous experience making and managing investments similar to those contemplated by a Fund, there can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Team. In addition, certain of a Fund's investments are expected to differ from previous investments made by the Team in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure and holding period.

(20) *Projections.* Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the relevant General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

(21) *Changes in United States Tax Law.* All statements contained herein concerning the U.S. federal income tax (or other tax) consequences of an investment in a Fund are based on existing law and interpretations thereof. Changes in U.S. federal income (and other) tax laws could materially affect the tax consequences of a limited partner's investment in a Fund, and the tax treatment of a Fund's investments. U.S. and other tax legislation may be enacted in the future, and administrative tax guidance may also be issued in the future, in each case possibly with retroactive effect. While some of these changes may be beneficial, others could negatively affect the after-tax returns of a Fund and the limited partners. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in a Fund, or of investments made by a Fund, will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the limited partners.

(22) *Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities.* Numerous jurisdictions have enacted, or have committed to enact, legislation and administrative guidance requiring the collection and sharing of certain information in order to combat tax avoidance. The United States, pursuant to FATCA, has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, the Organization for Economic Co-operation and Development (the "OECD") has published a global Common Reporting Standard (the "CRS") for the exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to a Fund and/or alternative investment vehicles, and may require the General Partners to collect and share with applicable taxing authorities information concerning limited partners (including confidential information, such as financial information concerning a limited partner's investment in a Fund, any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling person (direct or indirect) of such limited partner and identifying information and amounts of certain income allocable or distributable to them). A limited partner's failure to provide required information may result in withholding taxes, government imposed penalties, expulsion from a Fund or alternative investment vehicles, or other potential remedies. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity's share of most payments attributable to investments in the United States, including dividends and interest (and, potentially in the future, gross proceeds), and a Fund may be required to withhold such taxes from certain non-U.S. limited partners, unless an exception applies.

(23) *Conflicting Investor Interests.* The Funds' limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts will potentially arise in connection with decisions made by the General Partners regarding an investment that will potentially be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partners generally will consider the investment and tax objectives of the relevant Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

(24) *Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of a Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to prior downturns and/or volatility in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses, litigation risk or delays in completing or exiting investments than it otherwise would have.

Additionally, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of a Fund's business, including to establish greater presence in certain jurisdictions in which a Fund invests or proposes to invest, and a Fund may also become directly or indirectly subject to additional tax liabilities. The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions. Additionally, such additional scrutiny may divert the General Partners' time, attention and resources from portfolio management activities.

In light of the heightened regulatory environment in which a Fund operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for Windjammer Management and its affiliates to comply with such regulatory, reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or the Funds, the General Partners or Windjammer Management in particular may result in increased expenses associated with the Funds' activities and additional resources of Windjammer Management being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for investors in a Fund or have an adverse effect on the ability of a Fund to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of Windjammer Management, and may furthermore place a Fund at a competitive disadvantage to the extent that Windjammer Management is required to disclose sensitive business information.

As private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has recently been subject to criticism by some politicians, regulators and market commentators. Elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on Windjammer Management or a Fund or otherwise impede the Funds' activities.

(25) *Availability and Adequacy of Insurance; Availability of Insurance Against Certain Catastrophic Losses.* While a Fund may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner 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 a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism can be difficult and expensive to insure against. Some insurers are excluding terrorism coverage from their all-risks policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against all potential causes of damage or loss. If a major uninsured loss occurs, a Fund could lose both invested capital in and anticipated profits from the affected investments.

(26) *Misconduct of Employees, Independent Contractors and Third-Party Service Providers.* Misconduct or misrepresentations by employees and independent contractors of the General Partners or any portfolio companies, or by third-party service providers could cause significant losses to a Fund. Employee or independent contractor misconduct may include binding a Fund or a portfolio company to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities, concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize transactions and misappropriating assets. In addition, employees, independent contractors and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities. Despite the General Partners' due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining such due diligence efforts. As a result, no assurances can be given that the due diligence performed by the relevant General Partner will identify or prevent any such misconduct.

(27) *Tax Laws Adversely Affecting Windjammer Management Employees and Other Service Providers.* U.S. federal income tax law treats certain income allocations to service

providers by partnerships such as the Funds (including any carried interest) as short-term capital gain (taxed at higher ordinary income rates) unless such partnership has held the asset which generated such gain for more than three years. This could adversely affect the principals, employees of Windjammer Management or other individuals associated with such Fund or the General Partners who were or may in the future be granted direct or indirect interests in the General Partners entitling such persons to benefit from carried interest. As a result, such persons' after-tax returns from a Fund and its General Partner could be reduced, which could make it more difficult for the General Partners and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This could also create an incentive for the General Partners to cause the Funds to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

In addition, this three-year holding period requirement for capital gains treatment in respect of carried interest may create the potential for conflicts of interest between the General Partners and limited partners. For example, the relevant General Partner may cause a Fund to borrow more frequently, in greater amounts, or for longer periods, hold investments for longer than it would absent adverse tax consequences to the relevant General Partner from a shorter holding period, or waive or defer the distribution or allocation of carried interest to the relevant General Partner, potentially changing the character or amount of income allocated to limited partners. The relevant General Partner will generally have the authority to control these decisions and any positions taken by a Fund in respect of tax elections or income allocations.

(28) *Alternative Investment Fund Managers Directive.* The AIFMD regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA") and the United Kingdom ("UK"). To the extent a Fund is actively marketed to investors domiciled or having their registered office in the EEA or the UK: (i) a Fund and the relevant General Partner will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in a Fund incurring additional costs and expenses; (ii) a Fund and the relevant General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which would result in a Fund incurring additional costs and expenses or may otherwise affect the management and operation of a Fund; (iii) the relevant General Partner will be required to make detailed information relating to a Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of a Fund in relation to EEA and UK portfolio companies including, in some circumstances, a Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect operations of a Fund generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of Commitments.

(29) *United Kingdom Exit from the European Union ("EU").* On 31 January 2020, the UK formally withdrew from the European Union ("Brexit"). Thereafter, the UK entered into a transition period during which the majority of the existing EU rules continued to apply in the UK. Following the end of the transition period on 31 December 2020, EU rules ceased to apply in the UK.

Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement signed on 30 December 2020, this did not include an agreement on financial services. In the absence of a formal agreement on this issue, UK firms in the financial sector have more limited access to the EU market than prior to Brexit, and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

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

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

(30) *Environmental, Social and Governance ("ESG")*. Windjammer Management has an ESG policy checklist, and intends to consider such policy checklist as part of a Fund's investment process. Depending on the investment, certain ESG factors, such as environmental risks and incidences, and workplace safety, could have a material effect on the return and risk of the investment. The act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by the General Partners or any judgment exercised by Windjammer Management will reflect the beliefs or values of any particular limited partner or align with the practices of other asset managers or with market trends. The policy checklist is not determinative of investment decisions and Windjammer Management does not guarantee that any portfolio company will fulfill any item on the ESG policy checklist. The factors in the ESG policy checklist are only some of the many factors Windjammer Management may consider in making an investment, and there is no guarantee that Windjammer Management will successfully implement its ESG policy checklist while achieving its investment strategy. Windjammer Management cannot guarantee that its ESG policy checklist will positively impact the financial or ESG performance of any individual investment or a Fund as a whole.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks, methodologies, and tracking tools being implemented by other asset managers. Therefore, Windjammer Management's approach to ESG integration, including to the extent a Fund engages with portfolio companies on ESG-related practices, may

not align with the approach used by other asset managers or preferred by prospective investors or with market trends. In addition, the General Partners' ESG policy checklist may change or be terminated over time. It is possible that market dynamics or other factors will make it impractical, inadvisable or impossible for Windjammer Management to adhere to all elements of each General Partner's investment strategy, including the ESG policy checklist, whether with respect to one or more individual investments or to the Fund's portfolio generally. Similarly, in evaluating a company, the General Partners often depend upon information and data provided by the company or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause the relevant General Partner to incorrectly assess the company's ESG practices and/or related risks and opportunities.

Finally, there is also growing regulatory interest, particularly in the U.S., UK, and EU, in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. The General Partners' ESG policy checklist could become subject to additional regulation in the future, and there can be no assurance that the General Partners' current approach complies or will comply with ESG related regulations or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs. Windjammer Management could become subject to additional regulation in the future, which could result in significant costs, potential liabilities and operational and legal obligations.

(31) *Need for Follow-on Investments.* Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party invests in such portfolio company.

(32) *Non-U.S. Investments.* A Fund may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or its partners with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or its partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive



laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; (g) nationalization and expropriation of private assets and (h) restrictions on or required governmental approvals for repatriation of capital interest and dividends paid on securities held by a Fund. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

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

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

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

(34) *Significant Adverse Consequences for Default.* The Governing Documents provide for significant adverse consequences in the event a limited partner defaults on its Commitment or any other payment obligation. In addition to reductions in its capital account balance, preclusion from further investment in a Fund and losing its right to potential distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in a Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. The General Partners retain sole discretion in whether to exercise the remedies against a defaulting limited partner and which remedy to pursue, and the General Partners may require the non-defaulting limited partners to contribute capital to make up for the shortfall created by a defaulting limited partner.

(35) *Dilution.* Limited partners admitted or that increase their respective Commitments to a Fund at subsequent closings generally will participate in then-existing investments of a Fund, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of a Fund's existing investments at the time of such contributions.

(36) *General Partners' Carried Interest and Management Fee.* The fact that the General Partners' carried interest is based on a percentage of net profits creates an incentive for the General Partners and/or its employees to cause a Fund to make riskier and more speculative investments or to hold an investment longer than otherwise would be the case. Additionally, certain tax rules applicable to individuals participating in the carried interest may create an incentive for the General Partners to cause a Fund to hold investments for at least three years, or to defer or waive the allocation and distribution of certain carried interest in exchange for an interest in future carried interest (as permitted under the Governing Documents), either of which could create conflicts of interest between the General Partners' desired tax treatment and the timing of investment realizations or character of income allocated to limited partners. Such deferral of the receipt of carried interest also generally has the offer of increasing net fund returns thereby benefitting the General Partners and its affiliates. In addition, because a Fund has a fixed investment period after which capital from limited partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of a Fund, calculated based upon the invested capital of a Fund, the Management Fee structure creates an incentive for the General Partners to deploy capital, and to keep such capital deployed, when it might not otherwise have done so. In addition, during periods when the Management Fee is calculated based on Commitments or capital invested, the amount of Management Fees will not be reduced based on reductions in investment value unless otherwise specified in the Governing Documents. As a general matter, the Management Fee will be payable during term extensions unless otherwise specified in the Governing Documents.

(37) *Transfer by General Partners.* To the extent a General Partner, its partners, the principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side a Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in a Fund's Governing Documents.

(38) *Public Company Holdings.* A Fund's investment portfolio is expected from time to time to contain securities and debt issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the principals, and increased costs associated with each of the aforementioned risks.

(39) *Distressed Investments.* A Fund is authorized to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partners will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. It may take a number of years for the market price of distressed

securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (e.g., due to failure to obtain requisite approvals), or will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied). In the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which a Fund invested.

(40) *Nature of Investment in Subordinated Debt Instruments.* The debt securities in which a Fund is permitted to invest may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. The ability of a Fund to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior creditors unless a Fund has a corresponding equity interest. For example, under typical subordination terms, secured creditors are able to block the acceleration of the debt or the exercise by debt holders of other rights or remedies they may have as creditors for a period of time. In addition, these securities may not be protected by financial covenants or limitations upon 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. In addition, the unsecured debt could have limited liquidity and may not be rated by a credit rating agency. Further, upon any distribution to an issuer's creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such issuer's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made with respect to a Fund's subordinated debt investments. An issuer may not have sufficient funds to pay all of its creditors and the relevant Fund may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such issuer or the holders of indebtedness that is not subordinated.

Furthermore, a Fund may provide commitments and capital for interim financing such as bridge loans, which will, in most cases, be made in highly leveraged transactions. In addition to the risk and uncertainties associated with any debt investment, a bridge loan may not be repaid or refinanced as scheduled, and the bridge loan may become part of the permanent capital structure of the borrower. Accordingly, there can be no assurance that the Funds will attain any targeted returns.

(41) *Fixed-Income Securities.* A Fund is authorized to invest in subordinated debt and/or bonds or other fixed-income securities of U.S. and non-U.S. issuers, including bank debt, loans, notes, debentures, and commercial paper, as well as derivatives thereon. The value of fixed-income securities in which a Fund invests will change in response to fluctuations in interest rates, which have been near historic lows. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

(42) *Non-controlling Investments.* A Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

(43) *Credit Risk.* A Fund will potentially invest in debt and debt-related instruments, which are subject to interest rate and credit risks. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument directly (particularly in the case of instruments the rates of which are adjustable) and indirectly (particularly in the case of fixed rate securities). In general, rising interest rates will negatively impact the price of a fixed-rate debt instrument 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 instruments with uncertain payment or prepayment schedules.

"Credit risk" refers to the likelihood that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due or otherwise defaults on its obligations to a Fund and/or that the guarantors or other sources of credit support for such persons do not satisfy their obligations. Financial strength and solvency of an issuer and any applicable guarantors are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Although a Fund may make investments that the relevant General Partner believes are secured by specific collateral the value of which may initially exceed the principal amount of such portfolio companies or a Fund's fair value of such portfolio companies, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such portfolio company, or that such collateral could be readily liquidated. Under certain circumstances, collateral securing a portfolio company may be released without the consent of a Fund or a Fund's expected rights to such collateral could be voided or disregarded. In particular, a Fund's investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, a Fund may not have priority over other creditors as anticipated. A Fund's aggregate returns would be adversely impacted if an underlying issuer of debt portfolio companies or a borrower under a loan in which a Fund invests became unable to make such payments when due.

Credit risk may change over the life of an instrument. Although a Fund does not intend to acquire debt securities on the secondary market or otherwise invest in syndicated loans, to the extent it does so, evaluating credit risk will involve greater uncertainty, because credit rating

agencies throughout the world have different standards, making comparison across countries difficult. Debt instruments that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such instrument.

The ratings assigned by Moody's or S&P to loans or other debt instruments that may be acquired by a Fund reflect only the views of those agencies. Explanations of the significance of ratings should be obtained from Moody's or S&P. No assurance can be given that ratings assigned will not be withdrawn or revised downward if, in the view of Moody's or S&P, circumstances so warrant.

(44) *LIBOR and other Benchmark Rates.* To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

(45) *Director Liability.* A Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests (each, a "Board Representative"). In those instances where a Fund is not the sole shareholder of the applicable portfolio company, a Board Representative may have duties to persons and/or entities other than a Fund. Serving on the board of directors (or similar governing body) of a portfolio company will expose a Board Representative, and ultimately a Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities. Co-investors and/or co-investment vehicles may indirectly benefit from the relevant General Partner's appointment of such directors, although co-investors (including their respective co-investment vehicle, even if managed by Windjammer Management) will not typically bear the cost of liability insurance related to such appointment to the extent additional liability insurance is purchased by a Fund.

(46) *Limitation of Recourse and Indemnification.* The Governing Documents will limit the circumstances under which the General Partners and their affiliates will be held liable to the relevant Fund. As a result, a Fund's limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Governing Documents will provide that the Funds will indemnify the General Partners and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of a Fund and may receive advances for any fees, costs and expenses incurred in the defense or settlement of any

claim that may be subject to a right of indemnification. The fees, costs and expenses (whether or not advanced) and other liabilities resulting from a Fund's indemnification obligations will generally be paid by or otherwise satisfied out of the assets of a Fund, including the unpaid capital obligations of the limited partners. In addition, if the assets of a Fund are insufficient to satisfy a Fund's indemnification obligations, the relevant General Partner may recall distributions previously made to the limited partners, subject to certain limitations set forth in the Governing Documents. The relevant General Partner may cause a Fund to purchase insurance for a Fund, the General Partners, Windjammer Management and their employees, agents and representatives, including to cover actions that would not be indemnifiable under the Governing Documents, although there can be no assurance that any such insurance will be sufficient, available to satisfy the specific claims that may arise or generally available on commercially reasonable terms. Such indemnification obligations could materially impact the returns to limited partners.

(47) *Litigation.* In the ordinary course of its business, a Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of a Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partners' and the principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Additional regulation could also increase the risks of third-party litigation.

(48) *Advisory Board.* The General Partners will appoint one or more of a Fund's limited partner representatives to the Advisory Board. The Governing Documents will provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the relevant Fund or any other partner. Members of the Advisory Board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the Advisory Board for consideration or review. In addition, representatives of the Advisory Board may have various business and other relationships with Windjammer Management and its partners, employees and affiliates including co-investment relationships. These relationships may influence their decisions as members of the Advisory Board. To the extent that a limited partner is not represented by a member of the Advisory Board, such limited partner will have no influence over matters submitted to the Advisory Board for review or approval.

(49) *Concentration of Voting by Limited Partners and Advisory Board.* The limited partners and the limited partners of any parallel investment entity generally vote on all matters on a combined basis and based on aggregate Commitments as set forth in the Governing Documents. Accordingly, action by limited partners in a parallel investment entity or actions by relatively large investors could affect the outcome of votes submitted to a Fund.

(50) *Delayed Schedule K-1s.* A Fund likely will not be able to provide final Schedule K-1s or other tax filing information to limited partners for any given fiscal year until after the initial tax filing deadlines for limited partner tax returns. Accordingly, limited partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in a Fund.

(51) *Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear

of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which are likely to have adverse effects on the operating performance of affected portfolio companies. A climate of uncertainty, including the spread of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the spread of infectious viruses or diseases, or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

(52) *Market Conditions.* The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007, the downgrading of the credit rating of the United States in 2011 and the COVID-19 pandemic, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that its General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

(53) *Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* The ability of a Fund and the portfolio companies to effectively execute their respective strategies will be dependent, in some respects, on the health of the U.S. and global credit

markets. A widening of credit spreads, coupled with the deterioration of the subprime and global debt markets and/or a rise in interest rates, has historically dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms during such times. A Fund's ability to generate attractive investment returns may be adversely affected to the extent a Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

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

(55) *Material Non-Public Information.* As a result of the operations of Windjammer Capital Investors and its affiliates, as well as in connection with officerships or directorships of their personnel, Windjammer Capital Investors frequently comes into possession of confidential or material, non-public information. Therefore, Windjammer Capital Investors and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or a Fund's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

(56) *Unfunded Pension Liabilities of Portfolio Companies.* Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent



the portfolio company is unable to satisfy such liabilities. A Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of a Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of such Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under ERISA, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

(57) *National Security Investment Clearance.* In some cases, investments by a Fund involving the acquisition of or investment in a U.S. business (including a U.S. subsidiary or branch of a company domiciled outside of the United States) may be subject to review and approval by the Committee on Foreign Investment in the United States (“CFIUS”). In the event that CFIUS reviews one or more investments, there can be no assurances that the General Partners, Windjammer Management or the Funds will be able to maintain or proceed with such portfolio companies on acceptable terms. Additionally, CFIUS may seek to impose limitations on one or more such portfolio companies that may prevent a Fund from maintaining or pursuing investment opportunities that a Fund otherwise would have maintained or pursued, which could adversely affect the performance of a Fund’s investment in such portfolio companies and thus the performance of the General Partners and Windjammer Management. Legislation to reform CFIUS was signed into law in August 2018 and regulations to implement this legislation became effective in 2020. This legislation and implementing regulations, among other things, expand the scope of CFIUS’ jurisdiction to cover more types of investments and empowers CFIUS to scrutinize more closely investments in U.S. technology, data, and infrastructure companies, including investments involving foreign limited partners and foreign co-investors that may be deemed “non-passive.” Moreover, parties to certain transactions involving foreign persons and U.S. “critical technology” companies must submit filings to CFIUS at least 30 days in advance of closing. Many of a Fund’s transactions may involve investments into “critical technology” companies. Failure to submit required filings may result in significant financial penalties for each transaction party, as well as reputational damage. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions or mitigation on, transactions post-closing. Such restrictions and mitigation can include, among other things, restrictions on foreign persons’ ability to influence or govern a target company, pre-approval by the U.S. government of certain business decisions, and/or divestiture of some or all of a target company’s business.

While the General Partners and Windjammer Management have taken steps to ensure that its investments will not be subject to CFIUS’ jurisdiction and regularly consults with outside specialist counsel on CFIUS matters, certain of the limited partners of a Fund are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of a Fund’s aggregate commitments, which may increase the risks of such limitations or restrictions on investments being imposed. Moreover, other countries continue to strengthen their own national security investment clearance regimes, and a Fund’s investments outside of the U.S. may also face delays, limitations, or restrictions as a result of compliance with these legal regimes. Heightened scrutiny of foreign direct investment worldwide may make it more difficult for a Fund to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio company.

(58) *SPAC Transactions.* The General Partners or one or more affiliates are authorized to sponsor and/or control one or more SPACs as an outside business activity and/or for purposes of a Fund's investment.

Interests in a SPAC may include indirect ownership of "founder's shares," warrants and/or other interests of a SPAC. The "founder's shares," warrants and/or other interests will be allocated to the SPAC sponsor, such SPAC's management team, the General Partners and/or Windjammer Management (including certain of their respective partners). To the extent a Fund invests in the SPAC, the General Partners are not required to allocate all or any portion of such founder shares to a Fund but is permitted to do so in its discretion. In addition a Fund will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by a Fund.

Each SPAC offered in the United States is expected to register its shares with the SEC in an initial public offering and use the funds raised in such offering to effect a business combination and operate thereafter as a public company. In connection with such transaction, a SPAC sponsor will reimburse Windjammer Management, the relevant Fund and its/their affiliates (as applicable) for all or a portion of any fees, costs and expenses incurred in connection with the formation and organization of any SPAC, including any fees, costs and expenses incurred for a SPAC that fails to have an initial public offering. Because of the priority of reimbursement, a Fund may bear a disproportionate amount of such expenses in certain circumstances and, to the extent that a Fund wholly owns such SPAC sponsor, a Fund may bear all of such amounts.

The terms of any acquisition of interests in a SPAC are expected to be calculated shortly before the initial public offering of such SPAC. Following the initial public offering, the trading price of a SPAC's securities may materially increase or decrease, whether before or after a business combination, and none of the Funds, the General Partners, Windjammer Management or any of their respective affiliates will be able to control or predict the movement of such price.

In the event that a SPAC does not complete a business combination within the post-offering period set forth in its governing documents, the proceeds raised in the offering and held in trust are to be returned to the public shareholders. There can be no assurance or guarantee that any SPAC will be able to acquire an interest in any entity or consummate an investment, and in such case the SPAC sponsor (and, indirectly, a Fund (if applicable)) is not expected to receive a return of all amounts paid in connection with such SPAC. If, following a SPAC's initial public offering, the funds held in a SPAC's trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans from a SPAC sponsor or its management team to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If a SPAC sponsor loans such amounts to a SPAC, a Fund will bear a significant amount of any such loan and any related expenses to the extent that a Fund is participating in such SPAC. If such SPAC is unable to complete its initial business combination within a stipulated time period, it will be forced to cease operations and liquidate, and any loans it received (including indirectly from a Fund) will likely not be repaid.

In addition, SPACs are subject to rules and regulations by various governing bodies, including the SEC, which is charged with the protection of investors and the oversight of companies whose securities are publicly traded, and to new and evolving regulatory measures

under applicable law. Compliance with new and changing laws and regulations may subject a SPAC to increasing general and administrative expenses and a diversion of management time and attention from seeking a business combination target. Moreover, these laws, regulations and standards are subject to varying interpretations, and their application in practice may evolve over time as new guidance becomes available. For example, the SEC recently issued guidance with respect to the accounting treatment of warrants that are issued in SPAC transactions, which has created uncertainty as to appropriate presentation and accounting for warrants, and has caused the delay of numerous SPAC transactions and business combination transactions. This evolution may result in continuing uncertainty regarding compliance matters, transaction delays and additional costs necessitated by ongoing revisions to SPAC accounting, disclosure and governance practices.

The SPAC sponsor and its affiliates (including affiliates of Windjammer Management) generally present to any SPAC, and a SPAC generally will pursue, and otherwise consummate, any investment opportunities deemed appropriate by a SPAC sponsor or any of its affiliates, in their sole discretion, including investment opportunities that may otherwise be appropriate for a Fund, although it is expected that a SPAC generally will seek investment opportunities requiring larger equity investments compared to investment opportunities that a Fund will typically pursue on its own. Allocating an investment opportunity to a SPAC instead of a Fund would result in a Fund losing an investment opportunity to such SPAC and could have an adverse effect on a Fund. Because each SPAC sponsor is expected to be under common control with the General Partners, in certain circumstances, Windjammer Management will be incentivized to allocate investment opportunities to a SPAC at the expense of a Fund. In addition, Windjammer Management personnel have the potential to face conflicts of interest in connection with sponsoring a SPAC outside a Fund related to their time and attention, economic incentives of the SPAC which may be greater than those of a Fund, strategic relationships and other benefits posed to Windjammer Management and/or its personnel related to sponsoring such SPAC and other factors.

(59) *Other Regulatory Restrictions.* Anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the General Partners or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to the acquisition of a portfolio company by one fund managed by Windjammer Management or its affiliates may preclude a Fund from making an attractive acquisition or require a Fund to sell all or a portion of certain portfolio companies owned by them. A Fund will require each investor to make representations and warranties with respect to compliance with anti-money laundering and sanctions regulations, including those promulgated by OFAC. Where an investor or a related person is or becomes the target of sanctions or otherwise violates or would cause a Fund to violate applicable law, a Fund may be required immediately and without notice to such investor to cease any further dealings with the investor and/or the investor's

interest in a Fund and/or freeze such investor's assets in a Fund's possession until the investor ceases to be subject to such sanctions or violations (a "Sanctioned Persons Event"). The Funds and the General Partners have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by any investor as a result of a Sanctioned Persons Event.

(60) *Valuation of Investments.* Generally, the relevant General Partner will determine the value of all a Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by a Fund generally will be illiquid and not quoted on any exchange. The relevant General Partner will determine the value of all a Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the General Partners will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the relevant General Partner with respect to an investment will represent the value realized by a Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the relevant General Partner may cause it to ineffectively manage a Fund's investment portfolios and risks, and may also affect the diversification and management of a Fund's portfolio of investments.

(61) *Contingent Liabilities Upon Disposition.* In connection with the disposition of an investment, a Fund and its General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the relevant Fund(s) and, ultimately, its investors.

(62) *Loans in Lieu of Distributions.* Pursuant to the Governing Documents, certain distributions to the General Partners may be deferred to the extent the amount distributable exceeds the General Partners' tax basis in a Fund. In such case, the deferred distribution amount may be loaned by a Fund to the General Partners. Any interest accruing with respect to such a loan will be allocated and distributed solely to the General Partners.

(63) *Cyber Security Breaches and Identity Theft.* Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners, may be unable to anticipate these techniques, react in a timely manner, or implement

adequate preventive measures. The General Partners, Windjammer Management, the Funds' service providers and its portfolio companies' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Furthermore, the General Partners, Windjammer Management, the Funds' service providers and its portfolio companies may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

The General Partners, Windjammer Management, the Funds' portfolio companies, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Fund and its limited partners, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to a Fund and its limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the General Partners, Windjammer Management, the Funds' portfolio companies, the Funds' service providers, counterparties, or data within these systems, including through phishing or ransomware attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the General Partners' or Windjammer Management's systems to disclose sensitive information in order to gain access to the General Partners' data or that of Windjammer Management or the limited partners (including limited partner account and wire instructions). Similarly, third parties may attempt to fraudulently issue capital call notices or other requests to limited partners that purport to come from the General Partners or Windjammer Management, and/or induce limited partners to disclose wire and account information. To the extent that the General Partners, Windjammer Management, a Fund or a portfolio company is subject to cyber-attack or other unauthorized access is gained to such entity's systems, such entity would be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or company financial information; (iii) software, contact lists, or other databases; (iv) proprietary information or trade secrets; (v) loss of capital; or (vi) other items. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks.

If technology or security systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partners, Windjammer Management, a Fund and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partners', Windjammer Management's, a Fund's and/or a portfolio company's operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the General Partners', Windjammer Management's, a Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims (from an individual or a governmental body) or otherwise affect

their business and financial performance. In addition, the General Partners', Windjammer Management's, a Fund's and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

(64) *Privacy Law Compliance Risk.* The adoption, interpretation and application of data protection and information security laws and regulations ("Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Windjammer Management, the General Partners, the Funds and/or their portfolio companies, and as such could increase costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Windjammer Management, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, as amended, the EU has enacted the General Data Protection Regulation (EU 2016/679) and the Cayman Islands has enacted the Cayman Islands Data Protection Law, 2017, each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability for regulated entities, which could include the General Partners, Windjammer Management, the Funds and/or their portfolio companies.

(65) *Disclosure of Information.* Certain limited partners will be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding a Fund, its investments and its limited partners. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which a Fund, the General Partners, Windjammer Management, their affiliates, portfolio companies or service providers to any of them may be or become subject.

(66) *Impacts of Excuse or Exclusion.* A limited partner's participation in a Fund's investments may be limited by virtue of the relevant General Partner's right to exclude a limited partner from, or a limited partner's right to be excused from, participating in certain of a Fund's investments as set forth in the Governing Documents, thereby increasing the participation of other limited partners. As a consequence of one or more limited partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating limited partners could be adversely affected in a material manner by the unfavorable

performance of even one investment by a Fund. The performance of one or more substantial investments may have a significant impact on the overall performance of a Fund.

(67) *Recycling; Reinvestment.* As set forth in the Governing Documents, the General Partners have the right to recycle certain amounts distributed to the partners. Accordingly, during the term of a Fund, a partner may be required to make capital contributions in excess of its Commitment (with certain limitations), and to the extent such recycled amounts are invested in investments, a partner will remain subject to investment and other risks associated with such investments.

(68) *Fees and Expenses.* A Fund will pay and bear all expenses related to its operations, including Management Fees and the costs of sourcing, holding, monitoring, maintaining and disposing of investments, including investment banking fees and consulting fees, whether or not a Fund makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses are expected to be substantial and may surpass a Fund's operating income. The amount of these Fund expenses will reduce the actual returns realized by limited partners on their investment in the relevant Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by a Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of a Fund expenses ultimately called or called at any one time could exceed expectations.

(69) *Risks in Effecting Operating Improvements.* In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of such Fund or the management of a portfolio company to restructure and implement improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing restructuring programs and operational improvements may divert the attention of key personnel and disrupt normal business. There can be no assurance that a Fund will be able to successfully identify and implement such improvements.

(70) *General Tax Considerations.* An investment in a Fund involves complex U.S. and non-U.S. tax considerations that will differ for each investor depending on the investor's particular circumstances. The investment decisions of the General Partners and Windjammer Management will be based primarily upon economic, not tax, considerations and could result, from time to time, in adverse tax consequences to some or all partners. There can be no assurance that the structure of a Fund or of any investment will be tax-efficient for any particular investor. In addition, the tax considerations relevant to a partner may depend on whether such partner invests as a limited partner in an offshore feeder. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situations.

(71) *Tax Liability Considerations.* The Funds may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by the U.S. Internal Revenue Service (the "IRS"), a limited partner might be found to have a different tax liability for that year than that reported on its federal income tax return. In addition, an audit of a Fund may result in an audit of the returns of some or all of the limited partners, which examination could result in adjustments to the tax consequences initially reported by a Fund and affect items not related to a limited partner's investment in a Fund. If such

adjustments result in an increase in taxable income for any year, the relevant Fund or one or more of the limited partners may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of a Fund's tax return will be borne by such Fund. The cost of any audit of a limited partner's tax return will be borne solely by the limited partner. The taxation of partnerships and partners is complex. Prospective limited partners are strongly urged to review the disclosure included in the relevant Governing Documents and to consult their own tax advisors.

(72) *Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions.* Before making investments, the General Partners will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the General Partners may rely on the advice received from such third parties. Investment analyses and decisions by the General Partners will often be undertaken on an expedited basis in order for the relevant Fund to take advantage of investment opportunities. In such cases, the information available to the relevant General Partner at the time of an investment decision may be limited, and such General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

(73) *Control Person Liability.* The Funds are expected to have controlling interests in a number of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, a Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, a Fund might suffer significant losses. While the General Partners intend to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims against a Fund and/or its affiliates cannot be precluded.

(74) *Co-venturers.* The Funds are authorized to co-invest with third parties through partnerships, joint ventures or other entities or arrangements, thereby acquiring non-controlling interests in certain portfolio companies. The Funds may not have control over these companies and, therefore, may have a limited ability to protect its position therein. Such portfolio companies involve risks not present in majority portfolio companies and/or where a third party is not involved, including the possibility that a third-party partner, co-venturer or co-investor may have financial difficulties resulting in a negative impact on such portfolio companies, may have economic or business interests or goals which are inconsistent with those of the Funds, may cause the investment to be reviewable by CFIUS or another U.S. or other national security investment



clearance regulator, or may be in a position to take action contrary to a Fund's investment objectives or narrow the array of potential exit strategies for the relevant Fund. In addition, the Funds may in certain circumstances be liable for the actions of its third-party partners or co-investors. In circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. In addition, there can be no assurance that a Fund's return from a transaction would be equal to and not less than the return of another party that was allocated an investment opportunity and that is participating in the same transaction.

(75) *Liability of Limited Partners.* Generally, a limited partner should not be personally liable for the debts of a Fund except that, in the event a Fund is otherwise unable to meet its obligations, the limited partners may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them, subject to certain limitations set forth in the Governing Documents.

(76) *Investments Longer than Term.* A Fund may make investments that may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that such Fund is dissolved, either by expiration of such Fund's term or otherwise. Although the General Partners expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the General Partners have a limited ability to extend the term of a Fund, a Fund may sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the timeframe in which the winding up and the final distribution of proceeds to the limited partners will occur.

(77) *Disclosure of Confidential Partnership and Investor Information.* It is expected that certain limited partners will be subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding a Fund, its investments and its investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. A Fund may incur expenses in connection with responding to any such disclosure requests, even if such Fund ultimately succeeds in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the limited partners will have pursuant to the Governing Documents to maintain the confidentiality of Fund information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise. The General Partners may also, in an effort to protect any such potential disclosure, withhold all or any part of the information otherwise to be provided to such a limited partner in certain circumstances, as more fully described in the Governing Documents. There can be no assurance that such information will not be disclosed by a Fund, the General Partners, Windjammer Management, their affiliates and personnel, portfolio companies or services providers to any of them including to comply with laws, regulations or policies to which they are or may become subject. Any public disclosure of Fund information could have an adverse effect on a Fund and its investors, for example, by affecting a Fund's competitive advantage in finding attractive investment opportunities.

(78) *Use of Alternative Investment Vehicles.* The General Partners have the authority to structure the making of, or restructure, a portfolio company or any portion thereof (or the holding thereof if after the initial consummation of such portfolio company) outside of the Funds by requiring any or all of the partners to make such investment directly or indirectly through one or more alternative investment vehicles. The partners will bear the expenses of any such alternative investment vehicles. The structural attributes of certain alternative investment vehicles may result in divergent return characteristics for certain limited partners. For example, the General Partners may elect to structure an alternative investment vehicle that may result in favorable tax treatment for one set of limited partners but less favorable tax attributes for another.

(79) *Capital Calls.* Capital calls will be issued by the General Partners from time to time and the discretion of the General Partners. To satisfy such capital calls, limited partners may need to maintain cash or other assets that can be readily converted to cash equal to all or a substantial portion of their capital commitments. A limited partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of a Fund or upon any assessment thereof provided by the relevant General Partner. Capital calls may not provide all of the information a limited partner desires in a particular circumstance, and such information may not be made available and will not be a condition precedent for a limited partner to meet its funding obligation.

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

Currently, there is an ongoing outbreak of COVID-19, which has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools and other public venues. Businesses are also implementing similar voluntary and precautionary measures. As a result, COVID-19 contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on consumer spending, travel and public accessibility, such as retail and consumer goods, transportation, hospitality, tourism, sports and entertainment.

The ultimate impact of COVID-19 on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict,

although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. As indicated above, the consumer industry is uniquely susceptible to economic contraction, economic uncertainty or the perception of weak or weakening economic conditions, public health emergencies, and the associated impact on discretionary consumer spending on consumer goods. A recession, economic slowdown or any other significant economic condition affecting consumers or corporations caused by COVID-19 or other public health emergencies is expected to cause a reduction in consumer spending, and have the potential to adversely impact a Fund's portfolio companies and a Fund's performance. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of vaccines and governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities; the extent of any related travel advisories and restrictions implemented (including any government-imposed quarantine measures and any voluntary and precautionary restrictions on travel or meetings) and the impact of such public health emergency on overall supply and demand, goods and services, investor and portfolio company liquidity, credit markets, consumer confidence, recession and fears of recession, availability of consumer credit, consumer debt levels, consumer perceptions of personal well-being and security and levels of economic activity, all of which are evolving rapidly and may have unpredictable results. Furthermore, COVID-19 is likely to impact a portfolio company's supply chain and its ability to manufacture and ship its products may be limited. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to "re-open," it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior, particularly with respect to discretionary spending in industries such as consumer goods. The effects of COVID-19 are unpredictable and it is difficult to forecast their impact on the value and performance of a Fund's portfolio companies, a Fund's ability to source, manage and divest investments and a Fund's ability to achieve its investment objectives, all of which could result in significant losses to a Fund.

As indicated above, the extent of the impact on the Funds and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors have the potential to limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners or Windjammer Management may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a

public health emergency such as COVID-19, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

(81) *Inflation Risk.* High rates of inflation and rapid increases in the rate of inflation generally have a negative impact on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in a country's economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, often have negative effects on the level of economic activity. Certain countries, including the United States, have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Funds' investments and its aggregated returns. For example, if a portfolio company was unable to increase its revenue while the cost of relevant inputs were increasing, a portfolio company's profitability would likely suffer. Likewise, to the extent a portfolio company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, a portfolio company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a portfolio company may see its competitors' costs stabilize sooner or more rapidly than its own. Moreover, increasing inflation will also impact currencies and can lead to significant currency fluctuations. This has recently resulted in a strengthening of the US dollar vis-à-vis many other currencies but there can be no assurances that such trends will continue and/or that this trend will not reverse such that the US currency is weakened vis-à-vis other currencies. Additionally, because any preferred return is not linked to the rate of inflation, as the rate of inflation increases the proportion of real returns (i.e., the nominal rate of return less the rate of inflation) treated as preferred return decreases and the proportion of real returns subject to performance-based compensation increases. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of the Fund.

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

governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Windjammer Management to manage the Funds and their investments, and on the ability of Windjammer Management, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Windjammer Management expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

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

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

## Conflicts of Interest

Windjammer Management and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, accounting, management and other services to Funds and portfolio companies. Windjammer Management will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Advisers conducting their activities, the interests of a Fund likely will conflict with the interests of the Advisers, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Windjammer Management will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Boards of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by Windjammer Capital Investors' principals through such Fund, subject to certain exceptions set forth in the Governing Documents. Without limitation, Windjammer Capital Investors' principals currently manage, and expect in the future to manage, several other investments and Funds similar to those in which any such Fund has invested or will be investing and expect to direct certain relevant investment opportunities or resources to those investments. Windjammer Capital Investors' personnel reserve the right to manage their own personal investments, whether or not through a family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Windjammer Capital Investors' principals and investment staff will continue to manage and monitor such investments until their realization; however they are expected to spend a significant portion of their time on matters not specifically related to a particular Fund, including matters related to other existing Funds and future Funds. Such other investments Windjammer Capital Investors' principals expect from time to time to control generally have the potential to compete with companies acquired by a Fund. To the extent an investment opportunity is received that is unsuitable for a Fund, in Windjammer Capital Investors' sole discretion, Windjammer Capital Investors and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Windjammer Capital Investors' personnel are permitted to serve on boards or act in other roles unaffiliated with Windjammer Capital Investors, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

The Funds typically invest sequentially and, therefore, Windjammer Management generally is not presented with investment opportunities that would be suitable for multiple Funds and other investment vehicles operated by advisory affiliates of Windjammer Management. However, from time to time, Windjammer Management may be presented with such opportunities. In determining which investment vehicles should participate in such investment opportunities, Windjammer Management and its affiliates are subject to conflicts of interest among the investors

in such investment vehicles. Except as required by the relevant Governing Documents, Windjammer Management is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Windjammer Management in a portfolio company also have the potential to raise the risk of using assets of a client of Windjammer Management to support positions taken by other clients of Windjammer Management.

In allocating investment opportunities, Windjammer Management must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Windjammer Management generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents (including conflicts of interest provisions), as well as factors including but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant Fund's Governing Documents and Side Letters, where applicable), strategy, available capital (e.g., current cash position and current or anticipated capital additions or withdrawals), size of Funds, and remaining life of Funds, degree and nature of diversification (including industry or company exposure and location); differences in risk profiles at the time the opportunity becomes available, tax sensitivity, tolerance for turnover, asset composition, applicable regulatory restrictions and structure; the potential transaction and other costs of allocating an opportunity among various Funds; potential conflicts of interest; the nature of the investment or the transaction, including minimum investment amounts and the source of the opportunity; current and anticipated market and general economic conditions; prior or existing positions in an investment or a related investment (e.g., potential for add-on or combination) and other relevant factors, including risk. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. Additionally, a Fund generally reserves the right to invest together with other private investment funds advised by an affiliated adviser of Windjammer Management to the extent, in the manner and subject to any restrictions set forth in the Governing Document(s) and Windjammer Management's allocation policy. Windjammer Management will determine the allocation of each investment opportunity in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Windjammer Management's obligations and reserves the right to take into consideration factors such as those set forth herein. In other circumstances during the period that a portfolio company is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue or other characteristics.

Following such determination of allocation among Funds, Windjammer Management reserves the right to offer co-investment opportunities to one or more potential co-investors, including vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and Windjammer Management's procedures regarding allocation. Windjammer Management's procedures permit it to take into consideration a variety of factors in making co-investment determinations, including but not limited to: (i) whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived degree of that interest; (ii) the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; (iii) the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to otherwise successfully and efficiently execute the transaction, in a timely manner with respect to the timeframe in which Windjammer Management believes favorable transaction terms may be achieved based on their history of

consummating co-investment opportunities; (iv) any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); (v) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vi) Windjammer Management's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Windjammer Management's ability to execute the relevant transaction in the desired time or on desired terms; (vii) the size of the investment allocation available to Windjammer Management (and not being allocated to any other Funds) and the practicality of splitting the allocation into smaller tranches; (viii) the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction; (ix) any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; (x) whether the prospective co-investor is considered "strategic" to the investment because it is able to offer Windjammer Management or its affiliates or any Funds or entities which they manage certain services or benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether Windjammer Management believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships (including formal or informal strategic relationships) that have the potential to provide longer-term benefits to Windjammer Management or its affiliates or any Funds or entities which they manage; (xi) whether the prospective co-investor has a history of consummating co-investment opportunities with Windjammer Management or its affiliates; (xii) whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; (xiii) the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying portfolio company, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the investor would be willing to defer to Windjammer Management and assume a more passive role in governing the investment); (xiv) whether the prospective co-investor has any interests in any competitor of the underlying investment; (xv) the expected investment holding period; (xvi) the services provided by the prospective co-investor in connection with the investment and/or to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment), including sourcing, establishing relationships, participating in diligence, providing operational or financing services post-closing and other services; (xvii) the size of the prospective co-investor's interest to be held in the underlying portfolio company as a result of the investment of another Fund or entity managed by Windjammer Management or its affiliates (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such entity); (xviii) the size and/or timing of the prospective co-investor's commitment to the relevant Fund or other Funds; (xix) whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; (xx) whether the prospective co-investor is



likely to pay management fees and/or carried interest; (xxi) the likelihood that the prospective co-investor may invest in a future Fund and other factors that Windjammer Management considers important in connection with the specific transaction or investment.

Furthermore, Windjammer Management and its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other limited partners, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Windjammer Management expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that employees and related persons of Windjammer Management and its affiliates make capital investments in or alongside certain Funds, Windjammer Management and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Windjammer Management's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Windjammer Management will allocate investment opportunities in a manner that it

believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, 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 potential conflicts of interest to which Windjammer Management expects to be subject, discussed herein, did not exist.

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

Though the Funds typically invest sequentially, if multiple Funds were ever to invest at the same, different or overlapping levels of a portfolio company's capital structure, there would be a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring will potentially raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital were to be necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds will potentially not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Windjammer Management in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, if the Funds were ever to invest at different or overlapping levels of a portfolio company's capital structure Windjammer Management would expect to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). In certain circumstances Funds are expected to be prohibited from exercising (or Windjammer Management may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Funds.

Though the Funds typically invest sequentially, potential conflicts are expected to arise should a Fund make an investment in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Advisers and their affiliates

reserve the right from time to time to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. To the extent a Fund sells its interest in an investment to a third-party, it may impact the value of such Fund's interest in the same investment, and will give rise to the co-venturer risks discussed above. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Windjammer Management expects to be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. Windjammer Management, in its sole discretion, intends to allocate fees and expenses in accordance with the Governing Documents and in a manner that it believes is fair and equitable to the Funds under the circumstances over time and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on the number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or an Adviser. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment. As a general matter, Broken Deal Expenses are allocated among limited partners regardless of whether any individual limited partner negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also expect to bear fees and expenses indirectly to the extent a portfolio company (or intermediate entity) pays fees and expenses, and Windjammer Management reserves the right to charge fees and expenses to portfolio companies, capitalize fees and expenses into the cost basis of a transaction, or to the extent necessary or desirable for operational, administrative, tax or other reasons, charge fees and expenses at the level of an intermediate holding company between a Fund and the portfolio company.

The Funds intend to make controlling investments in portfolio companies. As a result of these controlling interests, the Advisers typically have the right to appoint board members (including Strategic Consultants and current or former Windjammer Management personnel or persons serving at their request, who in some instances simultaneously serve, and receive compensation as a consultant for such portfolio company) of such portfolio companies, or to influence their appointment, and to determine or influence the determination of their compensation. In certain instances, Windjammer Management and/or its personnel and affiliates are expected to serve simultaneously in multiple roles, including as board members, consultants or in other capacities, with respect to a particular portfolio company. Additionally, from time to time, portfolio company board members approve compensation and/or other amounts payable to an Adviser, its affiliates and/or Strategic Consultant in connection with services provided by such persons to such portfolio company, and, except to the extent such amounts are subject to the Governing Documents' offset provision, are in addition to the Management Fee or carried interest discussed herein. Windjammer Management's authority to appoint or influence the appointment of portfolio company board members who are likely to be involved in approving compensation payable to Windjammer Management subjects Windjammer Management and any such portfolio

company board appointees to potential conflicts of interest. Decisions made by a director will potentially subject the relevant General Partner, Windjammer Management, the Funds or their respective affiliates 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. From time to time, employees or other personnel of the relevant General Partner, Windjammer Management or their respective affiliates are likely to also be asked to serve as directors of, or observers with respect to, certain entities in which the Funds have fully exited their ownership interest. Any compensation received by such personnel in connection therewith will not be offset against the Management Fee or otherwise be shared with the Funds and/or limited partners.

Personnel of the relevant General Partner and/or Windjammer Management also have the ability to serve, and expect from time to time in the future to serve, as members of boards of directors of companies not related to Windjammer Management, and to have investments in such companies. In such cases, such persons are expected to be subject to fiduciary and other obligations to the relevant companies, in addition to fiduciary obligations owed to the Funds. It would be expected that the interests of a competitor company would not be aligned with those of a Fund or a Fund's portfolio companies. This will potentially result in a conflict between the relevant individual's obligations to a portfolio company or competing company and the interests of a Fund. In some circumstances, having such individuals serve as directors, board members or interim executives of a portfolio company of a Fund or another company is likely to restrict the ability of a Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

Windjammer Management personnel are also permitted to serve on boards or act in other roles including for charitable and educational institutions, trade groups and industry associations. Subject to any limitations in the Governing Documents, personnel of the relevant General Partner and/or Windjammer Management are expressly authorized to carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, whether or not through a formal family office or estate planning structure, and will potentially give advice and recommend securities to vehicles which will differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives are the same or similar. Such persons are also permitted to have capital investments in or alongside the Funds, or in prospective portfolio companies. Such investments also may be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industry as the Funds invests. Such personnel also potentially will pay or receive compensation relating to these arrangements.

Additionally, a portfolio company typically will reimburse Windjammer Management or service providers retained at Windjammer Management's discretion for expenses (including without limitation travel expenses and, where appropriate, meal and entertainment expenses) incurred by the Advisers or such service providers in connection with its performance of services for such portfolio company. This subjects Windjammer Management and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Windjammer Management determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to

the Advisers or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Windjammer Management, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Windjammer Management's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Windjammer Management and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Windjammer Management Information**"). In many cases, Windjammer Management Information will include tools, procedures and resources developed by Windjammer Management to organize or systematize Windjammer Management Information for ongoing or future use. Although Windjammer Management expects its Funds and their portfolio companies generally to benefit from Windjammer Management's possession of Windjammer Management Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Windjammer Management and its personnel) and not by the Fund or portfolio company from which Windjammer Management Information was originally received or derived. Windjammer Management Information will be the sole intellectual property of Windjammer Management and solely for the use of Windjammer Management. Windjammer Management reserves the right to use, share, license, sell or monetize Windjammer Management Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Windjammer Management generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services or enter into transactions with various service providers, and from time to time such service providers are expected to include: (i) Windjammer Management or a related person of Windjammer Management (which may include a portfolio company of such Fund); (ii) an entity with which Windjammer Management or its affiliates or current or former members of their personnel has a relationship or from which Windjammer Management or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Windjammer Management personnel are seconded, or from which Windjammer Management receives secondees; or (iii) certain limited partners or their affiliates. For example, Windjammer Management expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. In addition, one portfolio company will potentially provide

goods or services to another portfolio company, and there can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties. In particular, such transactions could result in the provision of services to a portfolio company at a rate higher than could be obtained by such portfolio company on the open market, or conversely, result in a portfolio company providing services to another portfolio company at a discounted rate. This discretion subjects Windjammer Management to conflicts of interest, because although Windjammer Management selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Windjammer Management has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest, including a person's historical or potential future relationship with Windjammer Management and/or the investment (or amount of investment) to be made in a Fund by such person. Additionally, there is a possibility that Windjammer Management, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Windjammer Management), would favor a transaction, retention or continuation of lending or other services even if a better price and/or quality of service provider could be obtained from another person. Windjammer Management will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Windjammer Management generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Windjammer Management has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other transaction would be more beneficial or that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In certain circumstances, current or former Windjammer Management personnel also are permitted to serve in interim or part-time roles at portfolio companies, or will provide services to portfolio companies as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at Windjammer Management. Under such arrangements, the relevant portfolio company generally will pay all or a portion of the compensation and benefits in respect of such employees (including salary, bonus, insurance benefits and paid time off) which will not offset a Fund's Management Fee, or may supervise or oversee such employees. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by Windjammer Management as overhead in respect of those personnel would be borne by the portfolio company when they are secondees or other portfolio company personnel. Therefore, Windjammer Management has an incentive to cause its employees to become externs or secondees or serve in similar roles to reduce its overhead or otherwise shift costs to portfolio companies. As seconded arrangements are often initiated to meet temporary portfolio company needs, they are expected to change over time, and in many cases will be ended by Windjammer Management when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis, at which point the secondees may or may not return to Windjammer Management. It is possible that certain Windjammer Management personnel will serve as secondees or other personnel with respect to multiple portfolio companies and perform services that directly or indirectly benefit Windjammer Management while serving as secondees or other portfolio company personnel.

The Advisers, the Funds and the portfolio companies expect from time to time to engage, employ or retain, on behalf of the Funds (including any alternative investment vehicle) and/or portfolio companies, as applicable, certain persons, including the Strategic Consultants, third-party consultants, operating advisors, strategic partners, operating partners, executive partners, senior advisors and/or similar professionals (collectively, the “**Special Consultants**”) which may include affiliates of the Advisers or employees of such affiliates, employees of the Advisers and/or portfolio companies of the Funds. The Special Consultants are expected to regularly provide services to, or in connection with, the Funds in relation to their activities and/or to one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies, such as sales, marketing, technology, human resources, due diligence, acquisition integration/rationalization, supply chain and/or other operations services, and in certain circumstances serving in executive, management, director or other policy-making positions for such portfolio companies (“Services”). Strategic Consultants include consultants in which persons affiliated or otherwise associated with Windjammer Management and/or its affiliates have an ownership or economic interest or other relationship. There can be no assurance that Special Consultants, including Strategic Consultants, will be exclusive to the General Partner and in some cases will not be exclusive. The use of Special Consultants is expected to fluctuate and/or expand over time.

Pursuant to the Governing Documents of the Funds, compensation and expenses associated with the Services (collectively, “**Consulting Fees and Expenses**”), generally are expected to be paid and/or reimbursed by applicable portfolio companies and/or a Fund, and such Consulting Fees and Expenses will not offset or reduce the Management Fee. Consulting Fees and Expenses are expected to include cash fees, retainers, transaction fees, carried interest, salaries, bonuses (whether or not based on pre-determined milestones), guaranteed payments, incentive equity, stock awards or other non-cash compensation related to a Fund and/or its portfolio companies, and benefits and personnel costs (including employee benefits, payroll taxes, insurance, paid time-off and office space). In addition, Strategic Consultants may receive office space, business cards, email addresses and other benefits and may make use of other Windjammer Management resources, and other Special Consultants may receive such benefits from time to time. Additionally, Windjammer Management and/or portfolio companies provide certain opportunities for Special Consultants to invest in such portfolio companies. The Funds and/or portfolio companies also reimburse costs and expenses incurred by Special Consultants, including travel, meals, lodging and reasonable and customary entertainment. Special Consultants also are expected to receive remuneration from the Advisers and/or the Funds or their affiliates and/or be entitled to other forms of compensation. It is possible that certain Special Consultants will also have a limited partner or profit interest in, the Funds, the Advisers, one or more other investment funds sponsored by Windjammer Management or an affiliate, and will have the opportunity to make investments in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to a Special Consultant by the Funds and/or portfolio companies will not offset the Management Fee. Certain Strategic Consultants generally provide services to one or more funds managed by Windjammer Management and/or its affiliates pursuant to a contract, and any other services provided to a portfolio company that are not specified in such contract (e.g., service on a board or management services) generally will be borne directly by the applicable portfolio company and will be in addition to any payments under such contract. To the extent that Special Consultants are paid retainers or guaranteed minimum compensation amounts, there is the

possibility that certain portfolio companies or a Fund will bear a greater share of such compensation due to the utilization of the Special Consultant's services at a time when fewer of Windjammer Management's other funds or their portfolio companies make use of such Special Consultants. Under many of these arrangements, including where Special Consultants are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Special Consultants.

The type, amount and allocation of Consulting Fees and Expenses are permitted to be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Special Consultants, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Windjammer Management will face potential conflicts of interest in determining the allocation of Consulting Fees and Expenses. For example, Windjammer Management generally will not be allocated Consulting Fees and Expenses that relate to services performed by Special Consultants for the Funds and/or portfolio companies or prospective portfolio companies. However, these services also have the potential to provide a direct or indirect benefit to Windjammer Management and/or its affiliates including other Funds. Therefore, Windjammer Management has an incentive to classify a particular service as being for a Fund and/or a portfolio company or prospective portfolio company, even though it may directly or indirectly benefit Windjammer Management and/or its affiliates, in whole or in part. The allocation of Consulting Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by Windjammer Management.

Although Windjammer Management anticipates that Special Consultants will be employed or retained by Windjammer Management and/or its affiliates with a view to reducing costs to portfolio companies or prospective portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings. As a general matter, there can be no assurance that the services rendered by the Special Consultants will be effective and result in Fund returns. Moreover, Windjammer Management and/or its affiliates only anticipate employing, engaging or retaining Special Consultants that they believe provide services that will create value, while providing them with competitive Consulting Fees and Expenses and other benefits commensurate with their experience and perceived ability to create value. However, there can be no assurance that there is no other personnel or service provider more qualified to provide the applicable services and/or able to provide them at lesser cost, and Windjammer Management does not undertake any benchmarking against other service provider rates.

From time to time, Windjammer Management causes a Fund to enter into cross-transactions with another Fund sponsored by Windjammer Management or its affiliates, or co-investors or co-investment vehicles, in which the Fund buys securities from, or sells securities to, or co-invests with, such other Funds, vehicles or persons. In some cases, a portfolio company of a Fund will potentially be merged with or into a portfolio company owned by another Fund. Investments in a portfolio company by more than one Fund raise potential conflicts of interest, including where the assets of one Fund are used to support positions taken by other Funds and/or the transactions allow Windjammer Management or its affiliates to realize carried interest and/or



obtain future management fees and/or carried interest with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Partnership Agreements or otherwise in the sole discretion of the applicable General Partners, such General Partners are authorized to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker paid for by the Funds to opine as to the fairness of a purchase or sale price whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the applicable General Partners) or by obtaining the consent of the relevant Fund(s) including, where authorized, the consent of each Fund's Advisory Board to such transactions. The General Partners also are authorized to determine that the willingness of a third-party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Funds under then-current market conditions, and therefore determine not to obtain any consent or fairness opinion. Further, Funds nearing the end of their term are expected from time to time to sell their interest in commonly held investments to other Funds with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the General Partners are assigned varying percentages of carried interest from Funds in the same investment, or if economic terms, performance or the potential for carried interest vary between Funds sponsored by Windjammer Management, particularly when one Fund sells its portion of such investment to another Fund, which could cause a portion of such carried interest to become "realized." Whether or not consent or an opinion is obtained, or a third-party invests, Windjammer Management intends to conduct such transactions in a manner that the General Partner believes to be fair and equitable to each fund under the circumstances over time, including a consideration of the potential present and future benefits with respect to each Fund including the relative ownership percentages of the Funds in the applicable investment, the length of time remaining in a Fund's term and other factors similar to those discussed above regarding the allocation of investment opportunities. Further, such cross-fund transactions are expected to arise in the context of automatic or other re-balancing of an investment among parallel Funds pursuant to the relevant Governing Documents, and in such circumstances Windjammer Management generally will not seek a fairness opinion and generally will not seek Advisory Board consent given that such transactions typically happen close in time to the initial Fund's investment and/or are authorized pursuant to the Governing Documents of each Fund.

Although Windjammer Management generally structures Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any Windjammer Management affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, Windjammer Management intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market participants are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another

Fund or a Windjammer Management affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by any Fund or a Windjammer Management affiliate, whether or not related to the Fund in which such limited partners have invested.

As discussed above, if the Fund enters into any indebtedness with one or more other Funds and entities managed by Windjammer Management or any of its affiliates on a joint and several basis, Windjammer Management is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Windjammer Management may be subject to conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances, Funds may be prohibited from exercising (or the Windjammer Management may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Windjammer Management intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness.

The Advisers and/or their affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Windjammer Management and/or its affiliates; conversely, current or former personnel or executives of Windjammer Management and/or its affiliates may from time to time serve in significant management roles at portfolio companies or service providers recommended by Windjammer Management. To the extent a former Adviser employee becomes employed by a portfolio company, no compensation earned by such former Adviser employee from such portfolio company will offset the Management Fee notwithstanding that such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. In addition, Windjammer Management, its affiliates and/or personnel have personal, familial and/or professional relationships with (or invest in) financial institutions, service providers (including Strategic Consultants) and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members, employees, or close contacts of the foregoing. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Windjammer Management and/or its affiliates, the Funds or other investment vehicles they advise and/or portfolio companies. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Windjammer Management entities, whether or not relating to financing Windjammer Management personnel obligations to fund General Partner commitment obligations) to Windjammer Management personnel and their estate planning vehicles. Windjammer Management expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Windjammer

Management information about markets and industries in which Windjammer Management operates (or is contemplating operations), will provide other services that are beneficial to Windjammer Management or one or more other Funds, or will provide other benefits to Windjammer Management, its personnel or persons with whom they have a relationship (e.g., employment) and/or one or more other Funds. For example, the Advisers reserve the right to cause a Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a successor Fund rather than the Fund making the payment. Windjammer Management expects to be subject to a potential conflict of interest in making such recommendations, in that Windjammer Management has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Windjammer Management, its affiliates, and equity holders, officers, principals and employees of Windjammer Management and its affiliates reserve the right to buy or sell securities or other instruments that Windjammer Management has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Windjammer Management's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Windjammer Management including Strategic Consultants have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the relevant Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the relevant General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the relevant General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the relevant General Partner and its beneficial owners may intend to hold securities distributed by the Fund in kind for a different time period than Windjammer Management deems suitable for the relevant Fund. Although the relevant General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the relevant Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the relevant General Partner and its beneficial owners could exceed the value of such General Partner's pro rata interest in the relevant Fund and the amount of carried interest owed. Conversely, the General Partner and its beneficial owners potentially will decide to sell such securities within a short period of time, which could have an adverse impact on the price of securities that are held by limited partners at the time of

such sale. Limited Partners in receipt of a distributed investment will have no advice from relevant the General Partner with respect to disposition of such investment (including timing of such disposition). To the extent the beneficial owners of the relevant General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the relevant Fund or its limited partners.

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

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Windjammer Management may not otherwise have done so.

Because Windjammer Management and its affiliates are permitted to retain certain transaction fees, monitoring fees and similar "Portfolio Company Fees" (as described under "Fees and Compensation" above) in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, such Portfolio Company Fees are based on enterprise value or other metrics relating to a portfolio company but also have the potential to be based on a flat fee or other metric, and there can be no assurance that the amount of such Portfolio Company Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. In certain circumstances, Windjammer Management expects that co-investors, lenders, consultants or other parties from time to time will negotiate the right to share a portion of such Portfolio Company Fees from a particular investment, and any Management Fee offset percentage will be applied after excluding any amounts paid to such persons. Any Portfolio Company Fees with respect to an investment or potential investment (including unconsummated transactions) generally will be allocated to a Fund only to the extent of a Fund's relative ownership or anticipated ownership of such investment or potential investment on a fully-diluted basis. Accordingly, a Fund will, in most cases, only benefit from the Management Fee offset with respect to its allocable portion of any such fees and not the portion of any such fees allocable to any other person that holds an economic interest in (or, in the case of an unconsummated transaction, would have held an economic interest in) the applicable investment or potential investment. Windjammer Management has an incentive to charge such fees because it is permitted to retain the portion of such fees that are not subject to offset under the Governing Documents. Additionally, Windjammer Management, its personnel, affiliates or others designated by the relevant General Partner, including Strategic Consultants and other service providers, expect from time to time to receive compensation in the form of portfolio company securities. To

the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied (typically based on the then-present value of such securities), the Windjammer Management and/or such other recipients will be permitted to retain such securities as Portfolio Company Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Windjammer Management or retain such securities for a period consistent with their own financial and investment objectives, which is likely to differ from those of the Funds). In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

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

The method of calculating a General Partner's carried interest may result in conflicts of interest with respect to the use of fund-level leverage and the management and disposition of investments, including with respect to the timing of dispositions and the valuation of investments, including the timing of investment write-downs and/or write-offs.

The Advisers and/or their affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Advisers' compensation, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing Documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's Advisory Board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic procedural and other terms.

Windjammer Management is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Windjammer Management, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Windjammer Management, its affiliates and personnel, or the Funds. Such rights, terms or confirmations in any such Side Letter or other similar agreement may potentially include (i) different economic terms, including reduced Management Fees, modified waterfall mechanics and/or reduced carried interest and/or receipt of a portion of Windjammer Management's or its affiliates' Management Fees, other fees and/or carried interest; (ii) the ability to opt-out of certain types of investments (including with respect to investments in certain geographies and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or

notifications from the Funds or Windjammer Management or any of their affiliates and/or the manner in which information and/or notice shall be provided; (iv) the right to transfer Fund interests and to cause such transferee to be admitted to a Fund as a substitute limited partner; (v) the offering of, and/or participation in, co-investment opportunities; (vi) the right to withdraw from a Fund in the event of adverse tax or regulatory events or violations of law or policies or in the event the investor's commitment in a Fund would exceed a certain percentage of a Fund's aggregate commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights relating to the appointment of a representative to serve as a member and/or observer of a Fund's Advisory Board, (xiv) rights with respect to legal, regulatory or policy requirements applicable to any such limited partner or its affiliates, or (xv) certain other terms whether economic, procedural or otherwise. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Windjammer Management to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's Advisory Board results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Windjammer Management is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (e.g., based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Windjammer Management, its affiliates and personnel or the Funds), or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Windjammer Management, its affiliates and personnel, or the Funds. Although Windjammer Management believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in

circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund. The other limited partners will generally have no recourse against the Funds, Windjammer Management and/or any of their affiliates in the event that certain limited partners receive additional and/or different rights and/or terms as a result of such Side Letters. Windjammer Management will be required to notify the other limited partners of any such Side Letters or other similar agreements or any of the rights and/or terms or provisions thereof, and to offer such additional rights and/or terms to other limited partners, only to the extent provided in the Governing Documents.

Windjammer Management has instituted a program under which portfolio companies owned by the Funds are either given the option to or required to participate in certain purchasing, vendor or similar arrangements with Windjammer Management, its affiliates and/or other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. With respect to certain arrangements, participants voluntarily participate in the program without cost, whereas with respect to certain other arrangements, Windjammer Management allocates third-party administration costs for the program among the relevant Funds and/or portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Windjammer Management and its affiliates also participate in the program in exchange for an allocable portion of such costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will offset or reduce Management Fees. Windjammer Management believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the rates for goods and services are discounted due to scale or relative to those widely available in the market.

Windjammer Management has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Windjammer Management has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to Windjammer Management, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

From time to time, Windjammer Management, its affiliates and personnel, and persons selected by them receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Discounted prices or better terms offered by a portfolio

company to Windjammer Management, any other portfolio company, or third parties have the potential to affect the returns of the portfolio company.

As with other private equity fund sponsors, as part of Windjammer Management's business, the principals, Windjammer Management and its employees have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of Windjammer Management or prior firms of the principals. Certain of these third parties are expected, from time to time, to: (i) introduce investment opportunities to Windjammer Management; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) solicit investors for Funds; and/or (vi) provide investment banking, consulting, legal or advisory services to Windjammer Management, such Funds and/or portfolio companies. Such third parties are also expected, from time to time, to provide goods or services to or have business, personal, political, financial or other relationships with the principals, and to provide gifts and entertainment to Windjammer Management personnel in respect of services provided to the Funds or their portfolio companies even though the Funds and portfolio companies bear such service provider costs. In addition, such third parties are permitted to invest in one or more Funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to Windjammer Management, its funds and/or their portfolio companies. These relationships have the potential to influence the General Partners and Windjammer Management in deciding whether to select or recommend any such third-party to perform services for the Funds or a portfolio company. The cost of any services provided by such third parties generally will be borne directly or indirectly by the Funds or their portfolio companies, as applicable.

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

The limited partners of each Fund include taxable and tax-exempt entities and investors from jurisdictions outside of the United States. Such persons may have conflicting tax and other interests with respect to their investment in such Fund. As a consequence, conflicts of interest will arise in connection with decisions made by Windjammer Management that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations, including with respect to the making or financing of investments. In the selection and financing of a Fund's investments, Windjammer Management will consider the investment and tax objectives of such Fund and the limited partners as a whole, and not the investment, tax or other objectives of any limited partner of such Fund individually.



Any of these situations subjects Windjammer Management and/or its affiliates to potential conflicts of interest. Windjammer Management attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Windjammer Management's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Windjammer Management will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Advisers notify and/or consult and receive consent to conflicts and/or potential conflicts from an Advisory Board consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

### **DISCIPLINARY INFORMATION**

Windjammer Management and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Windjammer Management is affiliated with the other Advisers, including General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Windjammer Management's registration in accordance with SEC guidance. The Advisers operate as a single advisory business, serve as managers or general partners of private investment funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Windjammer Management has adopted the Windjammer Capital Investors Code of Ethics and Securities Trading Policy (the "**Code**"), which sets forth standards of conduct that are expected of Windjammer Capital Investors principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Windjammer Capital Investors personnel to report their personal securities transactions, requires preclearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Windjammer Capital Investors personnel from directly or indirectly acquiring beneficial ownership of securities identified by Windjammer Management as "restricted" with limited exceptions, without first obtaining approval from the Windjammer Capital Investors Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to Shannon Moffett, the Windjammer Capital Investors Chief Compliance Officer, at (949) 721-9944. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

Windjammer Management and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law,

Windjammer Management and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Windjammer Management.

Accordingly, should Windjammer Management or any of its affiliated persons come into possession of material, nonpublic or other confidential information with respect to any public or non-public company, Windjammer Management would be prohibited from communicating such information to clients, and Windjammer Management will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Windjammer Capital Investors personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of Windjammer Management and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, and/or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund.

Co-investment opportunities generally are also expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, including Strategic Consultants, and such co-investments may be effected through co-investment vehicles, directly in a particular portfolio company, or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

Windjammer Management and its affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, such Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

In borrowing on behalf of a Fund, Windjammer Management is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing

typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. Windjammer Management will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable to the relevant Fund.

### **BROKERAGE PRACTICES**

Windjammer Management focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Windjammer Management reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Windjammer Management has not and does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Windjammer Management sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Windjammer Management. In such event, Windjammer Management will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Windjammer Management reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Windjammer Management has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Windjammer Management generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Windjammer Management seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Windjammer Management generally does not make use of such broker services at the current time and has not made use of such broker services since its

inception. Such broker research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of Windjammer Management's Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Windjammer Management, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between Windjammer Management and its affiliates.

Windjammer Management has not engaged and does not anticipate engaging in significant public securities transactions; however, to the extent that Windjammer Management engages in any such transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for the Funds are completed independently, Windjammer Management reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Windjammer Management expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Windjammer Management is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible; provided Windjammer Management believes they are fair and equitable to its clients under the circumstances over time.

In Windjammer Management's private company securities transactions on behalf of the Funds, Windjammer Management reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Windjammer Management reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Windjammer Management generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

## REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Windjammer Management monitors companies in which the Funds invest, and the Windjammer Capital Investors Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Subject to the relevant Governing Documents, the Funds generally provide to their limited partners (i) annual audited financial statements, (ii) annual tax information, (iii) quarterly unaudited financial statements and (iv) certain periodic updates regarding portfolio company investments.

## CLIENT REFERRALS AND OTHER COMPENSATION

Windjammer Management and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation in many cases will offset a portion of the Management Fees paid by a Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See "Fees and Compensation."

Windjammer Management reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. Any fees payable to any such placement agents typically would be borne by Windjammer Management indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). Adviser has retained Credit Suisse Securities (USA) LLC to solicit commitments from investors in exchange for a fee based on capital commitments and reimbursement of expenses.

## CUSTODY

Windjammer Management generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2) (the "**Custody Rule**") of each Fund's funds or securities held in such Fund's name, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the following qualified custodians: First Republic Bank, 2100 El Camino Real, Palo Alto, CA 94306, Morgan Stanley 1300 Thames St. Baltimore, MD 21231.

## INVESTMENT DISCRETION

Windjammer Management and its affiliates have discretionary authority to manage investments on behalf of each Fund. As a general policy, Windjammer Management does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Windjammer Management and/or its affiliates have entered, and expect to enter, into

Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons; however, such Side Letters generally do not limit a Fund's overall investments. Windjammer Management and its affiliates assume this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of each relevant Fund.

## **VOTING CLIENT SECURITIES**

Windjammer Management has adopted the Windjammer Capital Investors Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Funds' portfolio investments. The Proxy Policy seeks to ensure that Windjammer Management votes proxies (or similar instruments) in the best interests of the Funds, including where there may be material conflicts of interest in voting proxies. Windjammer Management generally believes its interests are aligned with those of a Fund's investors through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Windjammer Management may address the conflict using several alternatives, including by seeking the approval or concurrence of the Advisory Board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Advisory Board is authorized to approve Windjammer Management's vote in a particular solicitation. Windjammer Management does not consider service on portfolio company boards by Windjammer Management personnel or Windjammer Management's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Windjammer Management when voting proxies on behalf of any Fund. Clients or investors that would like a copy of the complete Proxy Policy or information regarding how Windjammer Management voted proxies for particular portfolio companies may contact Shannon Moffett, the Windjammer Capital Investors Chief Compliance Officer, at (949) 721-9944, and it will be provided to you at no charge.

## **FINANCIAL INFORMATION**

Windjammer Management does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

### **SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF WINDJAMMER CAPITAL INVESTORS FORM ADV PART 2B**

#### **Costa Littas**

##### *Educational Background and Business Experience*

Mr. Littas is 67 years of age and is a Managing Principal, a member of the management committee that oversees Windjammer Management, a member of the respective management committees that oversee WCI, WCI IV, WCI V and VRC GP, and is a member of the investment committees with respect to such General Partners. Prior to joining Windjammer Capital Investors

in February 2001, Mr. Littas was employed at Butler Capital Corporation (“BCC”), a private equity and mezzanine firm, most recently as a general partner and managing director. While at BCC, he managed the firm’s investment staff and was personally involved in sourcing, analyzing, negotiating and managing portfolio investments. Prior to joining BCC, he worked at Bank of Boston for eleven years, most recently as general manager of the bank’s Midwest office in Chicago, Illinois, providing financing for middle-market leveraged buyouts. Mr. Littas is a graduate of Georgetown University and the University of Chicago Graduate Business School. He is currently a board member of Engineered Controls International. He previously held board positions at a number of companies, including Global Claims Services, JWC Environmental, Protective Industries, Rotex Holdings, Symmetry Medical (observation rights), McKenzie Sports Products, Schutt Holdings, The RETEC Group, National School Supply, CT Farm and Country, Iron Age and Contech Construction Products.

#### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Littas.

#### *Other Business Activities*

Mr. Littas is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

#### *Additional Compensation*

Mr. Littas does not receive any compensation from investment advisory services currently provided to non-Windjammer Capital Investors clients; however, he continues to hold vested carried interest amounts from his tenure at BCC.

#### *Supervision*

Mr. Littas is subject to the provisions of the Windjammer Capital Investors’ Compliance Manual and the Code. Windjammer Capital Investors’ Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Littas with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Governing Documents of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721- 9944.

### **Robert (Bob) Bartholomew**

#### *Educational Background and Business Experience*

Mr. Bartholomew is 76 years of age and is a member of the management committee that oversees WCI, and WCI IV and a member of the investment committees with respect to such General Partners. He co-founded Pacific Mezzanine Investors, the predecessor firm to Windjammer Capital Investors, in 1990. Previously, Mr. Bartholomew was affiliated with Pacific Life Insurance Company (“**Pacific Life**”) from 1986 to 1990, during which he made a wide variety of investments on Pacific Life’s behalf. Prior to that, he spent 10 years with the Bank of Boston specializing in middle-market, multinational, high technology lending and also ran a Bank of Boston subsidiary bank, Bank of Boston International, Los Angeles. He previously held board

positions at a number of companies, including Cable Design Technologies, Corrections Corporation of America, Sleepmaster, Shari's Management Corporation, PCA Parking Company of America, Suiza Food, Save Mart Supermarkets, S.T. Specialty Foods, Automatic Bar Controls, Infinite RF Holdings and BBB Industries. Mr. Bartholomew earned a B.A. in Economics and an M.B.A. in Finance from Rutgers University.

#### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Bartholomew.

#### *Other Business Activities*

Mr. Bartholomew is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers other than providing certain consulting services to the affiliate of a Strategic Consultant with respect to its sponsorship of one or more co-investment funds or similar investment vehicles, which are expected to pursue a different investment strategy than the Funds. Mr. Bartholomew may receive compensation, including a profits interest, that is not expected to be substantial and/or the opportunity to invest in such vehicles or their managers. Windjammer does not believe such activity creates a material conflict of interest.

#### *Additional Compensation*

Mr. Bartholomew does not receive any additional compensation that is required to be disclosed.

#### *Supervision*

Mr. Bartholomew is subject to the provisions of the Windjammer Capital Investors' Compliance Manual and the Code. Windjammer Capital Investors' Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Bartholomew with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Partnership Agreement of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721-9944.

### **Gregory J. Bondick**

#### *Educational Background and Business Experience*

Mr. Bondick is 52 years of age and is a Managing Principal, a member of the management committee that oversees Windjammer Management, WCI VI and WCI V and a member of the investment committees with respect to WCI IV, WCI V and VRC GP. Prior to joining Windjammer Capital Investors in March 2000, Mr. Bondick worked in Prudential Capital's Corporate Finance Group in Dallas, Texas where he was responsible for origination, structuring and managing private debt and equity investments in companies located in the Southwest. Mr. Bondick received his BBA from the University of Texas at Austin. He currently serves on the boards of HSC Acquisition, Components Hardware Group, North American Commercial Parts and Service, Inc. dba Parts Town (FKA - Heritage Food Service Group, Inc.), Hermetic Solutions



Group, Hilco Vision, Rowmark and IPS Group. He was formerly on the boards of Advanced Instruments, Protective Industries, S.T. Specialty Foods, Rotex Global and Maxcess International Corporation.

*Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Bondick.

*Other Business Activities*

Mr. Bondick is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

*Additional Compensation*

Mr. Bondick does not receive any additional compensation that is required to be disclosed.

*Supervision*

Mr. Bondick is subject to the provisions of the Windjammer Capital Investors' Compliance Manual and the Code. Windjammer Capital Investors' Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Bondick with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Governing Documents of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721- 9944.

**Jeff Mieke**

*Educational Background and Business Experience*

Mr. Mieke is 53 years of age and is a Managing Principal, a member of the management committee that oversees Windjammer Management, WCI VI and WCI V and a member of the investment committees with respect to WCI IV, WCI V and VRC GP. Prior to joining Windjammer Capital Investors in February 2007, Mr. Mieke was a principal with Industrial Growth Partners, a private equity firm focused exclusively on the manufacturing sector, where he was also a member of the investment committee. Mr. Mieke is a graduate of Stanford University and has a BS in Industrial Engineering.

Mr. Mieke currently serves on the boards of Vital Records Control, Flinn Scientific, Mission Critical Electronics, Compex and IPS Group. He was formerly on the boards of AmerCable, Jonathan Engineered Solutions, The Felters Company, Weasler Engineering, Airpax Holdings, BBB Industries, Infinite RF Holdings and JWC Environmental.

*Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Mieke.

### *Other Business Activities*

Mr. Mieke is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

### *Additional Compensation*

Mr. Mieke does not receive any compensation from investment advisory services currently provided to non-Windjammer Capital Investors clients; however, he continues to hold vested carried interest amounts from his tenure at Industrial Growth Partners.

### *Supervision*

Mr. Mieke is subject to the provisions of the Windjammer Capital Investors' Compliance Manual and the Code. Windjammer Capital Investors' Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Mieke with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Governing Documents of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721-9944.