

Item 1. Cover Page

**New Mountain Capital, L.L.C.
Part 2A of Form ADV
The Brochure**

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This brochure provides information about the qualifications and business practices of New Mountain Capital, L.L.C. (“NMC”). If you have any questions about the contents of this brochure, please contact us at 212-720-0300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. An investment adviser’s registration with the SEC does not imply any level of skill or training.

Additional information about NMC is also available on the SEC’s website at:
www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure is being updated to reflect updates to fund disclosure documents and global risk factors.

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Item 4. Advisory Business

New Mountain Capital, L.L.C. (“NMC”), a Delaware limited liability company, provides investment advisory services on a discretionary basis to several private equity funds that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”) (each a “Fund” or “Client,” and collectively, the “Funds” or “Clients”). Affiliates of NMC serve as the general partners of the Funds (each a “PE GP” and collectively, the “PE GPs”).

The sole member of NMC is New Mountain Capital Group, L.P. (together with its affiliates, “New Mountain” or the “Firm”), whose ultimate owners include Steven B. Klinsky, a minority investor, all of New Mountain’s Managing Directors (currently, thirty eight individuals) and related and other vehicles. Separately, the PE GPs are controlled by Steven B. Klinsky and are ultimately owned by Steven B. Klinsky, other current and former New Mountain professionals and related vehicles and a minority investor. Despite Mr. Klinsky’s controlling and ownership positions, all of New Mountain’s team members broadly share in the economics of the Firm through the receipt of “carry” or “phantom carry” in every New Mountain transaction. Mr. Klinsky founded the Firm in 1999.

In providing advisory services to the Funds, NMC manages the portfolio of companies and other investments belonging to the Funds, including the purchase and disposition thereof, in accordance with each Fund’s investment objective and policies as stated in the Fund’s offering documents and the investment and other restrictions set forth in the Fund’s governing documents (“Governing Documents”). Investment management services are provided directly to Clients and not individually to investors in Clients.

Each Fund’s portfolios include predominately direct private equity and equity-related investments, including investments in publicly traded companies, leveraged acquisitions, build-ups, recapitalizations, control restructurings, management buyouts, pre-public offering opportunities and growth equity transactions. In addition, certain Funds focus on minority and other non-control investments.

As of December 31, 2022, NMC managed \$29,141,052,410 of client regulatory assets under management on a discretionary basis

Item 5. Fees and Compensation

Compensation received by New Mountain from the Funds is comprised of management fees, carried interest and other fees.

Management Fees

As compensation for investment advisory services rendered to the Funds, NMC receives from each such Fund a management fee that is typically calculated based on capital commitments or actively invested capital during the applicable Fund’s investment period or actively invested capital following the termination of such Fund’s investment period. NMC’s management fee during the investment period has ranged from 1.5% to 2.0% of capital commitments or actively invested capital and NMC’s management fee following the termination of the investment period has ranged from 1.0% to 1.5% of actively invested capital. Management fees for each Fund are generally charged semi-annually in advance by drawdowns of the limited partners’ unfunded capital commitments or

out of proceeds from the Funds' investments that would otherwise be distributable to such partners. The management fee for a Fund is reduced by the amount of excess organizational expenses paid by investors in a Fund, as well as by a specified percentage of other fees received by NMC as described in "Other Fees and Expenses" below. As our investors are aware, the precise amount of, and the manner and calculation of, the management fees for each Fund are established by NMC through negotiations with investors in the applicable Fund and are set forth in such Fund's Governing Documents. The management fees are generally subject to modification, waiver or reduction by NMC in its sole discretion, both voluntarily and on a negotiated basis with selected investors. Management fees will often differ among Funds, as well as among investors in the same Fund. The fee structures described above will be modified from time to time.

In accordance with the applicable Governing Documents, NMC may and does choose to waive a portion of the management fees in exchange for a profits interest in the applicable Fund. Amounts waived are used to satisfy a portion of the applicable PE GP's capital contributions for portfolio investments at the time of the drawdown. Amounts waived reduce the respective Fund limited partner's management fees otherwise due in the next semi-annual period. Profits in excess of amounts contributed by limited partners to fund portfolio investments (excluding amounts waived) will first be allocated to the applicable PE GP in an amount equal to the amount waived at the time of the drawdown and then to all partners.

Carried Interest

As general partner of a Fund, the applicable PE GP is entitled to performance-based allocations and distributions in the form of carried interest. A detailed description of the carried interest calculation methodology applicable to a Fund can be found in the Fund's Governing Documents. Generally, carried interest is calculated based on a percentage of the profits generated from the Fund's investments and is subject to the satisfaction of a preferred return, the recoupment of allocated losses and fees, if any, and expenses and other criteria set forth in the Governing Documents. The applicable PE GP may waive or defer all or a portion of the carried interest. No carried interest was charged with respect to co-investment vehicles. The existence of a PE GP's carried interest may create an incentive for the PE GP to make riskier or more speculative investments on behalf of the relevant Fund than would be the case in the absence of this arrangement.

Other Fees and Expenses

In addition to the foregoing, as set forth in the Governing Documents of the applicable Fund, investors in the Funds generally bear expenses relating to the Funds' operations. These vary by Fund, but typically will include, among other things: (a) out-of-pocket fees and expenses relating to consummated portfolio investments, proposed but unconsummated portfolio investments (such fees and expenses, "Broken Deal Expenses") and temporary investments, including the sourcing, bidding, financing, evaluating, making deposits on, purchasing, trading, syndication of co-investments, settling, maintaining custody, monitoring, acquisition, holding, disposition, monitoring and sale of thereof, to the extent that such fees and expenses are not reimbursed by a portfolio company or other third person, including fees and expenses related to the syndication of co-investments and the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any portfolio investment or otherwise facilitating the Fund's investment activities, including without limitation any overhead expenses related to such entity; provided that (i) travel, meal and lodging expenses incurred in connection with the preliminary investigation of potential investment opportunities to the extent not reimbursed by portfolio companies or other third Persons

or capitalized as part of the acquisition price of a portfolio investment shall be borne by the PE GPs, NMC or its affiliates but not the Fund or any limited partner and (ii) travel, meal and lodging expenses of monitoring of portfolio investments to the extent not reimbursed by portfolio companies or other third persons, shall be borne by the PE GPs, NMC or its affiliates, or, in some cases, the Fund; (b) an amount equal to 100% of all premiums for insurance protecting the Fund and any covered persons from liabilities to third persons in connection with Fund affairs to the extent such premiums cover liabilities with respect to actions or omissions of the Fund or of any covered person that would otherwise be subject to indemnification by the Fund; (c) out-of-pocket legal, portfolio company investment-related public relations, custodial and accounting expenses of third-party service providers, including fees, costs and expenses associated with the preparation of amendments to the Governing Document(s) and the solicitation of consent to such amendments, the preparation, printing and distribution of the Fund's financial statements, tax returns and Schedule K-1s, and any "Fund-Related Compliance Obligation Expenses" (it being understood that, where such Fund-Related Compliance Obligation Expenses relate to the Fund and other clients of New Mountain, such costs and expenses shall mean the Fund's allocable share thereof as determined in good faith by NMC), and out-of-pocket expenses related to data rooms, investor portals or other websites and accounting systems; (d) interest on and fees and expenses arising out of all Fund indebtedness, including, but not limited to, the arranging thereof and the costs and expenses of any lenders, investment banks and other financing sources; (e) out-of-pocket auditing, accounting, appraisal, banking, brokerage, consulting, operating and valuation expenses of third-party service providers (including accounting, technology and environmental, social and governance consultants); (f) out-of-pocket appraisal expenses of third-party service providers; (g) out-of-pocket fees, costs and expenses of any third-party administrators and deal finders; (h) expenses of the Advisory Committee (as defined below) of the Fund (including the reasonable costs of legal counsel, accountants, financial advisors and/or such other advisors and consultants engaged by the Advisory Committee of the Fund, if the applicable PE GP agrees to permit such engagement); (i) extraordinary costs and expenses (including, but not limited to indemnification and contribution expenses); (j) subject to the Governing Document(s), taxes and other governmental charges, fees and duties payable by the Fund, and costs and expenses associated with third party tax advisors, tax return preparation or tax audits; (k) damages (including the costs of any indemnity or contribution right granted to any placement agent or third-party finder for interests engaged by the Fund or its affiliates); (l) costs of reporting to the partners and of the annual or any special meeting of the Fund; (m) costs associated with any third-party examinations or audits (including other similar services) of the Fund or NMC that are attributable to the operation of the Fund or requested by limited partners; (n) costs of winding up and liquidating, dissolving and terminating a Fund; (o) expenses incurred in connection with complying with the Governing Document(s) and provisions in side letter agreements entered into with limited partners, including "most favored nations" provisions, as well as any costs and expenses incurred in connection with any transfer pricing studies and any transfer of interests in the Fund (to the extent not reimbursed by the parties to such transfer); (p) the cost of operational, legal, compliance, tax and accounting software and related expenses; (q) the cost of software utilized by NMC in connection with (i) the initial onboarding of investors and ongoing monitoring thereof (e.g., IntraLinks and other dataroom software and electronic subscription document software, and the ongoing monitoring and updating of information included therein and generated thereby); (r) the fees, costs and expenses of third-party software developers, software and/or (ii) a Fund's investment, operational, legal, compliance, tax, treasury and accounting activities and related expenses, including as related to risk, research and market data, operations, accounting, treasury and the tracking and monitoring of investments (e.g. portfolio management software) and general ledger software, environmental, social and governance monitoring software, subscription management software and automation tools (e.g., bots and RPA)

and software utilized for monitoring ESG considerations; (s) risk, research and market data related to (i) prospective and actual portfolio companies and/or (ii) expenses (including software and hardware); (t) fees and expenses of a Fund's "Executive Advisory Council" in accordance with the Governing Document(s); (u) expenses (including travel, meal and lodging expenses) incurred in connection with attending trade association and/or industry meetings, conferences or similar meetings; and (v) other expenses approved by the Advisory Committee of a Fund.

If and as permitted by Fund Governing Documents, a PE GP may retain NMC to provide administrative services for a Fund or certain Funds and charge related expenses to such Fund, in which case such Fund will bear the cost of various services (e.g. administrative services, including clerical, bookkeeping and record keeping services, the filing of tax returns and the establishment of bank accounts), in-house transactional legal and tax services (including, for example, with respect to the negotiation of and ongoing compliance with and reviews of transactional legal documents related to the investments made by the Funds and NDAs, and coordinating with portfolio companies regarding ongoing annual tax reporting and filings), reporting services and accounting services (including the preparation and distribution of capital call, distribution and other notices, the preparation of cash reconciliations and the review of funds flows and the preparation and finalization of wirings)) provided by NMC personnel in connection with such Fund's activities and engagements with investors therein, administrative and accounting services (including the provision of valuation, shadow accounting, investor reporting, meeting preparation, corporate and tax structuring and related services), treasury, leveraged purchasing, IT system support, system implementation, anti-money laundering and know-your-customer services and monitoring and compliance, all other compliance services provided by NMC's compliance personnel with respect to a Fund, its portfolio companies and their activities (including, without limitation, services related to legal and regulatory compliance obligations (e.g., reporting and filing obligations) under U.S. federal, state, local, non-U.S. or other laws and regulations related to a Fund's activities and the making, holding or disposing of portfolio investments by a Fund), local and state filing services, asset management and operations, hedging, fund finance, fund borrowing and currency management and compliance, environmental, social and governance services and services related to transfers of interests, and to respond to requests from investors, for a Fund or its portfolio companies (that could otherwise be performed by third parties), and NMC may separately charge such amounts to the applicable Fund for such services so long as the PE GP determines in good faith that the amounts charged for such services represent the fully allocated costs of NMC of providing such services (inclusive of the costs of employee compensation and related taxes, health insurance and other benefits, and such employees' allocable portion of overhead, rent and utilities), which amounts would not be included in the management fee, and which are expected to be significant. For the avoidance of doubt, these services include services provided in lieu of or alongside (and/or to supplement or monitor) third-party service providers, such as third-party legal, compliance, accounting and administrative service providers. These services encompass many of the services provided by NMC to the Funds in connection with day-to-day operations (and in some cases may comprise a majority or substantially all of the business time spent by personnel on such Fund's activities) and the related costs borne by such Fund will be in addition to other fees paid to NMC. Moreover, the use of NMC services is not uniform across the Funds and certain costs may be incurred by (or allocated to) a Fund through the use of NMC services that are not incurred by (or allocated to) some or all other Funds. NMC will determine from time to time such costs (which may be based on NMC's estimate of the market rates available for such services) and how to allocate such costs to such Fund, and such determinations may include one or more of the following methodologies: (i) the use of time-keeping records, or the review of historical time spent by personnel on such Fund and the predecessor funds in order to approximate the portion of time such

personnel spent on such Fund, (ii) the determination by NMC of a fixed amount that New Mountain believes in good faith represents the costs of such administrative services allocable to such Fund (e.g. a determination of such Fund's proportionate share based on NMC's assets under management) or (iii) any other methodology determined by NMC to be appropriate under the circumstances. Any methodology and the choice thereof involves inherent conflicts and may, in certain circumstances, result in incurrence of greater expenses by such Fund than would be the case if such services were provided by third parties.

"Fund-Related Compliance Obligation Expenses" generally include costs and expenses of all legal and regulatory compliance obligations under U.S. federal, state, local, non-U.S. or other laws and regulations directly related to the making, holding or disposing of portfolio investments by the Fund (whether such compliance obligations are imposed on NMC, the PE GPs, their affiliates or the Funds), including, without limitation, the preparation and filing of (a) Form PF and Items 5(k) and/or 7(b) and their corresponding schedules under form ADV under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), (b) Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, Schedule 13G filings and other ownership filings, (c) TIC Form SLT filings, (d) materials required under FATCA and FinCEN reporting requirements applicable to the Fund, (e) CFTC Form 4.13(a)(3), CPO-PQR, CTA PR and NFA Form PQR filings, (f) filings under the Hart-Scott-Rodino Antitrust Improvements Act and other antitrust laws and regulations, (g) blue sky filings, registration statement filings, (viii) Cayman Islands Investment Funds Reporting filings, including FAR filings and (h) any other forms, schedules or other filings with governmental and self-regulatory agencies directly related to the making, holding or disposing of portfolio investments (including any costs related to any inquiry, investigation or proceeding involving the Fund), and the costs and expenses of any custodian, administrator and/or depositary (including, for the avoidance of doubt, the performance of any functions of a custodian, administrator and/or depositary contemplated by the Directive 2011/61/EU of the European Parliament and of the European Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the "AIFM Directive")) appointed by the applicable PE GP or its affiliates in relation to the safeguarding, administering and/or holding (or similar) of portfolio investments and/or registrations, licenses, notices, reports and/or filings prepared in connection with the laws and/or regulations of jurisdictions in which a Fund engages in activities, including any registrations, licenses, notices, reports and/or filings required in accordance with the European Union Sustainable Finance Disclosure Regulation and any other applicable legislation or regulations related to the European Commission's Action Plan on Financing Sustainable Growth ("SFDR"), the AIFM Directive or any national private placement regime in any jurisdiction and any related regulations, and other notices or disclosures of NMC and/or its affiliates relating to a Fund and their activities or any national private placement regime in any jurisdiction and incurred in connection with the applicable PE GP's or any of its affiliates' compliance with disclosure, reporting and other similar obligations pursuant to Governing Documents or under the AIFM Directive or any national private placement regime in any jurisdiction (including for the avoidance of doubt, the preparation and filing of any reporting required in connection with, or prescribed by, SFDR or the AIFM Directive, including the preparation of prescribed information in the Fund's annual report, and the capture, processing and submission of relevant data in the form of Annex IV reports) and costs and expenses in relation to the appointment of third-party alternative investment fund managers, as well as costs and expenses associated with operating Luxembourg entities formed in connection with the Fund's activities.

Investors in a Fund generally also bear expenses relating to formation and the organization of, and sale of interests in, the Fund, parallel funds and affiliated feeder funds, and the organization of the

general partner, as determined by the general partner, including all placement fees and all out-of-pocket legal, tax, accounting, printing, data room, consultation, administrative, marketing material preparation expenses (including third-party marketing material compliance reviews), costs and expenses of online subscription documents, and U.S. and non-U.S. filing fees and expenses of the Fund, the applicable PE GP or NMC (including with respect to any registration or licensing of the Fund for marketing under any national private placement, marketing passport or similar regimes outside of the United States including those in member states of the European Union (the “EU”)) and payments to any locally licensed intermediary or distributor required to market the Fund in particular jurisdictions.

All organizational expenses and all Fund expenses shall be paid by the applicable Fund. To the extent that the PE GP, NMC or any of their respective affiliates pays any organizational expenses or Fund expenses on behalf of a Fund, the Fund shall reimburse the PE GP, NMC or such affiliate, as the case may be, upon request. All NMC expenses shall be paid by NMC or the PE GPs. The PE GPs allocate any expenses that benefit a Fund and one or more feeder funds, alternative investment vehicles, parallel funds, intermediate entities, other New Mountain funds or co-investors among the Fund and the applicable persons in a manner that the PE GPs determine in good faith. The applicable PE GP shall endeavor where appropriate to cause each potential co-investor that is considering an investment alongside a Fund prior to the signing of the Fund’s portfolio investment to bear its proportionate share of Broken Deal Expenses related to such potential portfolio investment, but to the extent not reimbursed by co-investors or other parties that may have invested in an unconsummated portfolio investment had it been consummated, Broken Deal Expenses may and will be borne entirely by the Fund and no share of such expense shall be required to be allocated to any such co-investors or other party; provided that no share of any breakup fees shall be allocated to any co-investor that is not bearing Broken Deal Expenses. There may and have been circumstances when NMC has considered a potential investment in a portfolio company on behalf of a Fund, has determined not to make such investment and an investment is eventually made in such portfolio company by other investment vehicles or accounts sponsored by New Mountain. In these circumstances, such vehicles or accounts benefit from research by NMC’s investment team and/or from costs borne by the Fund related to this research or otherwise occurred in pursuing the potential portfolio investment, but are not required to reimburse the Fund for expenses incurred in connection with such investment. Investments may be structured in a manner such that a Fund invests in one or more investments through one or more “master” vehicles that are formed for co-investors to participate in such investments through, and in such cases the Fund bears expenses related to such vehicles, including organizational and audit expenses.

Travel and related expenses described herein include, without limitation, airfare at first class and/or business class rates, lodging, ground transportation, travel and meals (including, as applicable, closing dinners and mementos, cars and meals (outside normal business hours), and social and entertainment events with Portfolio Company management, customers, clients, borrowers, brokers and service providers). Travel and related expenses in connection with a trip taken by employees of NMC and/or the PE GPs for purposes of multiple matters will be allocated by the PE GPs in its discretion (or as otherwise indicated in a Fund’s Governing Documents). NMC will cause the Funds’ portfolio companies to enter into agreements regarding group procurement, benefits management, insurance policies (which will from time to time be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or an NMC affiliate. Fund expenses, including certain consultant expenses, are charged directly to the Fund or borne by both NMC and one or more portfolio companies. These programs benefit NMC, its affiliates, or New Mountain. Expenses related to these programs are

charged directly to Funds, clients, affiliated clients, New Mountain, or affiliated portfolio companies. Portfolio companies continue to participate in and benefit from these group procurement programs even after they have been sold.

Pursuant to the Governing Documents of a Fund, New Mountain receives directors' fees, transaction fees, break-up fees, advisory fees, monitoring fees, credit guarantor fees or other similar fees. A limited partner's share (based on capital commitments) of a specified percentage of these fees, (varying from 50% to 100% depending on the Fund and the type of fee), net of related expenses, is applied to reduce the management fees payable by the applicable Fund. Management fees will not be reduced for any salary, benefits, directors' fees, stock options and other compensation granted or paid by portfolio companies to Senior Advisors for serving in portfolio company roles or amounts paid to members of the Executive Advisory Council or any salary, benefits, directors' fees, stock options and other compensation granted or paid by portfolio companies to other personnel of the PE GPs or NMC who serve in a bona fide management capacity at any such portfolio company. New Mountain may reduce the compensation paid by NMC to Senior Advisors who serve in portfolio company roles or to other personnel who serve in a bona fide management capacity at a portfolio company. For the avoidance of doubt, management fees will not be reduced by stock options or other compensation (or amounts realized on the exercise sale thereof) granted or paid by portfolio companies to an NMC employee prior to the commencement or after the conclusion of their employment with NMC (and such stock options generally will not vest while a person is an NMC employee). Moreover, NMC and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds which will not be subject to the management fee offset or otherwise shared with the Funds, their investors and/or their portfolio companies. For example, airline travel or hotel stays incurred as fund expenses typically result in "miles" or "points" or credit in loyalty / status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to New Mountain and/or such personnel (and not the Funds, their investors and/or their portfolio companies) even though the cost of the underlying service is borne by the Funds and/or their portfolio companies.

The Executive Advisory Council is a network of various consultants that provide services to NMC, the Funds and their portfolio companies on a non-exclusive basis. Members of the Executive Advisory Council will, for example, (i) serve as executives, board members of (or in other positions at) portfolio companies, (ii) assist NMC in sourcing and underwriting potential transactions for the Funds and (iii) provide other diligence and research or other services to New Mountain. Project-related fees and reasonable and documented out-of-pocket expenses of members of the Executive Advisory Council in connection with specific diligence for a potential investment will generally be paid by the applicable portfolio company, except in the case of their fees and expenses incurred in connection with unconsummated investments, in which case such amounts are expected to be paid by the Funds. To the extent services of members of the Executive Advisory Council relate to more than one Fund, New Mountain shall determine in good faith in accordance with its policies and procedures the appropriate allocation of fees and expenses of the Executive Advisory Council among such Funds.

NMC will make determinations of market rates (i.e., rates that fall within a range that NMC has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include NMC's experience with non-

affiliated service providers, whether services are being provided at cost, as well as benchmarking data and other methodologies determined by NMC to be appropriate under the circumstances.

NMC will enter into placement agent agreements from time to time in connection with the offer and sale of interests in a Fund to certain potential investors. The management fees paid by a Fund will generally be reduced by the amount of fees paid by such Fund to persons acting as a placement agent. The manner of any such reduction, if any, is set forth in the Governing Documents of the applicable Fund. For the avoidance of doubt, payments to a locally licensed intermediary or distributor required to market a Fund in particular jurisdictions will not be considered placement fees and will be borne by a Fund and not reduce management fees.

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

As discussed under Item 5 – “Fees and Compensation” – above, the PE GPs are entitled to performance-based allocations and distributions in the form of carried interest from the applicable Funds.

Item 7. Types of Clients

The only investment advisory service provided by NMC is in the capacity of acting as the investment adviser to the Funds. Investment advice is provided directly to the Funds and not individually to each Fund’s investors. Each Fund’s investors are “accredited investors,” as that term is defined by Rule 501 of Regulation D under the Securities Act, and in the case of Fund vehicles that rely on Section 3(c)(7), “qualified purchasers” under Section 2(a)(51)(A) of the 1940 Act. Certain Fund vehicles rely on Section 3(c)(1) of the 1940 Act and do not require their investors to be “qualified purchasers” but limit the number of beneficial owners of their securities to 100 or less.

Details concerning applicable investor suitability criteria are set forth in the applicable Fund’s offering documents and subscription materials. The offering documents of each Fund generally provide for a minimum investment amount (typically \$10 million), although such minimums may be waived.

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

The Funds advised by NMC have the objective of seeking long-term capital appreciation through acquiring, holding and disposing of direct private equity and equity-related investments. Certain Funds focus on control and control-oriented investments whereas others focus on minority and other non-control investments. The Funds invest (or have invested) primarily in North American companies, but may invest outside of North America, if appropriate.

NMC’s targeted investment strategy is based on four investment principles employed by the Firm since its inception:

- (i) A generalist approach, combined with proactive pursuit of what NMC believes are the highest quality opportunities within carefully selected “defensive growth” industries;
- (ii) An intense focus on investor “value-added” and a proven ability to build businesses after an investment is made;

- (iii) Emphasis on strong downside protection, control of risk and active company governance; and
- (iv) Continued pursuit of superior risk-adjusted returns, combined with timely, intelligent exits and strong return performance to date.

Notwithstanding the above, NMC may pursue a wide variety of private equity investment strategies and may modify or depart from the investment strategy and investment process described above if it identifies private equity investment opportunities that it believes are sufficiently attractive for the Funds.

Investing in the Funds involves material risks, including the risk of loss. The following is a list of certain material risks that are generally applicable to investments in the Funds. However, investors should also review the offering documents of the applicable Fund to understand the risks and potential conflicts of interest associated with an investment in such Fund.

No Assurance of Investment Return

Investment in the Funds entails a high degree of risk. There can be no assurance that any Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Fund participates. Partial or complete sales, transfers or other dispositions of investments which result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. Accordingly, an investment in a Fund should only be considered by persons for whom a speculative, illiquid and long-term investment is an appropriate component of a larger investment program and who can afford a loss of their entire investment. There can be no assurance that projected or targeted returns for any Fund will be achieved. Furthermore, a Fund's use of a subscription line or other credit facility affects its returns. **Past performance of investment entities associated with NMC and/or its affiliates is not necessarily indicative of future results. There can be no assurance that any Fund will achieve comparable results or that performance objectives of any will be achieved.**

Legal and Regulatory Environment for Private Investment Funds and their Managers

The legal, tax and regulatory environment worldwide for private investment funds (such as the Funds) and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities could have a material adverse effect on the ability of each Funds to pursue its investment program and the value of investments it holds. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue their investment programs or employ brokers and other counterparties could have a material adverse effect on the Funds. In addition, NMC can, in its sole discretion, cause the Funds to be subject to certain laws and regulations if it believes that an investment or business activity is in a Fund's interest, even if such laws and regulations could have a detrimental effect on one or more investors in the Fund.

General Economic and Market Conditions

The success of a Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, industry conditions, competition, technological developments, domestic and international economic uncertainty,

changes in laws, trade barriers, currency exchange controls, and national and international political circumstances. These factors may affect the level and volatility of financial instruments' prices and the liquidity of such Fund's investments. A Fund's financial condition and profitability may be adversely affected by a significant general economic downturn.

Limited or No Operating History

Certain Clients are newly formed, or recently formed, entities and do not have any operating history, or have limited operating history, upon which prospective investors can evaluate their anticipated performance. The investment professionals of NMC have been using investment strategies similar to the investment strategies described herein for several years. However, there can be no assurance that Clients or NMC will achieve results comparable to those that the investment professionals have achieved in the past.

Role of NMC and its Professionals

The success of a Fund will depend on the ability of the PE GPs and NMC to identify suitable portfolio investments, to negotiate and arrange the closing of appropriate transactions, and to arrange the timely disposition of portfolio investments. The success of a Fund will also depend in part upon the skill, expertise and ability of NMC's investment professionals and the management of portfolio companies. The interests of these professionals in NMC and the carried interest should tend to discourage them from withdrawing from participation in a Fund's investment activities. However, there can be no assurance that such professionals will continue to be associated with NMC, the PE GP or NMC throughout the life of a Fund and a loss of the services of key personnel could impair NMC's ability to provide services to a Fund. There is ever-increasing competition among alternative asset managers, financial institutions, private investment firms, financial sponsors, investment managers and other industry participants for hiring and retaining qualified investment professionals. There can be no assurance that NMC personnel or its Senior Advisors will not be solicited by and join competitors or other firms and/or that NMC will be able to hire and retain any new personnel or Senior Advisors that it seeks to maintain or add to its roster of investment professionals. In addition, members of the investment team will work on other projects for NMC. Conflicts of interest may arise in allocating management time, services or functions, and the PE GPs and NMC and their respective affiliates' ability to access other professionals and resources within NMC for the benefit of a Fund as described herein will be limited. A Fund will have no interest in such other investments, funds, vehicles and accounts where team members spend time. Such access may also be limited by the internal compliance policies of NMC or other legal or business considerations, including those constraints generally discussed herein.

Effect of Substantial Losses on the Operations of NMC and the General Partner

If, due to extraordinary market conditions or other reasons, one or more Funds managed by NMC or its affiliates were to incur substantial losses, the revenues of NMC and its affiliates may decline substantially. Such losses may hamper NMC and its affiliates' ability to (i) retain employees and (ii) provide the same level of service to other Funds as it has in the past.

Uncertainty of Financial Projections

The applicable PE GP generally establishes the pricing of transactions and the capital structure of a portfolio company on the basis of financial projections for such portfolio companies and is normally based primarily on management judgments. In all cases, projections are only estimates of future

results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. A Fund's portfolio investments involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase portfolio company interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, a Fund may suffer a partial or total loss of capital invested in the portfolio company. Although there is currently ample availability of financing for leveraged transactions by historical standards, a decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) would impair a Fund's ability to consummate these transactions.

Portfolio Company Management

Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although NMC will be responsible for monitoring the performance of each portfolio investment there can be no assurance that the existing management team, or any successor, will be able to successfully operate the portfolio company in accordance with the Fund's plans. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. Additionally, portfolio companies will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. In connection with attracting and retaining strong management teams (including as result of the foregoing), portfolio companies may enter into customized arrangements with one or more members of their management teams, including low- or zero-interest loans, unconventional incentive compensation or compensation in-kind. A Fund may in appropriate circumstances fund the capital necessary for such arrangements or separately enter into such arrangements directly with management team members. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Funds may be adversely affected thereby.

Influence over Management

A Fund makes investments that allow the Fund to exercise influence over management and the strategic direction of a portfolio company. The exercise of influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of influence over an investment could expose the assets of a Fund to claims by such portfolio companies, its shareholders and its creditors. While the general partners of the Funds intend to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded.

Unspecified Investments

A Fund may begin operations following closing and may not have identified any particular portfolio investment. An investor must rely upon the ability of NMC to identify, structure and implement portfolio investments consistent with a Fund's investment objectives and policies. A Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. The success of a Fund will depend on the ability of NMC to identify suitable portfolio investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments.

Non-Controlling Investments; Investments with Third Parties

Some Funds are expected to invest primarily in minority positions of companies and in non-controlling interests in companies for which the Fund has no right to appoint a director or otherwise exert significant influence or protect its position, and therefore has limited ability to protect its position in such companies, even where the general partner of the Fund believes it has structured appropriate rights. These Funds will typically be significantly reliant on the existing management, board of directors and other shareholders of such companies, which include representation of other financial investors with whom a Fund is not affiliated and whose interests may conflict with the interests of a Fund. Although the general partner of the Fund will seek to align the interests of the control persons and the Fund, these portfolio investments involve risks not present in control investments, including the possibility that control persons have financial, legal or regulatory difficulties, resulting in a negative impact on such portfolio investment, have economic or business interests or goals which are inconsistent with those of a Fund, or are in a position to take (or block) action in a manner contrary to a Fund's investment objectives (including with respect to a proposed exit of a portfolio investment), or the increased possibility of default by, diminished liquidity or insolvency of, the third party, due to a sustained or general economic downturn.

A Fund may also co-invest with other Funds and/or financial, strategic or other third parties through partnerships, consortiums of private equity investors, joint ventures or other similar arrangements, thereby acquiring non-controlling interests, giving rise to similar considerations with respect to its third-party partners or co-venturers. In addition, a Fund may in certain circumstances be liable for the actions of its third-party partners or co-venturers (including co-investment vehicles and/or other Funds). Portfolio investments made with third parties in joint ventures or other entities may involve incentive compensation and fees payable to such third-party partners or co-investors. In certain circumstances involving a third-party management group, such third parties may receive compensation arrangements relating to such portfolio investments, including incentive compensation arrangements. In addition, NMC's investment strategies in certain investments may depend on its ability to enter into satisfactory relationships with joint venture or operating partners. There can be no assurance that NMC's current relationship with any such partner will continue (whether on currently applicable terms or otherwise) with respect to a Fund or that any relationship with other such persons will be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to a Fund.

Operating and Financial Risks of Portfolio Companies

Companies in which a Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. As a result, companies which a Fund expects to be stable may operate, or expect to operate, at a loss

or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of a Fund to restructure and effect 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. There can be no assurance that any person (including a Fund) will be able to successfully identify and implement such restructuring programs and improvements.

Although NMC's investment strategy includes a focus on tight control of risk, there can be no assurance that the various risks of an investment will be successfully controlled or that losses can be avoided. There can be no assurance that NMC's methods of seeking to minimize risks will accurately address future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. In certain situations NMC may be unable to, or may choose not to, implement risk management strategies because of the costs involved or other relevant circumstances or business judgments, and even if risk management strategies are utilized, such strategies cannot fully insulate a Fund from the risks inherent in its planned activities. No risk management system is fail-safe.

Risk of Limited Number of Investments; Dependence on Performance of Certain Investments

A Fund may participate in a limited number of portfolio investments and, as a consequence, the aggregate return of a Fund may be substantially adversely affected by the unfavorable performance of even a single portfolio investment. Moreover, there are no assurances that all of a Fund's portfolio investments will perform well or even return capital. Therefore, if certain portfolio investments perform unfavorably, for a Fund to achieve above-average returns, that one or a few of its portfolio investments must perform well. There can be no assurance that this will be the case. In addition, other than as set forth in a Fund's Governing Documents, investors have no assurance as to the degree of diversification of a Fund's portfolio investments, either by geographic region, industry, sub-sector, security or transaction type. To the extent a Fund concentrates portfolio investments in a particular issuer, geographic region, industry, sub-sector, security or transaction type, its portfolio investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto.

Illiquid and Long-Term Investments

Investments in a Fund require a long-term commitment with no certainty of return. Many of a Fund's portfolio investments will be highly illiquid, and a Fund may not be able to realize on such portfolio investments in a timely manner. It is likely that no significant return from the disposition of a Fund's portfolio investments will occur until three and possibly ten or more years from the date of closing of such Fund. Often, there will be no readily available market for portfolio investments made by a Fund. In most cases there will be no public market for the securities held by a Fund at the time of their acquisition. A Fund will generally not be able to sell the securities of portfolio companies publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. To the extent that there is no market for a portfolio investment, a Fund may be unable to liquidate that portfolio investment or may be unable

to do so at a profit. Moreover, there can be no assurances that private purchasers of a Fund's portfolio investments will be found.

Hedging Policies/Risks

In connection with certain portfolio investments, a Fund may employ hedging techniques designed to reduce the risk of adverse movements in interest rates, securities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Fund may benefit from the use of these hedging mechanisms, unanticipated changes in commodity prices, interest rates, securities prices, currency exchange rates and/or other events relating to such hedging transactions may result in a poorer overall performance for a Fund than if it had not entered into such hedging transactions. The PE GPs may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies

Before making portfolio investments, the PE GPs will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each portfolio investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, 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. Such involvement of third party advisers or consultants present a number of risks primarily relating to a PE GP's reduced control of the functions that are outsourced. In addition, if a PE GP is unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, a PE GP will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that a PE GP carries out with respect to any investment opportunity may 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 the portfolio investment being successful. There can be no assurance that attempts to provide downside protection with respect to portfolio investments will achieve their desired effect.

There can be no assurance that a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the portfolio investment on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of the Fund's securities and/or instruments in such portfolio company. A Fund will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable when it makes its investments but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Public Company Holdings

A Fund's investment portfolio may contain securities issued by publicly held companies in privately negotiated transactions. Such portfolio investments may subject a Fund to risks that differ in type or degree from those involved with portfolio investments in privately held companies, including without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such investments and companies, limitations on the ability of a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members and controlling parties and increased costs associated with each of the aforementioned risks.

Coronavirus and Public Health Emergencies

As of the date of this brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a global pandemic. The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact, to the private equity industry and global markets as a whole, is currently unknown. The global ramifications of the outbreak are rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Many businesses have also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created significant disruption in the global public and private markets, supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, in particular in certain nations and localities, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, Monkeypox, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact a Fund and the portfolio companies and could meaningfully affect a Fund's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on a Fund and the portfolio companies' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health

emergency may negatively impact the value and performance of a Fund's portfolio companies, a Fund's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and a Fund's ability to achieve its investment objectives, all of which could result in significant losses to a Fund. Any such disruptions may continue for an extended period of time. The full impacts of the pandemic on markets, business activity and the U.S. and global economy, as well as the effects of changes in economic, monetary and fiscal policies of the U.S. and/or other countries that have been adopted and may in the future be adopted to address the pandemic, price shocks and related externalities, are not yet fully identified or understood. In implementing a Fund's investment strategy, NMC will make a number of assumptions, including as to the severity of the consequences of COVID-19 to the U.S. and global economies as well as prospective portfolio companies. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of the pandemic on economies and specific portfolio companies, may be detrimental to a Fund and its investments. In addition, the operations of a Fund, its portfolio companies, and NMC may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly the key executives and key professionals, or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and is expected to continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, the Funds are expected to incur heightened legal expenses which could similarly have an adverse impact to a Fund's returns. For example, but not by limitation, a Fund or portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by a Fund and/or its portfolio companies. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a Fund or the portfolio companies in the form of economic harm, data loss or other negative outcomes.

While the U.S. Food and Drug Administration and other similar regulators globally have approved COVID-19 vaccines (some for emergency use only) and these vaccines are currently available to the general public in the United States and in some non-U.S. jurisdictions, due to limited supply they are not yet widely available to the general public in many other jurisdictions. As newly developed vaccines, not all of the side effects are currently known. A substantial proportion of the population may choose to "wait and see" before getting vaccinated, which could prolong the effects of COVID-19. In addition, certain vaccines were initially found to be about 95 percent effective, however, the vaccines appear to have reduced efficacy against certain existing and emerging variants of COVID-19, and emerging variants may be more transmissible or deadly than existing variants of COVID-19. It is expected that many countries will continue to encounter issues with respect to the distribution, uptake and efficacy of COVID-19 vaccines and treatments. There can be no assurance on the continuing effects of COVID-19 on the economy generally or its effect on the Funds and their ability to achieve the investment objectives.

Weather and Climatological Risks

As consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international, federal, state, and regional regulatory authorities. Climate

change may cause more extreme weather conditions and increased volatility in seasonal temperatures, which can interfere with operations and increase operating costs, and damage resulting from extreme weather may not be fully insured. Many industries (e.g., electrical power, mining, manufacturing, transportation, and insurance) face various climate change risks, many of which could conceivably materially impact them. Such risks include (i) regulatory/litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, the discontinuance of certain operations, and related litigation), (ii) market risk (e.g., declining market for products and services seen as greenhouse gas intensive); and (iii) physical risk (e.g., risks to plants or property owned, operated or insured by a company posed by rising sea levels, increased frequency or severity of storms, drought, and other physical occurrences attributable to climate change). These risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have an adverse effect on a Fund.

Political Activities

A Fund's portfolio company may, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in the U.S. and/or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. A Fund's portfolio companies are generally not considered affiliates of NMC (and in some cases are not controlled by NMC or the PE GPs), and therefore such activities are not subject to relevant policies of NMC and may be undertaken by a portfolio company without the knowledge or direction of NMC. In other circumstances, there may be initiatives where such activities are coordinated by NMC for the benefit of certain portfolio companies. The interests advanced by a portfolio company through such activities may, in certain circumstances, not align with or be adverse to the interests of other portfolio companies, a Fund and/or investors. The costs of such activities may be allocated among those portfolio companies (and borne indirectly by the investors). While the costs of such activities will typically be borne by the portfolio companies undertaking such activities, such activities may also directly or indirectly benefit other portfolio companies, other Funds and/or NMC. There can be no assurance that any such activities will be successful in advancing the interests of a portfolio company or otherwise benefit such portfolio company or a Fund.

Trade Policy

Some political leaders around the world (including in the U.S. and certain European nations) have been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Other countries, including Mexico, have threatened retaliatory tariffs on certain U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Funds and their investments.

Recent Developments in the Banking Sector

Recent bank closures in the United States have caused uncertainty for financial services companies and fear of instability in the global financial system generally. In addition, certain financial institutions – in particular smaller and/or regional banks – have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or may withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include the Fund and/or its portfolio companies) will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, may be similarly impacted, and it is uncertain what steps (if any) regulators may take in such circumstances. As a consequence, for example, the Fund and/or its portfolio companies may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and limited partners may be impacted in their ability to honor capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-lenders, syndicate lenders or other parties to undertake and/or execute transactions with the Fund, which in turn may result in fewer investment opportunities being made available to the Fund, result in shortfalls or defaults under existing investments, or impact the Fund’s ability to provide additional follow-on support to Portfolio Companies. In addition, in the event that a financial institution that provides credit facilities and/or other financing to a Fund or its portfolio companies closes or experiences distress, there can be no assurance that such bank will honor its obligations or that the Fund or such portfolio company will be able to secure replacement financing or capabilities at all or on similar terms. There can be no assurances that the Fund or its portfolio companies will establish banking relationships with multiple financial institutions, and the Fund and its portfolio companies are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. These recent developments may also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the Fund, its portfolio companies or their respective financial performance.

China National Security Law

The Chinese government has continued to increase its control over the historically autonomous administrative region of Hong Kong. In June 2019, protests began in connection with an amendment to Hong Kong’s extradition law and continued with increased size and intensity through the end of 2019 and into 2020. These protests resulted in disruptions to businesses in major business and tourist areas of Hong Kong and pushed Hong Kong’s economy into a recession for the first time since the Global Financial Crisis. On June 30, 2020, the National People’s Congress of China passed a national security law (the “National Security Law”), which criminalizes certain offenses including secession, subversion of the Chinese government, terrorism and collusion with foreign entities. The National Security Law also applies to non-permanent residents. Although the extra-territorial reach of the National Security Law remains unclear, there is a risk that the application of

the National Security Law to conduct outside Hong Kong by non-permanent residents of Hong Kong could limit the activities of or negatively affect NMC, a Fund or a Fund's portfolio companies.

The National Security Law has been condemned by the United States, the United Kingdom and several EU countries. On July 14, 2020, the United States signed into law the Hong Kong Autonomy Act ("HKAA"), which introduces sanctions on foreign persons who have "materially contributed" to the Chinese government's recent actions in Hong Kong as well as on certain foreign financial institutions. Simultaneously, the United States issued an executive order declaring a national emergency with respect to the threat posed by the Chinese government's actions in Hong Kong, formally suspending or eliminating any differential treatment of Hong Kong under U.S. law, including export control law, and authorizing sanctions on persons determined to be engaged in a broad array of anti-democratic or repressive activity. The United States has also imposed sanctions on senior Chinese officials and certain employees of Chinese technology companies that it believes have contributed to the Chinese government's activities in Hong Kong, including on July 20, 2020, adding 11 new Chinese companies to the Department of Commerce's Entity List. In mid-July the United Kingdom also suspended its extradition treaty with Hong Kong and extended its arms embargo on China to Hong Kong. Escalation of tensions resulting from the National Security Law and the response of the international community, including conflict between China and other countries like the United States and United Kingdom, protests and other government measures, as well as other economic, social or political unrest in the future, could adversely impact the security and stability of the region and may have a material adverse effect on countries in which NMC, a Fund, a Fund's portfolio companies or any of their respective personnel or assets are located. In addition, any downturn in Hong Kong's economy could adversely affect the financial performance of the Funds and their portfolio companies, or could have a significant impact on the industries in which the Funds participate, and adversely affect the operations of NMC, the Funds and the Funds' portfolio companies, including the retention of investment professionals located in Hong Kong.

Ukraine

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date hereof, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian Oligarchs. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and therefore could adversely affect the performance of a Fund's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to a Fund and the performance of its investments and operations, and the ability of a Fund to achieve its investment objectives. Similar risks will exist to the extent that any investments, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Terrorism Risk

The continued threat of global terrorism and the impact of military and other action will likely continue to cause volatility in the economies of certain countries and various aspects thereof, including the prices of commodities, and could affect the Funds' financial results. A Fund's investments may involve

significant strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near such assets would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage. As a result of global events and continued terrorism concerns, insurers significantly reduced the amount of insurance coverage available for liability to persons other than employees for claims resulting from acts of terrorism, war or similar events. As a result of a terrorist attack or terrorist activities in general, the Funds may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Governmental Interventions

Extreme volatility and illiquidity in markets has in the past led to, and can in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Funds’ strategies.

Availability of Insurance Against Certain Catastrophic Losses

With respect to investments made by the Funds, the PE GPs or NMC may seek to require the underlying portfolio companies and/or project to obtain liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that they believe are customary for similar investments. However, certain losses of a catastrophic nature, such as wars, natural disasters, 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 are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk 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 investments made by the Funds. As a result, not all investments may be insured against terrorism. If a major uninsured loss occurs, the Funds could lose both invested capital in and anticipated profits from the affected investments.

Force Majeure Risk

Portfolio companies owned by the Funds may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, civil unrest, acts of God, fire, flood, earthquakes, hurricanes and other natural disasters, including extreme weather events from possible future climate change, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Some force majeure events may adversely affect the ability of a party (including a Fund’s portfolio companies or a counterparty to a Fund or its portfolio companies) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a Fund or its portfolio companies of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world

economy and international business activity generally, or in any of the countries in which the Funds may invest specifically.

Pay-To-Play Laws, Regulations and Policies

In light of controversies and highly publicized incidents involving money managers, a number of states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment advisor from providing advisory services for compensation with respect to a government plan investor for two years after the advisor or certain of its executives or employees make a contribution to certain elected officials or candidates. If NMC, the PE GPs, or their respective employees or affiliates fail to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on the Funds by, for example, providing the basis for the withdrawal of the affected government plan investor.

SEC Proposed Rule

In February 2022, the SEC voted to propose new rules and amendments (collectively, the “SEC Proposed Rule”) to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds. If enacted, the SEC Proposed Rule could have a significant impact on advisers to private funds, including NMC and/or the Funds. In particular, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; increase reporting requirements by private funds to investors concerning performance, fees and expenses; require registered advisers to obtain an annual audit for private funds and also require such fund’s auditor to notify the SEC upon the occurrence of certain material events; enhanced requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as “GP-led” secondaries); prohibit advisers from engaging in certain practices, such as, without limitation, charging accelerated fees for unperformed services or fees and expenses associated with an examination to private fund clients and seeking reimbursement, indemnification, exculpation or otherwise limiting an adviser’s liability for certain activities; and impose limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. If adopted, including with modifications, this new SEC Proposed Rule could have a significant effect on private fund advisers, NMC, the Funds and their operations, including increasing compliance burdens and associated regulatory costs, reducing the ability to receive expense or indemnification reimbursements, and enhancing the risk of regulatory action, including public regulatory sanctions and may result in a change to our practices and create additional regulatory uncertainty. Further, we note that in connection with the SEC Proposed Rule, if such rule were to be enacted, it could also significantly increase the cost of insurance, specifically D&O and E&O insurance, or may even make such insurance coverage unavailable. The SEC Proposed Rule, if adopted, may result in material alterations to how NMC operates its business and/or the Funds, as well as NMC’s implementation of a Fund’s investment strategy, and there can be no assurance that such alterations will not have a material adverse effect on NMC, the PE GPs, the Funds and their investments. To the extent permitted under the Governing Document(s), the incremental costs of compliance by

NMC, the PE GPs and/or the Funds with any new SEC rules may be borne by the Funds, which may be significant.

CFIUS; Non-U.S. National Security Regimes

The actions of the Committee on Foreign Investment in the United States (“CFIUS”), an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a foreign person, may adversely impact the prospects of a Portfolio Company in the context of mergers with, or acquisitions by, a foreign person. CFIUS may recommend that the President block transactions, or CFIUS may impose conditions on transactions, certain of which may materially and adversely affect a Fund’s ability to execute its investment strategy. In addition, the CFIUS process will continue to evolve. In particular, a set of reform measures known as the Foreign Investment Risk Review Modernization Act (“FIRRMA”) was enacted into law, which broadens the jurisdiction of CFIUS with respect to certain investments. Such legislation could impact the ability of non-U.S. limited partners to participate in a Fund’s investments, which may impair a Fund’s ability to execute its investment strategy. FIRRMA could expand the ability of CFIUS to review a Fund’s acquisition or disposition of certain investments. The reforms enacted by FIRRMA will include (i) a requirement of mandatory disclosures to CFIUS of all transactions in which a foreign government owned or controlled entity proposes to acquire a substantial interest in a U.S. business active in critical infrastructure, critical technologies, or that has access to sensitive personal data of U.S. citizens, and (ii) jurisdiction for CFIUS to review any investment (other than truly passive investment) by a foreign person in the same types of companies regardless of the percentage ownership interest of the foreign person. While the precise contours of CFIUS’s expanded jurisdiction will be defined by the formal regulatory rule-making process, FIRRMA will increase the number of transactions involving a Fund that would be subject to CFIUS review and investigation and the timing and substantive risks described above. The outcome of CFIUS’s process may be difficult to predict, and there is no guarantee that, if applicable to a investment, the decisions of CFIUS would not adversely impact a Fund’s investment in such entity. A Fund’s governing agreements contains certain provisions that may require certain limited partners to be excluded from participating in an investment, for example where their participation is at risk of jeopardizing such Fund’s ability to successfully acquire, hold, operate, sell, transfer, exchange, pledge or dispose of a prospective investment in light of legal, regulatory or other similar considerations.

A Fund’s investments outside of the United States may also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with similar legal regimes outside of the United States and related rapidly-changing agency practices. Other countries continue to establish and/or strengthen their own national security investment clearance regimes, including in response to U.S. encouragement of other countries to impose CFIUS-like regulations on foreign investment in certain sectors and assets on national security grounds, which could have a corresponding effect of limiting a Fund’s ability to make investments in such countries. In particular, as of April 2019, the European Union has adopted and implemented an EU-wide mechanism to screen foreign investment on national security grounds, which could impede, restrict, and/or delay a Fund’s investments with a nexus to the European Union. As a result of such regimes, a Fund may incur significant delays and costs or be altogether prohibited from making a particular investment, all of which could adversely affect a Fund’s ability to meet its investment objectives. Heightened scrutiny of foreign direct investment worldwide may also 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. As a result, the above laws may prevent, delay, impede or restrict syndication or sale of Fund assets to certain buyers.

On April 17, 2020, the India Ministry of Commerce & Industry issued Press Note 3 (“PN3”) and on April 22, 2020, the India Ministry of Finance enacted an amendment to the Non-Debt Instrument (“NDI”) Rules, 2020 in line with PN3, which effectively states that any foreign investment by or from an entity of any country which shares its land border with India (being the “Relevant Jurisdictions”) or where the beneficial owner of an investment into India is situated in, or is a citizen of, a Relevant Jurisdiction, requires approval by the Government of India. The Relevant Jurisdictions are China (which appears to include, for these purposes, Hong Kong and Taiwan), Bangladesh, Bhutan, Afghanistan, Myanmar, Nepal and Pakistan. Further clarity is awaited from the Government of India on what would constitute beneficial owner (including clarity on what precise ownership percentages would constitute beneficial ownership).

Australia’s foreign regulatory investment regime, which requires prior approval for certain inbound foreign investments, is likely to apply to any investments in Australia resulting in an increased risk that a Fund’s investments in Australian assets will require Australian regulatory review and approval prior to any such investment. If such review and approval are required for a investment, a Fund may be required to disclose to the Australian regulatory authorities as part of the approval process the identities of limited partners whose capital commitments to such Fund exceeds a certain percentage of such Fund’s aggregate capital commitments as well as the identities of some or all non-Australian governmental limited partners. The requirements for, and scope of, disclosure are subject to change and the Australian regulatory agencies may require the disclosure of the identities of all limited partners depending on government policy at that time and the nature of the investment, and may require the disclosure of further information about some or all limited partners than is currently expected.

As a result of such regimes, a Fund may incur significant delays and costs or be altogether prohibited from making a particular investment, all of which could adversely affect a Fund’s ability to meet its investment objectives. Heightened scrutiny of foreign direct investment worldwide may also 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. As a result, the above laws may prevent, delay, impede or restrict syndication or sale of a Fund’s assets to certain buyers. In addition, given the lack of clarity in many of these regimes, it is possible that a Fund incurs fines or fees in connection with its acquisition (or proposed acquisition) of a portfolio company in certain jurisdictions. Any such fines or fees may be considered Fund expenses or capitalized as part of the acquisition price of a given investment, and in either case, such fines or fees will be borne by the applicable Fund.

Economic Sanctions and Anti-Corruption Considerations

Economic sanction laws in the United States and other jurisdictions may prohibit NMC, NMC’s professionals and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict the Funds' investment activities in certain emerging market countries. Other jurisdictions maintain different and/or additional economic and trade sanctions.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. NMC and the Funds are committed to complying with the FCPA and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Funds may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities and for investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has recently significantly expanded the reach of the UK Bribery Act of 2010 (the "UK Bribery Act"), which in some ways is broader in scope than the FCPA and applies to private and public sector corruption and holds companies liable for failure to prevent bribery unless they have adequate procedures in place to prevent bribery. While NMC has developed and implemented a stringent compliance program designed to ensure strict compliance by NMC, its personnel and senior advisors with the FCPA and the UK Bribery Act, even reasonable compliance programs may not prevent all instances of violations. In addition, in spite of NMC's policies and procedures, affiliates of portfolio companies, particularly in cases where the Funds does not control such portfolio company, and third-party consultants, managers and advisors may engage in activities that could result in FCPA or UK Bribery Act violations. Any determination that NMC has violated the FCPA, the UK Bribery Act, or other applicable anti-corruption laws or anti-bribery laws could subject NMC to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect NMC's business prospects and/or financial position, as well as a Fund's ability to achieve its investment objective and/or conduct its operations. The Funds may incur costs and expenses associated with engaging external counsel or other third-party consultants or professionals in connection with inquiries or investigations relating to FCPA or other applicable anti-corruption laws or anti-bribery laws.

Financial Services Industry Regulatory Factors

There continues to be significant discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private investment fund industry. On July 21, 2010, then-President Obama signed into law the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). A key feature of the Dodd-Frank Act is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve") to nonbank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the "FSOC"), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by

the Federal Reserve (including capital, leverage and liquidity requirements) if it determines that such company is systemically important, in that it poses a risk to the U.S. financial system. The Dodd-Frank Act does not contain any minimum size requirements for such a determination by the FSOC, and it is possible that it could be applied to private funds, particularly large, highly leveraged funds, although no such funds have been designated as systemically important by the FSOC to date.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity funds and hedge funds and other provisions that affect the private equity industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called “Volcker Rule,” which takes the form of Section 13 of the U.S. Bank Holding Company Act of 1956. Among other things, the Volcker Rule (as amended by the Reform Act) prohibits any “banking entity” (generally defined as any insured depository institution, subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets or significant trading assets and liabilities, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law, and any affiliate or subsidiary of the foregoing entities), as principal, from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the Company Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the Company Act, to avoid being treated as “investment companies” under the Company Act. The Volcker Rule also requires certain nonbank financial companies that have been designated as systemically important by the FSOC and subject to supervision by the Federal Reserve (as discussed above) to comply with additional capital requirements and comply with certain other quantitative limits on such activities, although such entities are not expressly prohibited from engaging in proprietary trading or sponsoring or investing in such funds. Potential investors that are “banking entities” should consult their bank regulatory counsel prior to making an investment. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on NMC or the Funds, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on NMC or otherwise impede the Funds’ activities.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on NMC or the Funds, specifically. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the “Reform Act”) was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying the so-called “Volcker Rule” to exempt depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule’s current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation vehicles and family wealth management vehicles (the “Covered Fund Amendments”). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments are expected therefore to expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform

Act and these regulatory developments on the Funds and their activities remain uncertain. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on NMC, or otherwise impede, the Funds' activities.

Financial Market Fluctuations

General fluctuations in the market prices of securities may affect the value of the portfolio investments held by a Fund. Instability in the securities markets may also increase the risks inherent in a Fund's portfolio investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise.

Market Volatility

The public markets are currently experiencing significant volatility and many observers believe a global economic downturn or recession is possible. The extent and duration of such environment, to the private equity industry and global markets as a whole, is currently unknown. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value of private investments in the midst of significant volatility or market dislocation.

Inflation

The U.S. and other developed economies have recently begun to experience higher-than-normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. Inflation may affect a Fund's investments adversely in a number of ways. During periods of rising inflation, interest and dividend rates of any instruments a Fund or entities related to investments may have issued could increase, which would tend to reduce returns to investors in a Fund. Inflationary expectations or periods of rising inflation could also be accompanied by the rising prices of commodities which are critical to the operation of portfolio companies. Portfolio companies may have fixed income streams and, therefore, be unable to pay higher dividends. The market value of such investments may decline in value in times of higher inflation rates. Some of a Fund's investments may have income linked to inflation through contractual rights or other means. However, as inflation may affect both income and expenses, any increase in income may not be sufficient to cover increases in expenses. Governmental efforts to curb inflation often have negative effects on the level of economic activity. In an attempt to stabilize inflation, certain countries have imposed wage and price controls at times. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. Certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on a Fund's returns. There can be no assurance that continued and more wide-spread inflation in the U.S. and/or other economies will not become a serious problem in the future and have a material adverse impact on a Fund's returns.

Currency and Exchange Rate Risks

A portion of a Fund's investments, and the income received by a Fund with respect to such investments, may be denominated in currencies other than U.S. dollars. However, the books of the Fund will be maintained, and capital contributions to and distributions from the Fund generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by a Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by a Fund. Recent events have exacerbated the volatility of certain currency exchange rates, which may adversely affect a Fund. In addition, a Fund will incur costs in converting investment proceeds from one currency to another. A PE GP may enter into hedging transactions designed to reduce such currency risks.

LIBOR, EURIBOR and Other Reference Rates.

To the extent a Fund's investments (whether made, acquired or otherwise) are subject to a variable interest rate based on (or calculated with reference to) the London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate ("EURIBOR"), the Canadian Dollar Offered Rate ("CDOR") or any other reference rate, benchmark or index (collectively, together with any permutations thereof and any credit spread adjustments thereto, "Benchmark Rates"), the Fund will be subject to certain material risks, some of which are described below.

Certain Benchmark Rates have historically been, may presently be, and/or may in the future become, the subject of manipulation, regulatory scrutiny and/or reform, phase-out, permanent discontinuation, replacement, tremendous volatility, and other change(s) which may have resulted and/or may result in: (i) any such Benchmark Rate being artificially lower (or higher) than it otherwise would have been; (ii) changes to the applicable calculation methodology; and/or (iii) market uncertainty as to the current and/or future status of any such Benchmark Rate. To the extent any Fund investment bears interest based on (or calculated with reference to) a Benchmark Rate, any such investment may not appropriately embed a return that is commensurate with its risk exposure.

In July 2017, the UK Financial Conduct Authority ("FCA") announced its intention to cease compelling panel banks to submit quotes for LIBOR and to phase-out the LIBOR Benchmark Rate by December 31, 2021. On November 30, 2020, the ICE Benchmark Administration ("IBA"), the FCA-regulated LIBOR administrator, announced its intention to (i) consult on LIBOR cessation in December of 2020 and, (ii) to the extent confirmed during such consultation, to cease the one-week and two-month United States Dollar ("USD")-LIBOR tenors by December 31, 2021, and to cease all other USD-LIBOR tenors by June 30, 2023.

Following the proposal released on November 30, 2020, the IBA confirmed on March 5, 2021 its intention to cease the publication of the one-week and two-month USD-LIBOR tenors immediately following the LIBOR publication on December 31, 2021, and the remaining USD-LIBOR tenors, including three-month LIBOR, immediately following the LIBOR publication on June 30, 2023. On March 9, 2021, the Alternative Reference Rates Committee ("ARRC") confirmed that in its opinion the announcement by the IBA constitutes a "benchmark transition event" with respect to all USD-LIBOR tenors pursuant to the ARRC recommendations. Concurrent with the IBA's proposal, the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation released a statement that (i) encouraged banks to cease entering into new contracts that use USD-LIBOR as a reference rate as soon as practicable and in any event by December 31, 2021, (ii) indicated that new contracts entered into before December 31, 2021 should either utilize a reference rate other than USD-LIBOR or have robust fallback language that includes a clearly defined alternative reference rate after USD-LIBOR's discontinuation and (iii) explained that extending the

publication of certain USD-LIBOR tenors until June 30, 2023 would allow most legacy USD-LIBOR contracts to mature before LIBOR experiences disruptions. It is possible that the IBA and the panel banks could continue to produce LIBOR after June 30, 2023, or the FCA could deem LIBOR to be no longer representative of its underlying market prior to that date, but no assurance can be given that LIBOR will survive in its current form, or at all. The survival of LIBOR in its current form, or at all, is not guaranteed and, if LIBOR in its current form does not survive, it could cause a disruption in the credit markets generally, which could negatively impact the Fund's investments and/or the Fund's business, financial condition and results of operations.

On April 6, 2021, the Governor of New York signed into law legislation that addresses contracts governed by New York law that have no or ineffective LIBOR fallback language. On the date the relevant USD-LIBOR tenor ceases to be published or is announced to no longer be representative, the USD-LIBOR tenor of such contract will be replaced with a spread-adjusted, SOFR-based rate to be recommended by the Federal Reserve Board, the Federal Reserve Bank of New York or the ARRC. The legislation further provides a safe harbor from liability for the parties that have the right to select and use a recommended benchmark replacement. The parties to the contracts covered by the legislation are not precluded from amending such contract to choose a different rate than the recommended benchmark replacement. There is similar draft legislation in Congress that would, if enacted, address the LIBOR transition for covered contracts in all states and territories in the United States. As currently drafted, the federal legislation would preempt New York's law and any other state LIBOR transition laws that are or may in the future be put into effect. There is no assurance that the federal legislation will be enacted into law, or, if enacted, that the law will not differ in material aspects from the current draft legislation.

The Bank of England also began publishing its proposed alternative rate, the Sterling Overnight Index Average ("SONIA") on April 23, 2018. Both SOFR (as defined below) and SONIA significantly differ from LIBOR—both in the actual rate and how it is calculated—and therefore it is unclear whether and when markets will adopt either of these rates as a widely accepted replacement for LIBOR.

Currently, the nominated replacement for USD-LIBOR is the Secured Overnight Financing Rate ("SOFR") and the nominated replacement for GDP-LIBOR is SONIA. In March 2020, the Federal Reserve began publishing 30-, 90- and 180-day tenor SOFR Averages and a SOFR Index. On October 23, 2020, the International Swaps and Derivatives Association published (i) updated interest rate definitions, which include hardwired fallback drafting for transitioning uncleared over-the-counter USD-LIBOR-based interest rate swaps to SOFR and other 'risk-free-rates'; and (ii) a corresponding protocol to facilitate retroactive amendment for existing swap documents. The ISDA definitions came into effect on January 25, 2021 and apply to most uncleared over-the-counter swaps entered into after publication. The ISDA publications also included an automatic switch to SOFR/SONIA on the date when LIBOR ceases to be published or is announced by regulators to be non-representative.

Currently, the nominated replacements, including SOFR, which has long been the LIBOR replacement frontrunner, are not complete or ready to implement and, in many cases, require margin adjustments. SOFR, which is an overnight rate secured by U.S. treasuries, is considered akin to risk-free rates and unlike LIBOR, it does not reflect bank funding costs or bank credit risk. Various permutations have emerged, including "Term SOFR", "Daily Simple SOFR", and other credit-sensitive rates ("CSRs"), as potential alternatives to U.S. LIBOR. On July 29, 2021, ARRC formally recommended the Term SOFR Rate published by CME Group, the world's largest financial derivatives exchange.

Currently, there is no final consensus as to which Benchmark Rate(s) (including any adjustment and/or permutation thereof) will replace all or any LIBOR tenors after the discontinuation thereof and there can be no assurance that any such replacement Benchmark Rate(s) will attain full market acceptance (including in private credit and direct lending markets).

Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern, including consensus on any credit spread adjustments that may be applied to investments or other instruments using SOFR or other LIBOR-replacement benchmarks as a Benchmark Rate. The transition from LIBOR to other Benchmark Rates may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR, including for instruments that use SOFR or other LIBOR-replacement benchmarks as a Benchmark Rate.

Even if one or more replacement Benchmark Rates (*e.g.*, forward-looking Term SOFR) are adopted across all public and private credit markets (including direct lending markets), any transition away from LIBOR to one or more alternative Benchmark Rates is complex and could have a material adverse effect on the Fund's investments, and/or the Fund's business, financial condition and results of operations.

While it is common for recently issued instruments to contemplate a scenario where LIBOR is no longer available by providing fallback language describing an alternative rate setting methodology and mechanisms to change the applicable Benchmark Rate (whether automatically or by amendment) to replace LIBOR, not all instruments have such provisions and there are significant uncertainties regarding the effectiveness of any such alternative methodologies. As such, as noted above, the Fund and/or one or more of its portfolio companies may need to renegotiate the terms of credit agreements with certain issuers of investments that utilize LIBOR in order to replace it with the new standard convention that is established, which could result in increased costs for the Fund and the portfolio companies. Similarly, even though the terms of the Fund's own credit facilities may provide for mechanics to amend the credit facilities in order to reflect a new Benchmark Rate in place of LIBOR, the determination of such new Benchmark Rate may require further negotiation, including between the NMC and the applicable lender. There can be no certainty that a favorable agreement between the parties will be reached, and the terms of the Fund's credit facilities may also provide that, during certain periods, including transition periods, amounts available to be drawn under the Fund's credit facilities may bear interest at a higher rate.

To the extent swaps and similar instruments that reference LIBOR or other similar reference rates, including swaps used to manage long-term interest rate risk related to assets and/or liabilities, are entered into, in addition to the potential need to renegotiate some of those instruments to address a transition away from LIBOR, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses. In addition and as further described above, some of the standard conventions under consideration, including SOFR, are conceptually different than LIBOR, in that they are overnight, secured rates instead of unsecured, term rates, which could behave differently from LIBOR in ways that cause greater payments or less payments under its derivatives, at least during certain market cycles. Some of these replacement rates may also be subject to compounding or similar adjustments that cause the amount of any payment referencing a replacement rate not to be determined until the end of the relevant calculation period, rather than at the beginning, which could lead to administrative challenges for the Fund and the portfolio companies.

Regional Risk; Interdependence of Markets

Economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could lead to local economic problems increasingly having an adverse effect on regional and even global economic conditions and markets. The market and the economy of a particular country in which a Fund invests is influenced by economic and market conditions in other countries in the same region or elsewhere in the world. Similarly, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. A repeat of either of these crises or the occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

Cayman Islands Regulatory Oversight

Certain investment vehicles which may be related to the Funds and established in the Cayman Islands and most alternative vehicles and intermediate entities of the Funds established in the Cayman Islands, are or will be required to register and be regulated as a private fund under the Private Funds Law, 2020 (the "Private Funds Law") of the Cayman Islands. Once registered, the Cayman Islands Monetary Authority (the "Authority") will have supervisory and enforcement powers to ensure any such vehicle's compliance with the Private Funds Law. The Authority may take certain actions if it is satisfied that a regulated private fund is or is likely to become unable to meet its obligations as they become due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on or is attempting to carry on business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the general partner of such vehicle, to appoint a person to advise such vehicle on the proper conduct of its affairs or to appoint a person to assume control of the affairs of such vehicle. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

Risks Associated with the European Union

Following the credit crisis of 2007, the economies of certain Eurozone countries have suffered high unemployment, low or stagnant economic growth, a decline in the real value of living wages, large current account deficits, lack of competitiveness, high government borrowing relative to GDP, and higher interest rates on government bonds - reflecting a perceived risk of being unable to meet future financial obligations. While the devaluation of a nation's currency would be expected to stimulate competitiveness, reduce unemployment, increase GDP and ultimately raise taxes to reduce a budget deficit, it is not within the control of individual Eurozone countries to devalue the Euro. Without reasonable prospects for growth, and the inability to devalue their national currency, some Eurozone countries have, or have been forced to, reduce public spending on the one hand, which has resulted in lower growth, higher unemployment and lower tax revenues, while at the same time attempting to introduce structural reforms to improve competitiveness over the longer term. Without the means to stimulate economic growth through currency devaluation, critics of the single currency question the suitability of the Euro to function in the diverse economies of the Eurozone and, if a single currency is unsuitable, the risk of the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the Euro entirely. A particularly high level of government debt may be unsustainable for a country that has, and continues to endure, weak economic growth, high unemployment and has yet to implement or

benefit from long-term economic reforms. A default on sovereign debt, although now a more remote risk than after the crisis, could have a material impact on economic conditions and market activity in the Eurozone and elsewhere in the European Union (“EU”). For example, default by a participating member state could result in, or contribute to, the defaulting member state ceasing to use the Euro as its national currency, or even provide a stimulus for one or more member states to withdraw from EU membership—any of which would likely have an adverse impact on a Fund. Moreover, any structural instability of the Eurozone would likely have negative implications for the global economy. A potential effect would be an immediate reduction of liquidity for particular investments in economically connected countries, thereby impairing the value of such investments. Volatility in the global credit markets may make it more difficult for issuers and borrowers to obtain favorable financing or refinancing arrangements that may be needed to execute a Fund’s investment strategy. Uncertainty in the Eurozone could have an adverse effect on a Fund by affecting the performance of its investments and its ability to fulfill its investment objectives.

United Kingdom (the “UK”) Withdrawal from the European Union

On January 31, 2020, the UK formally left the EU and entered into a transition period during which EU law continued to apply in the UK. This transition period expired on December 31, 2020, and EU law no longer applies in the UK. However, the UK and EU agreed an EU-UK Trade and Cooperation Agreement (“TCA”) that has governed their trading relationship since January 1, 2021. Broadly, the TCA provides for zero tariffs and zero quotas on all goods that comply with appropriate rules of origin, but is subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid and tax transparency.

The TCA does not provide for continued access by UK firms to the EU single market (the “Single Market”), adversely affecting financial service firms, although there is the possibility that, in time, the UK may obtain a recognition of equivalence from the EU in certain financial sectors, which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the Single Market previously allowed.

Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU. Understanding and preparing for these new arrangements may result in increased operational and compliance burdens for a Fund.

It will continue to take some time to observe the many and varied effects on UK and EEA businesses and asset value in those regions of the consequences of the UK leaving the Single Market and customs union (taking into account the flow of goods and services in both directions). Given the size and global significance of the UK’s economy, uncertainty, at least in the near term, about the effect of the TCA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the UK may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements.

Investors should also be aware of the ongoing disagreements between the UK government and the EU regarding the Northern Ireland Protocol (“NIP”). The NIP is part of the arrangements put in place as part of the TCA to address cross-border trade in goods between Great Britain, Northern Ireland and the EU. The UK government has subsequently raised concerns as to the manner in which the NIP has been interpreted and implemented and has indicated it may take action to suspend and/or override aspects of the NIP. The European Commission has stated it would take retaliatory measures in response to UK government actions.

The present uncertainty could, therefore, adversely affect a Fund, the performance of its investments and its ability to fulfil its investment objectives (especially if its investments include, or expose it to, businesses that have historically relied on access to the Single Market for their customers or that have historically relied on sourcing goods, materials or labor from the Single Market). In particular, the continued uncertainty may adversely impact portfolio companies with operations in or doing business in, or having services or other significant relationships in or with, the UK or the EEA, including with respect to opportunity, tax treatment, pricing, regulation, value or exit.

Environmental, Social and Governance (“ESG”) Considerations

NMC has established an ESG framework, which it and the PE GPs, intend to apply to the Funds investment portfolios, consistent with and subject to its fiduciary duties and applicable legal, regulatory or contractual requirements. Depending on the investment, the impact of developments connected with ESG factors, including but not limited to greenhouse gas (“GHG”) emissions, energy management, community relations, worker health and safety, environmental compliance, respect for human rights and business ethics and transparency, could have a material effect on the return and risk profile 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 NMC or the PE GPs or any retained third-party ESG advisor will reflect the beliefs or values published or, internal policies or preferred practices of any particular limited partner or other asset managers or reflect market trends. Considering ESG factors when evaluating an investment in certain circumstances may, to the extent material risks associated with an investment are identified, cause NMC or the PE GPs not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such consideration, which carries the risk that a Fund may perform differently than investment funds that do not take ESG factors into account or take ESG factors into account in a different way. Additionally, ESG factors are only some of the many factors that NMC expects to consider in making investment. Although NMC considers the application of its ESG framework to be an opportunity to enhance or protect the performance of its investments over the long-term, while also producing beneficial impacts for both society and the environment, NMC cannot guarantee that its ESG program, which depends in part on qualitative judgments, will positively impact the financial or ESG performance of any individual investment or a Fund as a whole. Similarly, to the extent PE GPs or a third-party ESG advisor engages with portfolio investments on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG-related performance of the investment. Successful engagement efforts on the part of the PE GPs or a third-party ESG advisor will depend on the PE GP’s skill and the skill of any third-party advisors in properly identifying and analyzing material ESG and other factors and their value, together with the quality of the data provided in respect of the impact of the ESG factors in respect of the relevant portfolio company and there can be no assurance that the strategy or techniques employed will be successful.

The materiality of ESG risks and impacts on an individual asset and on a portfolio as a whole depends on many factors, including the relevant industry, location, asset class and investment style. ESG factors, issues, objectives, goals and considerations do not apply in every instance or with respect to each investment held, or proposed to be made, by a Fund, and will vary greatly based on numerous criteria, including, but not limited to, location, asset class, industry, investment strategy, and issuer-specific and investment-specific characteristics. In evaluating a prospective investment, NMC and the PE GPs often depends upon information and data provided by the entity or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause NMC and the PE GPs to incorrectly identify, prioritize, assess, analyze or omit to examine in detail the entity's ESG practices and/or related risks and opportunities. NMC does not intend to independently verify certain of the ESG information reported by investments of a Fund, and may decide in its discretion not to utilize, report on, or consider certain information provided by such investments. Further, considering ESG factors when evaluating an investment could result in the selection or exclusion of certain investments based on NMC's view of certain ESG-related and other factors and could cause a Fund not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of such consideration, which carries risk that a Fund may perform differently than investment funds that do not take ESG factors into account, or which take them into account in a different way. Additionally, ESG factors are only some of the many factors that NMC and the PE GPs expect to consider in making an investment. To the extent that NMC or the PE GPs provide reports of material ESG issues to investors, such reports will be based on NMC's, the PE GP's or applicable investment management team's sole and subjective determination of whether a material ESG issue has occurred, should be considered or should be considered in a certain manner in respect of an investment.

In addition, NMC's ESG framework, including NMC's ESG Policies and associated procedures and practices, are expected to change over time. NMC in certain circumstances could determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for the PE GPs to adhere to all elements of a Fund's investment strategy, including with respect to ESG risk and opportunity management and impact, whether with respect to one or more individual investments or to a Fund's portfolio generally.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different principles, frameworks, methodologies and tracking tools being implemented by asset managers, and NMC's adoption of and adherence to such principles, frameworks, methodologies and tools may vary over time. For example, NMC's ESG framework does not represent a universally recognized standard for assessing ESG considerations. NMC is currently a signatory to the United Nations' Principles for Responsible Investment (UNPRI). These initiatives may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. There is no guarantee that NMC will remain a signatory, supporter or member of these initiatives or other similar industry frameworks.

There is also growing regulatory interest across jurisdictions, particularly in the U.S., UK, and EU (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. NMC's ESG program and the PE GPs could become subject to additional regulation and risk of regulatory enforcement in the future. There may also be an increase in related enforcement actions through efforts such as those of the SEC's Climate and ESG Enforcement Task Force, established in March 2021. The European Securities and Markets Authority

also published its Sustainable Finance Roadmap for 2022 to 2024 in February 2022 which sets the priority areas for enforcement and specifies that tackling greenwashing and promoting transparency together constitute one of ESMA's three priorities for its sustainable finance work over that period. NMC cannot guarantee that its current approach will meet future regulatory requirements, the recommendation of ESG reporting frameworks or best practices.

Systems and Operational Risks

A Fund will depend on its PE GP and NMC to develop and implement appropriate systems for the Fund's activities. A Fund will rely daily on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain financial instruments, to monitor its portfolios and capital, and to generate risk management and other reports that are critical to oversight of a Fund's activities. Certain of a Fund's, its PE GP's and NMC's activities will be dependent upon systems operated by third parties, and such PE GP and NMC may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems and processes employed by a PE GP, NMC and other parties could result in mistakes made, including, among other things, in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Operational risks result from inadequate procedures and controls, employee fraud, recordkeeping errors, human errors and other mistakes or failures by NMC or a service provider. Disruption to third party critical service providers, such as a Fund's auditors, external counsel and custodian, may result in other disruptions in the Fund's operations. Disruptions in a Fund's operations may cause the Fund to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on a Fund and the investors' investments therein.

Litigation

In connection with ordinary course investing activities, NMC and/or a Fund, as well as investments of a Fund, may become involved in litigation, including as a party or non-party or in a governmental and/or regulatory inquiries, investigations and/or proceedings either as a plaintiff or defendant. There can be no assurance that any such litigation, once begun, would be resolved in favor of NMC, and/or a Fund and/or such portfolio company (as applicable). Any such litigation could be prolonged and expensive. In addition, it is by no means unusual for participants in reorganizations, take-privates or other transactions to use the threat of, as well as actual, litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments generally would be borne by such Fund and would reduce net assets or could require investors to return to such Fund distributed capital and earnings. In addition, from time to time past or current partners, members, employees and managers of NMC may disagree with NMC and/or its management over terms related to separation or other issues. If not resolved, such disputes could lead to litigation or arbitration, which could be costly, distracting and/or time consuming for NMC.

Misconduct of Employees and of Third-Party Service Providers

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to a Fund. Misconduct by employees or by third-party service providers could cause significant losses to a Fund. Employee misconduct may include binding a Fund to transactions that exceed authorized limits or present unacceptable risks and other

unauthorized activities or concealing unsuccessful trading investments (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades, misappropriating assets or a failure of a custodian that holds securities of a Fund. In addition, employees 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. It is not always possible to deter misconduct by employees or service providers, and the precautions NMC or the PE GPs take to detect and prevent this activity may not be effective in all cases. No assurances can be given that the due diligence performed by NMC or the PE GPs will identify or prevent any such misconduct.

Expedited Transactions

Investment analyses and decisions by NMC may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to NMC at the time of making an investment decision may be limited, and NMC may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, NMC may rely upon independent consultants or attorneys in connection with their evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments. Therefore, no assurance can be given that NMC will have knowledge of all circumstances that may adversely affect an investment at the time the investment decision is made, and a Fund may make investments which it would not have made if more extensive due diligence had been undertaken.

Material, Non-Public Information

By reason of their responsibilities in connection with their other activities, certain NMC personnel or Senior Advisors (or employees and affiliates thereof) will acquire confidential or material nonpublic information or be restricted from initiating transactions in certain securities. In those instances, the Funds are not free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold. Conversely, a Fund may not have access to material non-public information in the possession of NMC which might be relevant to an investment decision to be made by a Fund, and a Fund may initiate a transaction or sell a portfolio investment which, if such information had been known to it, may not have been undertaken.

Data

NMC receives or obtains various kinds of data and information from the Funds, their portfolio companies, and, at their election, certain investors in the Funds and service providers, including but not limited to data and information relating to or created in connection with business operations, financial results, trends, budgets, plans, suppliers, customers, employees, contractors, environmental, social, and governance ("ESG"), carbon emissions and other metrics, some of which is sometimes referred to as alternative data or "big data." NMC can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes or identify specific investment, trading, or business opportunities, as a result of its access to (and rights regarding) this data and information from the Funds, their portfolio companies, and, at their election, certain investors. NMC has entered and will continue to enter into information sharing and use, measurement and other arrangements, which will give NMC access to (and rights regarding, including ownership

and distribution rights over) data that it would not otherwise obtain in the ordinary course, with the Funds, their portfolio companies, and, at their election, certain investors, related parties and service providers. Although NMC believes that these activities improve NMC's investment management and other business activities on behalf of the Funds, information obtained from a Fund and its portfolio companies, and, at their election, certain investors, also provides material benefits to NMC, other Funds or portfolio companies of such other Funds, typically without compensation or other benefit accruing to such Fund, or portfolio companies of such Fund. For example, information from a portfolio company owned by a Fund can be expected to enable NMC to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for NMC and other Funds that do not own an interest in the portfolio company, typically without compensation or benefit to the Fund or its portfolio companies. Further, data is expected to be aggregated across the Funds and their respective Portfolio Companies. NMC is expected to serve as the repository for data described in this paragraph, including with ownership and distribution rights therein.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, NMC is generally free to use and distribute data from the Funds' activities to assist in the pursuit of NMC's various other activities, including but not limited to trading activities for the benefit of NMC or an other Fund. For example, NMC's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio company in the same or related industry. Such trading or other business activities can be expected to provide a material benefit to NMC without compensation or other benefit to a Fund or its investors.

Cybersecurity Breaches and Identity Theft

The Funds depend on NMC to develop or procure and utilize appropriate systems for the Funds' activities, and NMC and the Funds depend heavily upon computer systems to perform necessary business functions. NMC's information and technology systems and those of companies on which the Funds rely and in which the Funds invest are, just as with other companies, vulnerable to potential damage or interruption from cyber-attacks (such as computer viruses, malicious software, infiltration or tampering by unauthorized persons, ransomware demands and denial of service attacks), security breaches (such as physical and electronic break-ins), network failures, computer and telecommunication failures, ransomware demands, denial of service attacks, usage errors by their respective professionals, power outages, and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although NMC has implemented, and (where applicable) portfolio companies likely will have implemented, various measures to manage risks relating to these types of events, if important systems are compromised, become inoperable for extended periods of time or cease to function properly, it likely would be necessary for NMC, the affected Funds and/or a portfolio company to make a significant investment to fix or replace them. Portfolio investments may be invested in or otherwise involved with involve companies that have experienced cybersecurity events and that, given the rise of cybersecurity incidents, may become involved in future cybersecurity events. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future (including as a consequence of the COVID-19 pandemic and the increased frequency of virtual working arrangements). The failure or inadequacy of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in NMC's, a Fund's and/or a portfolio company's operations and result in a failure to maintain capabilities essential to a Fund's operations and / or the security, confidentiality, and privacy of proprietary or sensitive data, and information (including personal information of investors and their personnel and beneficial owners) that is processed and

stored in, and transmitted through, the computer systems and networks of NMC, such Fund, any third parties on which such Fund relies or their downstream vendors. Such a failure could harm NMC's, the affected Fund's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims, and otherwise affect their business and financial performance. If a significant number of NMC's personnel were to be unavailable in the event of a disaster, NMC's ability to effectively conduct a Fund's business could be severely compromised. In addition, there are increased risks relating to NMC's reliance on its computer programs and systems if NMC's personnel are required to work remotely for extended periods of time as a result of events such as an outbreak of infectious disease or other adverse public health developments (such as have persisted during the COVID-19 pandemic) or natural disasters, including an increased risk of cyber-attacks and unauthorized access to NMC's computer systems.

NMC's service providers are subject to the same electronic information security threats as NMC. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to a Fund, including information normally made available to investors, may become inaccessible and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed. Notwithstanding the diligence that NMC performs on its service providers, NMC often is not in a position to verify the risks or reliability of their respective information technology systems.

The loss or improper access, use or disclosure of NMC's or a Fund's proprietary information may cause NMC or such Fund to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a negative effect on a Fund.

Potential Conflicts of Interest

Investors should be aware that there will be occasions when NMC (including its affiliates, employees and Senior Advisors) and its affiliates encounter potential conflicts of interest in connection with the Funds, including (as described in more detail below and elsewhere herein) with respect to other investment vehicles and relationships and allocations of investment opportunities, allocation of personnel, diverse investor group, conflicts of interest related to carried interest and being in possession of material non-public information which restricts the ability of NMC to enter into certain transactions. Investors should review the offering documents of the applicable Fund, as well as the disclosures contained herein, to understand the potential conflicts of interest associated with an investment in such Fund.

The existence of a PE GP's carried interest may create an incentive for the PE GP to make riskier or more speculative investments on behalf of the relevant Fund than would be the case in the absence of this arrangement. As noted above, NMC and its affiliates receive certain fees in connection with the purchase, monitoring or disposition of portfolio investments or in connection with unconsummated transactions (e.g., directors' fees, transaction fees, break-up fees, advisory fees, monitoring fees or other similar fees). A limited partner's share (based on capital commitments) of a specified percentage of these fees, (varying from 50% to 100% depending on the Fund and the type of fee), net of related expenses, is applied to reduce the management fees payable by the applicable Fund.

In the event of a conflict of interest not provided for in a Governing Document, NMC will take actions as in its good faith judgment are necessary or appropriate to ameliorate such conflicts of interest. These actions may, but are not required to, include (i) disposing of the security giving rise to the

conflict of interest, (ii) appointing an independent fiduciary to act or provide consent with respect to the matter giving rise to the conflict of interest, (iii) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the advisory committee comprised of representatives of limited partners of the applicable Fund (“Advisory Committee”) regarding the conflict of interest and either obtaining a waiver from the Advisory Committee of the conflict of interest (where required) or acting in a manner, or pursuant to standards or procedures, approved by the Advisory Committee with respect to such conflict of interest, (iv) disclosing the conflict to the limited partners (including, without limitation, in drawdown notices, quarterly letters or other communications) or (v) implementing certain policies and procedures designed to ameliorate such conflicts of interest. NMC intends to consult with the applicable Advisory Committee with respect to any matter as to which it determines in good faith that a material conflict of interest exists.

In addition, there are two advisory affiliates of NMC. One advisory affiliate advises New Mountain Finance Corporation (“NMFC”) as well as private credit funds, and another acts as investment advisor and collateral manager for an affiliated collateralized loan obligation (“CLO”) strategy.

NMFC itself is a publicly traded business development company that invests primarily in debt but may also acquire equity investments in middle-market companies. Subject to restrictions in the applicable Fund Governing Documents, the Firm may raise other public and private funds and other investment vehicles in the future and such funds may from time-to-time make investments that would be suitable for the Funds. For example, New Mountain may raise public and private funds focused on investing in collateralized loan obligations and similar securities. In particular, certain debt investments that the Funds would otherwise be able to make may be allocated to NMFC. In addition, there have been and will be circumstances when NMC considers a potential private equity investment in a portfolio company on behalf of a Fund, determines not to make such private equity investment and an investment is eventually made in such portfolio company by NMFC or other investment vehicles sponsored by the Firm. In these circumstances NMFC or such vehicles benefit from research by NMC’s investment team and/or from costs borne by the applicable Fund in pursuing the potential portfolio investment, but will not be required to reimburse the Funds for expenses incurred in connection with such investment as described above.

The portfolio companies managed by NMC transact business with (or otherwise provide services and/or products to) one another. Those same portfolio companies also transact business with NMC’s affiliated advisers, funds, employees and/or Senior Advisors. Such arrangements will generally be negotiated and executed at arm’s length, but certain factors may lead a portfolio company to pay higher fees in connection with the services and/or products provided as compared to other similar providers. Those factors include, without limitation, the complexity of the services and/or products being provided, the reputation of the portfolio company in providing such services and/or products, and the ability of the portfolio to meet specified time, budget or other constraints. Furthermore, NMC and/or the portfolio companies managed by NMC enter into agreements collectively with vendors which provide products and services to NMC and/or the portfolio companies, generally in an effort to reduce costs and expenses. NMC acts as a host for the negotiation process associated with such agreements. Notwithstanding the foregoing, NMC acts solely as a liaison in connection with the evaluation of, and has no control over the entering into, definitive agreements by such portfolio companies. Any definitive agreements shall be executed solely by and between the applicable portfolio company and applicable counterparty, and such portfolio company (and not NMC, except where NMC is acting in its own capacity) shall be solely responsible for its obligations thereunder.

While NMC and its advisory affiliates are generally prohibited from investing in different parts of the capital structure of an issuer at the same time, there have been instances where New Mountain has invested in an issuer where the debt and/or public equity was previously held by a fund of an affiliated adviser of New Mountain.

NMC personnel work on projects unrelated to the Funds, and conflicts in the allocation of management resources may arise as a result of such other activities. Additionally, from time to time, NMC employees and Senior Advisors make personal investments in entities owned or controlled by other employees or Senior Advisors of NMC (and/or its related funds or affiliated advisers). All such investments are subject to the NMC Code of Ethics, which requires, among other things, pre-clearance by Compliance as well as vetting for any perceived or actual conflicts of interests.

The investors in a Fund may have conflicting investment, tax and other interests with respect to their investments in the Fund. As a consequence, conflicts of interest may arise in connection with the decisions made by the relevant PE GP and NMC, including with respect to the nature or structuring of portfolio investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring portfolio investments appropriate for a Fund, the PE GP and NMC will generally consider the investment and tax objectives of the Fund as a whole, and not the investment, tax or other objectives of any investor individually.

NMC will take into account various facts and circumstances it deems relevant in selecting financing sources for investments, including a potential lenders' prior expression of an interest in evaluating financing opportunities, NMC's prior experiences with such lender and such lender's ongoing or prior commitment to the success of NMC and the Funds, the timing and size of the potential lender's loan amount, the availability of other sources of financing, the creditworthiness of the lender and such other factors deemed relevant by NMC under the circumstances. The cost of debt alone is not determinative. NMC may from time to time offer investors in Funds the opportunity to participate in financing arrangements with respect to a Fund's investments (either on an ad hoc or a programmatic basis). NMC may be incentivized to accept less favorable financing terms from its investors and other parties New Mountain has material relationships with than it would from others.

A Fund's portfolio companies are counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds that, although NMC determines to be consistent with the requirements of such Funds' Governing Documents, may not have otherwise been entered into but for the affiliation with NMC, and which may involve fees and/or servicing payments to NMC-affiliated entities which are not subject to any management fee offset arrangements. For example, NMC causes a Fund's portfolio companies to enter into agreements regarding group procurement, benefits management, data management and/or mining, technology development, purchase of title and/or other insurance policies (which are pooled across portfolio companies and discounted due to scale) and other similar operational initiatives that result in fees, commissions or similar payments and/or discounts being paid to NMC, or a portfolio company, including related to a portion of the savings achieved by the portfolio company.

Portfolio companies of a Fund do business with, support, or have other relationships with competitors of another Fund's portfolio companies, and such Fund may take actions that are not beneficial to or are opposed to the interests of such other Fund and its portfolio companies. For example, it is possible that one or more portfolio companies of a Fund may look to buy or sell a business or asset to or from a portfolio company of another Fund (or to or from another Fund itself). In addition, it is possible that

a portfolio company of a Fund or a company in which the Fund has an interest will compete with other Funds for one or more investment opportunities that fall within such other Funds' investment strategies and objectives. Conversely, it is possible that a Fund or a portfolio company thereof will compete with a portfolio company of another Fund for one or more investment opportunities that are suitable for such portfolio company. In such situations, there can be no assurance that the Fund or its portfolio companies, as applicable, will ultimately be able to participate in these investment opportunities as such opportunities will be regarded to have been presented to the Fund's portfolio company or such other Fund or its portfolio company, as applicable, and not NMC, or any of its respective directors, officers, members, partners or employees.

Additionally, Funds hold equity or other investments in companies or businesses (even if they are not "affiliates" of NMC) that provide services to or otherwise contract with portfolio companies of other Funds. In connection with such relationships, NMC also makes referrals and/or introductions to portfolio companies (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting NMC that are tied or related to participation by portfolio companies). The Funds and investors thereof will not share in any fees or economics accruing to NMC as a result of these relationships and/or participation by portfolio companies.

Executives of the Funds' portfolio companies provide services for NMC, the Funds or other portfolio companies. For example, a portfolio company executive serves in a deal sourcer role with respect to a Fund and receives compensation (including transaction-related compensation) that would be borne by the Fund, or portfolio company executives have entered into information sharing arrangements under which the portfolio company executive is compensated by the Fund or NMC (or the other portfolio companies) for his or her services. Such amounts will not offset management fees. In other cases the relationships are more informal and the services are be provided for no compensation.

Funds or their PE GPs may and have entered into side letter or other similar agreements with investors with respect to a Fund without the approval or vote of any other investors, which has the effect of establishing rights under, altering or supplementing the terms of the Fund's Governing Documents with respect to such investor in a manner more favorable to such limited partner than those applicable to other investors. Any rights established, or any terms of the Fund's Governing Documents altered or supplemented in a side letter or other similar agreement with an investor will govern solely with respect to such investor notwithstanding any other provision of the Fund's Governing Documents. Such rights or terms in any such side letter or other similar agreement include, without limitation: (i) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments); (ii) the PE GP's agreement to extend certain information rights or additional reporting to such investor, including, without limitation, to accommodate special regulatory or other circumstances of such investor; (iii) waiver or modification of certain confidentiality obligations and/or documentation that may be requested by the PE GP for the benefit of lenders or other persons extending credit to or arranging financing for the Funds; (iv) consent of the PE GP to certain transfers by such investor or other exercise by the PE GP of its discretionary authority under the Fund's Governing Documents for the benefit of such investor; (v) restrictions on, or special rights of such investor, with respect to the activities of the PE GP; (vi) withdrawal rights due to legal, regulatory or policy matters, including matters related to political contributions, gifts or other such policies; (vii) other rights or terms necessary in light of particular legal, tax, regulatory, or public policy characteristics of an investor ; (viii) economic arrangements (including, for example, with respect to management fees and/or carried interest) which may be conditioned, among other things, on a limited partner's size, participation in a Fund's initial closing and/or the limited partner's capital commitments to one or more of the other

products of New Mountain, (ix) other preferential arrangements with respect to one or more investors as part of a multi-strategy investment program that is part of an overall integrated investment arrangement with NMC, (x) matters regarding the allocation and/or terms of co-investment opportunities (including, for example, with respect to management fees and/or carried interest) and the right to participate therein or (xi) additional obligations, and restrictions of the Fund with respect to the structuring of any portfolio company (including with respect to alternative investment vehicles).

There can be no assurance that New Mountain will resolve all conflicts of interest in a manner that is favorable to its Funds.

Item 9. Disciplinary Information

NMC and its management persons have not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of NMC's advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Relying Advisers

As described in Item 4 – “Advisory Business” above, the PE GPs serve as the general partners to each of the Funds, respectively.

NMC and the PE GPs are together filing a single Form ADV in reliance on the response of the Office of Investment Adviser Regulation Division of Investment Management dated January 18, 2012 to the Subcommittee on Hedge Funds of the Federal Regulation of Securities Committee of the Business Law Section of the American Bar Association.

Affiliated Advisers

New Mountain Finance Advisers BDC, L.L.C., and New Mountain Credit CLO Advisers, L.L.C. (the “Affiliated Advisers”) are advisory affiliates of NMC, and serve as the respective managers to a publicly traded business development company (NASDAQ: NMFC), private credit funds, a senior loan program, and affiliated collateralized loan obligation (“CLO”) vehicles. Each of the Affiliated Advisers is separately registered with the U.S. Securities and Exchange Commission (“U.S. SEC”) pursuant to the Advisers Act. Although the investment strategies of the Funds managed by NMC are different from the strategies of the vehicles managed by the Affiliated Advisers, NMC expects to rely heavily on the extensive expertise and industry relationships developed by the employees and Senior Advisors of the Affiliated Advisers to identify and evaluate potential investment opportunities for the Funds. Research from New Mountain's private equity strategy will be used to benefit other New Mountain strategies and their clients.

The activities of these advisory affiliates may give rise to certain conflicts of interest as described herein.

Other Financial Industry Activities and Affiliations

Some portfolio companies are operated by management teams that are independent of NMC. NMC believes that such portfolio companies do not create a material conflict of interest with the NMC's

clients. NMC agrees to provide a list of such portfolio companies upon request. NMC and/or its affiliates and portfolio companies may, do and will utilize products and services – including discounted products and services – provided by portfolio companies.

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

Code of Ethics/Personal Trading

NMC has adopted a formal code of ethics and insider trading policies and procedures (the “Code”) to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (“Rule 204A-1”). For purposes of Rule 204A-1, all New Mountain employees are designated as “access persons” (“Access Persons”). Based on relevant risk-based assessments, NMC also designates certain non-employee consultants, including New Mountain Senior Advisors¹, as Access Persons for purposes of Rule 204A-1. Compliance may grant written exceptions to the Code.

Rule 204A-1 requires NMC to adopt a code of ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of NMC’s Access Persons. Policies and procedures have been adopted to ensure compliance with the provisions of the Code, including pre-approval of personal securities transactions and a 60-day holding requirement for all positions requiring pre-approval (other than NMFC, which is subject to a longer holding period), annual affirmations of compliance (such as disclosure of disciplinary history, conflicts of interest, etc.) and regular reviews of holdings and transactions. NMC and its Access Persons are generally not permitted to trade in securities maintained on the Firm’s restricted list except in some very limited circumstances that require pre-approval by the Chief Compliance Officer (or a Compliance Representative). NMC has retained ComplySci, a third-party technology vendor, to assist Compliance in the periodic review of all Access Persons’ brokerage statements and other related investment reports.

¹ Generally, New Mountain Senior Advisors are similar to “Operating Partners” who provide general or specific industry expertise on particular projects or transactions. A majority of New Mountain’s Senior Advisors are designated as “access persons” pursuant to Rule 204A-1 and are subject to New Mountain’s Code of Ethics, which therefore allows them to be fully included in New Mountain’s investment reviews. Based on a variety of factors, the Senior Advisors are designated as “non-access persons” and are not subject to New Mountain’s Code of Ethics, which results in more limited or specialized roles. There is no guarantee that New Mountain will continue to employ or engage these Senior Advisors, and New Mountain may hire or engage additional Senior Advisors in the future, who may be full time employees, or consultants. Where engaged as the latter, based on individual circumstances, these individuals may, at New Mountain’s discretion, be designated as either “access” or “non-access” for purposes of Rule 204A-1. Similar to New Mountain employees, New Mountain Senior Advisors may, in connection with activities related or unrelated to New Mountain, also serve as directors of unaffiliated public companies with the notification or approval of Compliance. Senior Advisors may also hold senior management or operating positions at portfolio companies advised by one or more Funds. Management Fees will not be offset by any salary, benefits, directors’ fees, stock options and other compensation granted or paid by portfolio companies to (i) non-employee Senior Advisors for serving on boards of directors, serving in executive management roles or performing the functional equivalent of such roles (and New Mountain may reduce the compensation paid by the Manager to Senior Advisors who serve in roles) or (ii) other New Mountain personnel in respect of services performed in an executive management role at a portfolio company during a period in which such other personnel was not an employee of New Mountain.

Further, the principals of NMC, its employees and New Mountain Senior Advisors may sit on boards of public companies, including those in which the Funds are invested. Board service is subject to the approval of NMC to allow Compliance to identify any actual or potential conflicts.²

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

A copy of NMC's Code is available upon request to Joseph Hartswell, Chief Compliance Officer, New Mountain, 1633 Broadway, 48th Floor, New York, NY 10019.

Participation or Interest in Client Transactions

Principal Transactions

At times, NMC may invest Fund assets in investment vehicles in which its principals, employees or Senior Advisors may have an investment position or NMC may enter into cross trades or other transactions between Funds where the ownership interest in a Fund by NMC or its personnel could be viewed as a principal transaction. In such cases, NMC would affect such transaction only if NMC were to first determine that such trade is in the best interests of the affected Funds and then only in compliance with the requirements of Section 206(3) of the Advisers Act or similar applicable law, and the Governing Documents of the affected Funds, including obtaining any required informed consent from the Advisory Committee or a majority in interest of the investors in the applicable Fund. In addition, as a general matter, no Fund may engage in transactions with affiliates, except for those transactions provided for in the Governing Documents or approved by the Advisory Committee or a majority in interest of the investors of the applicable Fund.

Financial Interests in Fund Transactions

As described in Item 5 – “Fees and Compensation,” in addition to management fees and carried interest, NMC and its affiliates receive directors' fees, transaction fees, break-up fees, advisory fees, monitoring fees or other similar fees with respect to advisory and related services provided in connection with investments by the Funds.

NMC may have a conflict of interest to the extent that it has an opportunity to earn a fee from an acquisition or disposition by a Fund. However, NMC believes that the management fee offset provisions described in Item 5 and the substantial equity commitment by NMC and its affiliates to the Funds substantially mitigates this incentive.

Allocation of Investments

When allocating investment opportunities across Funds, there could be differences in the financial structure of the Funds potentially participating in the opportunity that could introduce an incentive for NMC to favor one Fund over another. However, allocation of investments among parallel and successor Funds are subject to allocation procedures set forth in the Governing Documents of the applicable Funds. In addition, NMC generally does not introduce successor Funds until it is permitted

² All employees must notify Compliance of all outside corporate board memberships and pre-clear such memberships with Compliance.

to do so pursuant to the requirements set forth in the respective Governing Documents. NMC expects to be presented with investment opportunities that fall within the investment objective of multiple Funds, and in such circumstances, to the extent permitted by the Governing Documents, NMC shall allocate such opportunities (including any related co-investment opportunities) among the Funds on a basis that the applicable PE GP determines in good faith to be fair and reasonable taking into account all factors as the applicable PE GP deems relevant, including the sourcing of the transaction, the nature of the investment objective, investment focus, mandate or policies, target return profile or projected hold period, focus of each such other investment fund and/or managed account, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Funds and other considerations deemed relevant by the applicable PE GP “in good faith.”

In addition, because NMC investment professionals have access to the extensive relevant experience of investment professionals throughout the Firm’s various investment strategies, from time to time, an investment opportunity may be identified and determined to be suitable for multiple investment strategies. For instance, a private equity investment may be suitable for a credit fund managed by an advisory affiliate, or a credit investment may be suitable for a NMC private equity fund. In such instances, and subject to the prior approval of the relevant strategy’s portfolio manager(s) and investment committee, the private equity fund(s) or the credit fund(s), as applicable, may participate in and be allocated a particular investment opportunity with the other fund(s) for whom the opportunity most closely aligns to such fund(s)’ investment strategy, up to such amount, if any, that the portfolio manager(s) of each of the relevant strategies, in consultation with Compliance, may determine after considering any potential conflicts of interest, actual or apparent, in accordance with New Mountain’s compliance policies and procedures including its allocation policies.

In addition to NMC’s obligation to invest in investments made by the Funds, the Governing Documents of a Fund permit NMC in its sole discretion to make available co-investment opportunities to strategic investors, lenders, Senior Advisors of New Mountain, limited partners and/or other investors (including third parties). NMC applies its discretion when allocating such opportunities to strategic investors, lenders, Senior Advisors of New Mountain, limited partners and/or other investors (including third parties), taking into account facts and circumstances which may include the nature of the transaction, speed of execution required, tax considerations, familiarity with and history of investing in the relevant industry, ability to provide strategic insights and other factors believed relevant. NMC endeavors to keep itself informed regarding investor interest in co-investment by maintaining records of those investors who have expressed interest in co-investments.

Item 12. Brokerage Practices

The Funds typically invest in private securities and do not ordinarily transact with financial intermediaries, such as broker-dealers, in public securities. To the extent a Fund were to transact in public securities, NMC has authority to determine, without first obtaining specific client consent, the type and amount of securities to be bought or sold, the broker or dealer used and the commission rates paid. In making its decisions regarding the allocation of brokerage transactions, NMC would seek to obtain best execution, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty

of execution; (iii) the financial strength, integrity and stability of the broker-dealer; (iv) the quality, comprehensiveness and frequency of available research services considered to be of value to NMC and its clients; (v) the value of brokerage services over and above trade execution provided to NMC and its clients; (vi) the competitiveness of commission rates in comparison with other broker-dealers satisfying NMC's other selection criteria; and (vii) any other factors NMC considers to be in the best interest of the Funds. Although NMC generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Among other reasons, transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Additionally, NMC may receive an economic benefit by having fees waived or by not being charged for utilizing specialized services, which may include investment adviser electronic information downloads, access to specialized institutional brokerage trading and customer service teams, and/or specialized batched statements. NMC believes that by utilizing these services, NMC is able to more efficiently manage the Funds and execute its fiduciary duties in connection therewith.

Research and Other Soft Dollar Benefits

NMC has no written, third party "soft dollar" arrangement with any broker-dealer at present, but it or one or more of its related persons are expected to utilize both third party and proprietary research and cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker dealers in return for proprietary soft dollar benefits. In so doing, NMC or its affiliates have an incentive to select or recommend the broker-dealer based on its or their interest in receiving research or other products or services and because neither NMC nor its affiliates would have to pay for such research or services directly.

NMC's and its advisory affiliates' clients may and will bear more or less of the costs of soft dollar or other research than other clients who benefit from such products or services. These research products or services may and will also benefit and be used to assist clients of NMC's investment advisory affiliates. Research generated for NMC's private equity strategy will be used to benefit other New Mountain investment strategies.

In the event that NMC does enter into a "soft dollars" arrangement, the following policy will apply to NMC's "soft dollars" practices:

As discussed above, in selecting a broker for any transaction or series of transactions, NMC may consider a number of factors. Where best execution may be obtained from more than one broker, NMC may purchase and sell securities through brokers that provide research, statistical and other information, although not all Funds may in every instance be the direct beneficiaries of the research services provided. Research furnished by brokers may include, but is not limited to, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts.

Broker Selection

In selecting a broker, NMC makes a good faith determination that the amount of such transaction fee

charges is reasonable in comparison to the value of the research services provided and that such research benefits (either alone or together with other investment vehicles managed by NMC and its affiliates) the Fund for which securities transactions are placed. NMC accepts research from brokers in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

Item 13. Review of Accounts

Portfolio companies under NMC's management are monitored on a regular basis by each of the portfolio management deal teams, which are led by one or more NMC Managing Directors and Directors, and are also subject to review by NMC's entire professional staff during NMC staff meetings that are generally held on a weekly basis. Additionally, certain documents and records relating to the limited partner accounts (i.e. financial, accounting, etc.) are prepared, maintained and reviewed in more detail by the Firm's Chief Financial Officer, Controller and Accounting Team, as appropriate.

NMC does not provide reports to the Funds. Rather, the Funds to which NMC provides investment advice furnish each investor in such Funds with a quarterly report and annual audited financial statements (See Item 15 – "Custody" below).

Item 14. Client Referrals and Other Compensation

NMC does not receive any economic benefit (including commissions, equipment or non-research services) from a non-client for providing investment advice or other advisory services to the client Funds.

NMC has paid, and may in the future pay, placement agent and other similar fees to third parties for soliciting or referring prospective investors to it in accordance with applicable state and local laws, and U.S. SEC rules and regulations during relevant fundraising periods for Funds. In these instances, any placement or other similar fees paid by NMC to third parties offset the asset-based management fee with respect to such Fund as discussed under Item 5 – "Fees and Compensation" above.

Item 15. Custody

NMC is deemed to have custody of client funds or securities because it or its related persons serve as the investment manager or general partner of each Fund and hence have access to client funds or securities. Investors will not receive statements from the custodian. Instead, the Funds are subject to an independent annual audit. The audited financial statements are prepared by the Funds in accordance with generally accepted accounting principles and are audited by an independent auditor in accordance with generally accepted auditing standards and are generally distributed within 90 days of the applicable Fund's fiscal year end, pursuant to such Fund's Governing Documents.

Item 16. Investment Discretion

The applicable PE GP has discretionary investment authority for a Fund. Generally, this discretion is subject only to the investment guidelines set forth in the Governing Documents of the applicable Fund and certain investor-imposed restrictions.

Item 17. Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, NMC is charged with identifying the proxies upon which NMC will vote, voting the proxies in the best interest of clients, and submitting the proxies promptly and properly. All proxies that NMC receives will be treated in accordance with these policies and procedures.

NMC's policy is to vote client proxies in what it determines to be in the interest of maximizing investor value. To that end, NMC will vote in a way that it believes is consistent with its fiduciary duty, and in a way that NMC believes will cause the issue to increase the most or decline the least in value as a result of the vote. Consideration will be given to both the short-term and long-term implications of the proposal to be voted on when considering the optimal vote.

When voting proxies, NMC will take steps to detect and address conflicts of interest between the interests of its clients and the interests of NMC, its employees, and its affiliates. Investment professionals will be responsible for escalating any conflicts of interest to Compliance. Compliance will be responsible for determining the proper course of action for handling the conflict and may resolve such conflict by relying on the recommendation of a disinterested third-party, seeking the direction of the affected client, or abstaining from voting. Any conflicts escalated to Compliance will be documented along with the course of action taken to resolve such conflicts.

Each Fund's Governing Documents include provisions for the identification and mitigation of conflicts of interest. The Governing Documents for certain Funds may also provide for an Advisory Committee comprised of a small group of investors who are convened at NMC's request to address conflicts. In these cases, conflict resolution will be addressed with the Advisory Committee as contemplated in the applicable Governing Documents.

A copy of NMC's proxy voting policies and procedures is memorialized in writing and are available for review upon request. Information on how NMC voted proxies is also available upon request to: Joseph Hartswell, Chief Compliance Officer, New Mountain, 1633 Broadway, 48th Floor, New York, NY 10019.

Item 18. Financial Information

NMC has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.