



Form ADV Part 2A: FIRM BROCHURE

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This brochure ("Brochure") provides information about the qualifications and business practices of Edgewater Capital Management, LLC ("ECM"). If you have any questions about the contents of this Brochure, please contact us at (216) 292-3838 or bleonard@edgewatercapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

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

Additional information about ECM is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since ECM's last annual update of the Brochure on March 28, 2022, the Firm filed an other-than-annual amendment on February 13, 2023 to reflect additional owners of the management company. Since the last annual update of the Brochure, ECM has also closed on a new investment fund, Edgewater Capital Partners V, LP.

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

- Item 4: updated to reflect regulatory assets under management as of December 31, 2022,
- Item 5: updated fees and expenses in connection with the new funds, and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest in connection with the new fund.

Item 3 – Table of Contents

Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business.....	0
Item 5 – Fees and Compensation.....	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	11
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	15
Item 9 – Disciplinary Information	39
Item 10 – Other Financial Industry Activities and Affiliations.....	40
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...42	
Item 12 – Brokerage Practices.....	45
Item 13 – Review of Accounts	46
Item 14 – Client Referrals and Other Compensation.....	48
Item 15 – Custody	48
Item 16 – Investment Discretion.....	49
Item 17 – Voting Client Securities.....	50
Item 18 – Financial Information	51
Form ADV Part 2B: BROCHURE SUPPLEMENT	52

Item 4 – Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Edgewater Capital Management, LLC (“ECM” or the “Firm”), an Ohio limited liability company, is a private equity firm based in Cleveland, Ohio. Founded in 1998, ECM focuses on acquiring performance products companies in the lower middle market. The Firm has extensive experience and expertise with niche manufacturers of specialty chemicals, pharmaceuticals and engineered substances.

ECM serves as the investment adviser for, and currently provides discretionary investment advisory services to, the following private funds: Edgewater Capital Partners II, LP (“Fund II”); Edgewater Capital Partners III, LP (“Fund III”); Edgewater Capital Partners IV, LP (“Fund IV”); and Edgewater Capital Partners V, LP (each, a “Fund” and collectively, the “Funds”). In addition, as described more fully in Item 7 below, the Firm also permits certain investors and third parties to co-invest alongside a Fund directly into a portfolio company. Such direct co-investments are not considered Funds or clients of ECM.

Each Fund is affiliated with a general partner (each a “General Partner,” or collectively the “General Partners”) with authority to make investment decisions on behalf of the Funds. Edgewater Group II, LLC is the General Partner of Fund II; Edgewater Group III, LLC is the General Partner of Fund III; Edgewater Group IV, LLC is the General Partner of Fund IV; and Edgewater Group V, LLC is the General Partner of Fund V. These General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (“Advisers Act”) pursuant to ECM’s registration in accordance with SEC guidance. The applicable General Partner of each Fund retains investment discretion and investors in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, ECM has been designated the role of investment adviser. References to ECM throughout this Brochure also references the General Partner entities, unless the context otherwise requires. For more information about the Funds and General Partners, please see ECM’s Form ADV Part 1, Schedule D, Section 7.A.(1) and Section 7.B.(1).

Principal Owners/Ownership Structure

ECM is owned by Ryan Meany, Christopher Childres, Robert Girton, Peter Ostergard and Brian Leonard. For more information about ECM’s owners and executive officers, see ECM’s Form ADV Part 1, Schedule A.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of

investment advice you offer, and disclose that your advice is limited to those types of investments.

ECM provides investment advisory services as a manager to its Funds. The Funds invest through privately negotiated transactions in operating companies in the performance products industry (generally referred to as “portfolio companies”), with a focus on companies in the lower middle market. Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although the senior principals or other personnel and/or third parties appointed by ECM will generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds. In addition, in some cases, ECM will more directly influence the day-to-day management of a portfolio company by recruiting and installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles. ECM’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions of such investments. Investments are made predominantly in nonpublic companies.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

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

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities, other than through side letter agreements. Investors in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, ECM has entered into side letters or similar agreements with certain investors including those who make substantial commitments of capital or were early-stage investors in the Funds, or for other reasons in the sole discretion of ECM, in each case that have the effect of establishing rights under, or altering or supplementing, a Fund’s Governing Documents. Examples of side letter rights entered into include certain notification provisions, disclosure of confidential information, transfer rights, indemnification provisions, provisions whereby investors have expressed

an interest in participating in co-investment opportunities, advisory board representation, reporting requirements, tax matters and most favored nations provisions, among others. These rights, benefits or privileges are not always made available to all investors nor in some cases are they required to be disclosed to all investors, consistent with general market practice. Side letters are negotiated at the time of the relevant investor's capital commitment, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other investors.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

ECM does not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

As of January 27, 2023, ECM managed approximately \$366,074,704 in Fund regulatory assets, all managed on a discretionary basis. ECM does not manage any investments on a non-discretionary basis.

Item 5 – Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

ECM and its affiliated General Partners receive fees and compensation in exchange for advisory services provided to the Funds, including management fees, carried interest, additional compensation in connection with management services performed for the portfolio companies of the Funds and reimbursements from portfolio companies for certain expenses advanced on their behalf. Differences exist from Fund to Fund and certain Funds do not charge certain fees, compensation or expenses that other Funds charge, or charge them in different amounts. The following is a general description of fees and compensation of the Funds. Investors should refer to the Governing Documents of the applicable Fund for a complete understanding of how ECM is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

Management Fees

ECM charges each Fund a management fee (the “Management Fee”) that generally ranges from 2.0% to 2.5% per annum of capital, either committed or invested, depending on the life-stage of the applicable Fund. Management Fees are generally subject to reduction following the end of the period of time during which each Fund is making investments and a further reduction if ECM or its affiliates raise a successor fund. Management Fees are payable during term extensions unless otherwise agreed to with investors. The Management Fee charged to each Fund is specified in the Governing Documents of such Fund. All Management Fees are negotiated with a Fund’s investors during the fundraising period of the applicable Fund and are not subject to negotiation thereafter.

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the Management Fee. Fees are generally waived for ECM employees who invest in a Fund through a Fund’s General Partner (although these investors generally pay their pro rata share of certain Fund expenses).

Management Fees will generally be reduced by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by ECM in connection with the organization of a Fund that exceed a limit as specified in such Fund’s Governing Documents; and (iii) certain supplemental fees and compensation with respect to portfolio companies including transaction, monitoring, advisory, investment banking, directors, break-up or other similar fees (including cash and non-cash fees with any options, warrants or similar rights valued as of the earlier of the exercise date thereof or the liquidation of a Fund). Once an annual allocation of such supplemental fees has been exceeded, all such supplemental fees received in excess of that amount are offset in whole or in part, depending on the Fund, against the Management Fee, net of any expenses incurred in connection with such portfolio company.

For clarity, the following fees or expenses do not offset Management Fees, in each as applicable: (i) any fees or compensation received by or on behalf of non-ECM employees, including non-employee Operating Partners; (ii) reimbursements from a portfolio company; (iii) fees or compensation borne by a Fund; (iv) broken deal expenses; (v) profits interests or compensation to an affiliate that was entered into prior to such person becoming an affiliate of ECM, regardless of when the interests, compensation or amounts crystallize or vest; or (vi) any portfolio company directors’ or board fees paid by a former portfolio company to an ECM employee or former employee who remains on the company’s board of directors following the Fund’s disposition of its investment in the company.

ECM generally has discretion over whether to charge portfolio company fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company’s holding or operating structure. The amount of such supplemental fees are paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by ECM on a transaction by transaction

basis, subject to the terms set forth in each Fund's Governing Documents. In most circumstances, such compensation is not reviewed or approved by an independent third party. There can be no assurance that the amount of fees charged will be proportional to the amount of work performed on behalf of a portfolio company.

On occasion, in certain circumstances (such as a portfolio company's liquidity needs or otherwise) ECM determines in its discretion to waive, defer or renegotiate, in whole or in part, the amount of supplemental fees received from a portfolio company. ECM endeavors to require the payment of such fees only to the extent permitted by the earnings or cash position of the applicable portfolio company, and ECM will defer or forego the payment of such fees if the portfolio company's earnings or cash position render the payment of such fees if too burdensome for the portfolio company or at such time a senior credit agreement prohibits the payment of such fees. In the case of amounts deferred, such payments will generally be payable in the future, which could result in a single payment or installments of repayment amounts that are larger than if the fees had originally been paid in increments. ECM makes such determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly-situated portfolio companies.

To the extent that an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to investors that have not elected to waive such amount for tax or other reasons. The amount and manner of such reduction is set forth in the relevant Governing Documents of the applicable Fund.

Carried Interest

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

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

Management Fees are deducted from the applicable Fund's account quarterly, in advance, after being funded as a result of a capital call.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will

incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Fund Expenses

Each Fund is governed by its own Governing Documents, which detail a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund. The Funds will pay all expenses of operating the Funds, their subsidiaries and intermediate entities (which expenses differ across Funds), except those reimbursed by a portfolio company, including (but not limited to) fees, costs, expenses, liabilities and obligations relating or attributable to: (a) activities with respect to origination and sourcing of investment opportunities for a Fund, including meeting with broker-dealers, investment banks and other sources of investments and developing an investment pipeline; (b) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to periodicals, databases or research services, or attendance at or sponsorship of conferences), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, portfolio companies and a Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert network, deal-sourcing and service providers, third-party diligence software and service providers, consultants (including consulting, advisory and retainer fees, salary, expense reimbursement and other compensation paid and benefits provided to Operating Partners, other consultants, industry executives and subject matter experts performing investment initiatives or providing other services) and similar professionals in connection therewith and any fees and expenses related to transactions offered to co-investors whether or not consummated), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (c) indebtedness of, or guarantees made by, a Fund or ECM on behalf of such Fund (including any proposed or actual subscription credit facility or any similar credit facility, subscription line, letter of credit or similar credit support), including repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee, including debt service obligations (excluding principal repayment) or other fees, expenses and other amounts payable in connection therewith; (d) financing, commitment, origination and similar fees and expenses; (e) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (f) compliance with other agreements; (g) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting, tax and other professional services; (h) expenses associated with the reporting, filings or other ongoing compliance requirements contemplated by the AIFMD; (i) reverse breakup, termination and other similar fees; (j) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance

(including cyber insurance) and regulatory expenses, including any costs and expenses related to any retention or deductibles; (k) filing, title, transfer, registration and other similar fees and expenses; (l) printing, communications, marketing and publicity; (m) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with investors or any other administrative, compliance or Fund-related or investment-related regulatory filings or reports (including Form PF) or other information, including fees and costs of tracking and reporting software, valuations, appraisals, fairness opinions or pricing services, any third-party administrator, service providers, distribution agents and professionals related to the foregoing; (n) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Funds or its investors; (o) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information; (p) to the extent provided in the Governing Documents, or otherwise approved by ECM in its sole discretion, activities or proceedings of the advisory board (including any costs and expenses incurred by representatives of ECM, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (q) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any investor or other person pursuant to the relevant Governing Documents or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that is subject to a right of indemnification pursuant to the relevant Governing Documents), except as otherwise set forth in such Governing Documents; (r) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (s) any annual investor meeting or other periodic, if any, meetings of the investors, any other conference or meeting with any investor(s) and any periodic executive forum of portfolio company management and/or other persons, in each case to the extent incurred by the Funds, ECM or any other affiliate of ECM, regardless of whether all of the individuals attending or otherwise participating in any such meeting are Fund investors or representatives thereof; (t) the Management Fee; (u) except as otherwise determined by ECM in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund Expense if it were incurred in connection with the Funds, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Funds to the extent not paid by the investors investing in such entities, and any other costs and expenses related to any structuring or restructuring of the Funds and/or its affiliated entities; (v) the termination, liquidation, winding up or dissolution of the Funds; (w) defaults by investors (other than affiliates of ECM) in the payment of any capital contributions; (x) amendments to, and waivers, consents or approvals pursuant to, the constituent documents (including other agreements) of a Fund, any parallel fund, ECM and any alternative investment vehicle of such Fund or any parallel fund, including the preparation, distribution and implementation thereof; provided that, with respect to amendments to, and waivers, consents or

approvals pursuant to, the constituent documents (including other agreements) of ECM, such amendments, waivers, consents or approvals relate to the affairs of such Fund, any parallel fund or any alternative investment vehicle thereof; (y) (i) complying with any law, regulation or policy related to the activities of a Fund (including any legal fees and expenses related thereto and any regulatory expenses of ECM incurred in connection with the operation of such Fund) and/or (ii) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the relevant Governing Documents; (z) any third-party experts, including independent appraisers, engaged by ECM in connection with the Funds considering, making or holding an investment in the same entity as one or more investment vehicles (other than the Funds) managed or controlled by ECM or any of its affiliates; (aa) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated in the relevant Governing Documents, to the extent such expenses are not recovered from the transferring Limited Partner or the transferee; (bb) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of such Fund (except to the extent that the Fund is reimbursed therefor by an indemnifying investor or such tax, fee or charge is treated as having been distributed to the investors pursuant to the relevant Governing Documents); (cc) distributions to the investors and other expenses associated with the evaluation, diligence, acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (dd) compliance or regulatory matters related to a Fund, except as otherwise set forth in the Governing Documents; (ee) any legal, administrative, regulatory, or compliance costs (including FATCA) and expenses, including, costs and expenses of any administrative, compliance or regulatory filing (including in connection with CFIUS and the DPA, but not including costs and expenses related to compliance with the Advisers Act); (ff) unreimbursed costs and expenses associated with the Operating Partners; (gg) any other fees, costs, expenses, liabilities or obligations approved by the advisory board; (hh) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; provided that airfare expense is limited to the cost of first class commercial airfare; and but excluding Organizational Expenses and Manager Expenses (collectively, the "Fund Expenses").

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio company or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions (*i.e.*, broken deal expenses) are paid by the relevant Fund(s) selected as proposed investors in such transaction.

For information on ECM's brokerage practices and fees, please see Item 12, below.

Expense Reimbursement

Certain expenses related to ECM's oversight of portfolio companies incurred on behalf of the Funds are reimbursed by a portfolio company pursuant to a management services agreement with the portfolio company. These expenses are paid by ECM and reimbursed by a portfolio company or paid directly by a portfolio company. Such expenses can include, without limitation: (i) travel expenses, which can include expenses for first-class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) use of premium black car and other car services, which from time to time include waiting time and (b) social and entertainment events, including closing dinners and mementos with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings, conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) premium meals (including outside normal business hours); (iv) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (v) indemnification expenses; (vi) insurance; (vii) corporate filings; (viii) certain legal expenses; (ix) similar out-of-pocket expenses; (x) consulting fees; and (xi) other consideration and expenses.

In addition, to the extent a Fund or ECM initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, ECM will determine, subject to its ultimate discretion, whether to cause such other Fund or portfolio company to reimburse the initial Fund or ECM for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by ECM, a General Partner or their respective affiliates will not be offset against the Management Fee payable by the Funds.

Offering and Organizational Expenses

Each investor will bear its pro rata share of the Fund's Organizational Expenses. The amount and type of permitted Organizational Expenses can, as applicable, vary by Fund and is further detailed in the Governing Documents of each such Fund. Any amounts in excess of such permitted limit are borne by ECM through a dollar-for-dollar offset against Management Fees.

Operating Partner Fees and Expenses

ECM and its affiliates engage and retain employee and non-employee advisers, consultants, operating partners, executive partners and other similar professionals ("Operating Partners") or affiliates of ECM. These Operating Partners provide services such as sales, marketing, technology, human resources, acquisition integration/rationalization and/or other operations services, acquisition or other due diligence or similar services to the Funds, the portfolio companies or their affiliates (including any entity that a Fund uses to invest in a portfolio company). The nature of the relationship with each of the Operating Partners and the amount of time devoted or required to be devoted by them varies. In certain cases, Operating Partners provide the Funds and/or ECM with help on isolated projects, such as industry-specific insight and feedback on investment themes, assistance in

transaction due diligence and making introductions to and providing reference checks on management teams. In other cases, Operating Partners take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. There can be no assurance that any of the Operating Partners will continue to serve in such role and/or continue their arrangement with ECM and/or any portfolio company throughout the terms of the Funds.

Operating Partners' fees and expenses for all activities not related directly to a specific portfolio company, including general marketing, deal-flow generation and other general Fund activities will be treated as a Fund expense. Operating Partners providing services related to a specific portfolio company or prospective portfolio company that closes will be compensated by the portfolio company to which they provide services by receiving a stipend, board fees, directors' fees, phantom options, equity awards or other forms of compensation or equity in such portfolio company. In addition, Operating Partners may receive a transaction fee upon the acquisition of such portfolio company, which will be paid from the transaction proceeds at closing. If an Operating Partner is providing services in connection with the acquisition of a portfolio company that does not close, then the compensation of such Operating Partner will be a Fund expense. For Fund V, the receipt of such fees will result in an offset to the Management Fee, while for Funds II – IV, the receipt of such fees will only result in an offset to the Management Fees for non-employee Operating Partners. In the event an Operating Partner provides work directly to a portfolio company in addition to board service, any such fees are paid by the portfolio company directly to the Operating Partner.

In addition, Operating Partners typically incur expenses while working with ECM portfolio companies or potential portfolio companies, including but not limited to, the cost of travel to portfolio companies and other out-of-pocket costs, and such expenses are paid or reimbursed by either ECM (generally in the case of work performed for the management company), the relevant portfolio company (generally in the case of consummated transactions) or the relevant Fund (generally in the event the deal is not consummated). Such reimbursable expenses are not offset against Management Fees.

The determination of the appropriate form and amount of compensation for such services takes into account a variety of factors but will ultimately be at the discretion of ECM. Some Operating Partners are also investors in the ECM Funds and participate as direct investors in portfolio companies in which they are involved.

Fee Receipt Allocation

From time to time, ECM, a Fund or portfolio company agrees to pay a transaction fee, portion of the Management Fee, Carried Interest, equity grant or other fee to a third party, such as a consultant, adviser, Operating Partner, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments based on the applicable portfolio company meeting

certain success hurdles. Such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on a Fund's investment and indirectly reduces the proceeds available for distribution to the relevant Fund at the time of such portfolio company's sale. None of these fees or compensation offset Management Fees payable by a Fund.

Co-Investment Fees and Expenses

In certain circumstances, ECM permits certain investors to co-invest in investments alongside one or more Funds, subject to ECM's related policies and procedures, the relevant Fund Governing Documents and/or side letter(s) or similar arrangements or agreements with lenders. ECM does not control these co-investment vehicles, does not collect Management Fees from these co-investment vehicles or treat these co-investment vehicles as clients. Co-investors participating in such investments make their investment directly into a portfolio company holding company. Where a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds, and are generally recorded at such portfolio company.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any fees and expenses generated in the course of evaluating such investments, including out of pocket fees associated with due diligence, attorney fees, fees of other professionals and various other fees relating to such proposed but not consummated transaction ("broken deal expenses") therefore will generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors, that were to have participated in such transaction. Co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in a portfolio company through a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such broken deal expenses (which will generally be capitalized at such portfolio company).

Allocation of Fees and Expenses

In good faith and in its fair and reasonable discretion, ECM determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, multiple Funds or a portfolio company. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, ECM will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable governing documents, the portion of the expense attributable to such Fund(s) will be borne by ECM.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

The Funds pays ECM Management Fees quarterly in advance on the first day of a quarterly period. In the event that a Fund terminates its advisory contract with ECM in accordance with such Fund's Governing Documents, any pre-paid Management Fees will generally be prorated for the period during which the Firm has served as investment adviser to such Fund and a refund will be issued for any remaining days in such period. The Funds are closed-ended investment vehicles intended for a long-term investment. Accordingly, Management Fees are expected to be paid, except as otherwise described in the relevant Governing Documents, and investors generally are not permitted to withdraw or redeem interests in the Funds.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Neither ECM nor any supervised person accepts compensation for the sale of securities or other products, other than as described in this Item 5 and in Item 6 below and throughout this Brochure.

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

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the funds it manages. As described above in Item 5, each Funds' General Partner receives a Carried Interest allocation on certain realized profits in the Funds equal to up to 20% of all realized profits (although some Funds charge a lower Carried Interest allocation) subject to an 8% annually compounded preferred return (or hurdle) and subject to reimbursement of all relevant Fund Expenses, including Management Fees. Calculated based on cumulative realized gains and income only, the Carried Interest allocated to a General Partner as portfolio holdings are liquidated or otherwise monetized and is subject to a potential after-tax giveback if the respective General Partner has received excess cumulative distributions. Each Fund's Carried Interest calculation, as well as the

clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by each investor prior to investment in such Fund.

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

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

ECM manages multiple Funds with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to ECM's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although ECM generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is substantially invested or committed as more fully described in the applicable Fund's Governing Documents, management of side-by-side Funds can create an incentive for the Firm or its personnel to favor a Fund in which ECM or an affiliate has a greater financial interest. To the extent that ECM has Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or ECM personnel are assigned varying percentages of Carried Interest from a Fund, ECM and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, ECM allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with ECM's policies and procedures regarding investment allocation, applicable Governing Documents and taking into consideration certain factors as determined in the Firm's sole discretion, which include, but are not limited to: the

amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity legal, tax and regulatory considerations; and any other factors deemed relevant by ECM. ECM's procedures are designed to ensure that all investment decisions are made in accordance with ECM's fiduciary duties to its Funds and without consideration of ECM's (or its affiliates' or employees') pecuniary interest. ECM will not allocate investment opportunities based in whole or in part on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. Investment allocation decisions are determined by the investment committee.

Item 7 – Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

ECM provides investment advice to its Funds, which are exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder ("Investment Company Act"). The Funds rely on different exemptions from the Investment Company Act, but will limit their respective investors to: (i) "accredited investors" as defined in the Securities Act of 1933, as amended (the "Securities Act"), and either (ii) "qualified purchasers" or "knowledgeable employees," each as defined in the Investment Company Act, or (iii) if applicable, "qualified clients," as defined in the Advisers Act. Investors in the Funds must also meet certain other suitability qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act; are not made available to the general public; their securities are not registered or required to be registered under the Securities Act; and are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to ECM and/or the Funds. The Funds typically require capital commitments from each investor of at least \$5 to \$10 million, depending on the Fund as well as other factors, such as whether the investor has invested in prior ECM Funds, although the applicable Fund's General Partner has, in its sole discretion, accepted lesser amounts.

The investors participating in the Funds include individuals, other investment entities, university endowments, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, corporations, limited partnerships, limited liability companies or other business entities, Operating Partners or other service providers retained by ECM, and typically include, directly or indirectly, principals or other employees of ECM and its affiliates and members of their families.

ECM will generally pursue all appropriate investment opportunities through its Fund vehicles, subject to certain limited exceptions. However, from time to time, ECM generates co-investment opportunities if ECM determines that (i) an investment requires additional capital in order to complete a portfolio company transaction, (ii) all or a portion of an applicable opportunity to invest in an existing or prospective portfolio company is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund's Governing Documents or otherwise, (iv) ECM believes the Fund will benefit from the participation of the co-investor(s) or (v) as required by a lender as part of making a loan to the investment. Such determinations are based on the provisions of the applicable Governing Documents, side letter agreements and such other factors as ECM will consider in its sole discretion, including those specified from time to time in its policies on investment allocation and co-investments. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no investor has a right to participate in any co-investment opportunity. ECM's exercise of discretion in allocating co-investment opportunities often will not always result in proportional allocations among co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to ECM's Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors.

ECM will select the investors that are permitted to co-invest in a particular portfolio company in its sole discretion based on various factors, including those detailed in its Governing Documents and as outlined in its internal policies and procedures. While one or more investors in the Funds are on occasion invited to co-invest in a Fund's portfolio companies, ECM is authorized in its sole discretion to offer any or all of a co-investment opportunity to investors that are not investors in the Funds. Opportunities to invest in a portfolio company are made available to select Fund investors and third parties, including, without limitation, management or founders of the applicable portfolio company, strategic investors, lenders, deal sources (including finders and consultants), Operating Partners, other sponsors (including other private equity or venture capital firms), service providers, other persons or entities affiliated, associated or otherwise known to ECM or its personnel and unrelated third parties. Certain service providers, including lenders and individuals who source transactions have in the past and are expected in the future to negotiate co-investment rights or co-investment priority rights as a component of their compensation in connection with the services provided.

ECM does not consider these direct co-investments to be a Fund or a client, does not charge Management Fees or Carried Interest to the co-investment, does not have custody of the co-investment or include the amount of assets of the co-investment in the Firm's regulatory assets under management. In such direct co-investment opportunities, ECM will perform management, advisory and other services for the portfolio companies in which these co-investors invest, generally at no

additional cost to such co-investors expect portfolio company fees and expenses (which such fees and expenses are recorded at the portfolio company).

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds also will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment may acquire such interest on terms that do not reflect the then-current value of such investment. In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process.

In the event ECM is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund will often consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant Fund Governing Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

The investment program of the Funds is focused primarily on (i) the acquisition of performance products businesses, particularly those companies that ECM views as having superior competitive and investment dynamics operating in industries where the principals have extensive experience and expertise and (ii) companies operating in the lower middle market (which ECM generally considers to be transactions ranging in value from \$10 million to \$100 million). ECM defines performance

products businesses as including specialty chemicals, pharmaceuticals and engineered substances and components and believes that such companies typically possess several attributes that make them highly attractive. These attributes include (i) high barriers to competition, (ii) high margin characteristics, (iii) market fragmentation and (iv) robust revenue growth potential. In addition, the Firm believes that it benefits from the principals' ability to enhance corporate value by directing effective operational and strategic improvements at the portfolio company level.

The applicable Governing Documents of each Fund set forth more detailed descriptions of each Fund's investment strategies and methods of analysis. There can be no assurance that ECM will achieve the investment objectives of the Funds and a loss of investment is possible.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

Risks

Dependence on ECM Personnel. The success of the Funds will be highly dependent on the financial and managerial expertise of the principals and other individuals employed by ECM and its affiliates. Although the relevant General Partner will consult with, and in certain circumstances will seek the approval of, the advisory board, investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Funds. In order to safeguard their limited liability, investors will be relying entirely on such persons to manage the business of the Funds. There can be no assurance that the composition of the professionals making up particular industry sector investment teams, that the professionals who have contributed to the past performance of any prior ECM Funds will not change over time, that such professionals will serve in the same or similar roles or even that the principals or the other key investment professionals will continue to be associated with or employed by ECM or its affiliates throughout the life of the Funds. The loss of one or more of these individuals can have a material adverse effect on the performance of the Funds. There is ever-increasing competition among alternative asset managers, financial institutions, private equity firms, financial sponsors, investment managers and other industry participants for hiring and

retaining qualified investment professionals. There can be no assurance that ECM personnel or its Operating Partners or advisors will not be solicited by and join competitors or other firms and/or that ECM will be able to hire and retain any new personnel, Operating Partners or advisors that it seeks to maintain or add to its roster of investment professionals.

Illiquidity of Fund Interests. Interests in the Funds have not been registered under the Securities Act or the securities laws of any state, country or other jurisdiction and cannot be resold unless they are subsequently registered under the Securities Act and other applicable U.S. and non-U.S. securities laws or an exemption from registration is available. It is not expected that registration of the Fund interests under the Securities Act or other securities laws will ever be affected. There is no public market for interests in the Funds and none is expected to develop. Interests in the Funds are not transferable except with the prior consent of the relevant General Partner, which can be granted, rejected or conditioned. Withdrawals of interests in the Funds are not permitted, except as set forth in the Governing Documents in extraordinary circumstances when necessary in connection with laws or regulations applicable to an investor, including regulations under ERISA. Although an active secondary market for the trading of private equity fund interests has developed, there can be no assurance that an investor will find a willing buyer at an acceptable price who will be approved by the relevant General Partner to be admitted as an investor to a Fund upon the sale by the investor of its interest in such Fund. Consequently, investors will at times not be able to liquidate their interests in the Fund in which they have invested prior to the termination of the Fund and must be prepared to bear the risks of owning interests in the Fund for an extended period of time.

Fund Borrowing. Subject to the limitations set forth in the Governing Documents, a Fund has the ability, at any time before or after the end of the investment period, to borrow funds to make investments on a leveraged basis and can withhold from distributions amounts necessary to repay such borrowings. While unlikely, it is possible the interest expense and other costs incurred in connection with such borrowings may not be recovered by income from investments purchased by a Fund. If investment results fail to cover the cost of borrowings, the value of the portfolio held by a Fund will decrease faster than if there had been no such borrowings. Additionally, if the investments fail to perform to expectation, the interests of investors in a Fund will be subordinated to such leverage, which will compound any such adverse consequences. In connection with one or more credit facilities entered into by a Fund, distributions to the investors can be subordinated to payments required in connection with any indebtedness contemplated thereby. Further, to the extent income received from investments is used to make interest and principal payments on such borrowings, investors can sometimes be allocated income, and therefore tax liability, in excess of cash received by them in distributions. Borrowings can be secured by assignment of a Fund's right to require of investors to make capital contributions to a Fund and a security interest in investments. Any default by a Fund under a credit facility can, depending on the terms of the credit facility, enable a lender to cause a Fund to take action against any investor to the extent of its then-remaining undrawn commitments. Additionally, in the event of a failure to pay or other event of default under any such credit facility, the lenders could cause a Fund to require investors to fund their entire remaining

unfunded commitments. In the event that the lenders require investors whose capital commitments have been pledged to fund their capital commitment to a Fund to repay indebtedness, the failure of certain of those investors to honor their capital commitments has the potential to result in the remaining investors' repayment obligations exceeding their pro rata share of the indebtedness. The leverage can limit the investors' ability to use their interests in a Fund as collateral for other indebtedness. In addition, calling a large amount of capital at once to repay the then-current amount outstanding under the credit facility could cause liquidity concerns for investors that would not arise had the Firm called smaller amounts of capital incrementally over time as needed. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time. If a Fund defaults on secured indebtedness, the lender can generally exercise its authority to foreclose and the Fund would potentially lose its entire investment in the security for such loan. A credit facility at the Fund level can also place restrictions on payments to equity holders, including prohibitions on payments in the event of any default (or continuance thereof) under such credit facility.

ECM is permitted to fund the making of portfolio investments and other capital needs with proceeds from drawdowns under one or more revolving credit facilities, the collateral for which can be, for example, one or more assets of a Fund (*i.e.*, asset-backed facilities) or the undrawn capital commitments of investors (*i.e.*, subscription lines) prior to calling for capital contributions. For administrative convenience, ECM can determine not to draw down capital until following the final closing of a Fund. Capital calls, including those used to pay interest on subscription lines, asset-back facilities and other indebtedness, may from time to time be "batched" together into larger, less frequent capital calls or closings, with a Fund's interim capital needs being satisfied by borrowing money from such credit facilities. The interest expense and other costs of any such borrowings will be Fund Expenses and, accordingly, decrease net returns of the Funds. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such portfolio investments, or repay borrowings used to fund such portfolio investments, are actually made to a Fund. In light of the foregoing, ECM has an incentive to fund the acquisition and ongoing capital needs of portfolio investments and a Fund with the proceeds of such borrowings in lieu of drawing down capital commitments. As a general matter, use of leverage in lieu of drawing down capital commitments amplifies returns (either negative or positive) to investors.

Difficulty of Locating Suitable Investments; Competitive Marketplace. The success of the Funds will depend on the ability of the principals and other key investment professionals to identify suitable investments, to negotiate the purchase of these investments at a price and on terms acceptable to the Funds, to arrange the closing of appropriate transactions and to arrange the timely disposition of investments on favorable terms. There can be no assurances that there will be a sufficient number of suitable investment opportunities to enable a Fund to invest all of its committed capital in opportunities that

satisfy the Fund's investment objective, or that such investment opportunities will lead to completed investments by such Fund. Additionally, identification of attractive investment opportunities generally will be subject to market conditions. The Funds can face increasing competition for such opportunities over time. The investment opportunities the Funds identify can on occasion be through auctions or limited auctions where there is a substantial amount of competition among prospective buyers of these companies, including other private equity firms. There can be no assurances that once an investment opportunity is identified the seller will select a Fund to make an investment. Further, even if a Fund is selected, there can be no assurances that the investment will still be deemed an appropriate investment opportunity for that Fund after due diligence is completed.

Control Person Liability. A Fund will generally hold controlling interests in portfolio companies. The exercise of control over a portfolio company can impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, failure to withhold and make tax payments, violation of laws and governmental regulation (including securities laws) and other types of liability for which the limited liability generally characteristic of business ownership can, in certain circumstances, be ignored. If these liabilities were to arise, a Fund has the potential to suffer a significant loss. The exercise of control over a portfolio company can expose the assets of a Fund to claims by the portfolio company, its security holders and its creditors. A Fund can still incur significant costs in defending those claims, even in the case that a Fund is a prevailing party.

Non-Controlling Investments. While the Funds expect to hold controlling interests in portfolio companies, they are also permitted to hold non-controlling interests in a portfolio company. As a condition of making non-controlling investments in portfolio companies, a Fund typically seeks to obtain appropriate shareholder rights to protect the Fund's investment, but it will not always be possible to obtain such rights. If a Fund does not have a controlling position or shareholder rights to protect its interests, it is possible the portfolio company or other shareholders will be able to take actions that negatively impact the value of a Fund's investments or that prevent a Fund from disposing of its investments in the portfolio company.

Nature and Illiquidity of Fund Investments. Almost all of the Funds' investments will be highly illiquid, and there can be no assurances that a Fund will be able to realize a positive return on such investments. The illiquidity of the Funds' investments is the result of several factors, including the fact that the Funds will invest in illiquid securities of privately held companies and seek to generate returns by selling these securities in a private sale to a strategic buyer or to another private equity firm. There can be no assurances that a Fund will be able to complete sales of portfolio company securities at attractive prices and otherwise on acceptable terms and conditions. The Funds are permitted, under certain circumstances, to attempt to sell portfolio company securities in a public offering. Any such public offering of securities would require a substantial investment of time and attention by the principals and other key investment professionals and a substantial cash expense by the portfolio company whose securities are being registered, in part because the laws of the U.S. and the various

countries in which such securities will generally be offered, and the regulations of applicable securities exchanges, can be quite burdensome and complex. There can be no assurances that a market for the securities of any company held by a Fund would exist even following a public offering.

The cultivation of an investment for disposition, together with the disposition itself, can involve a substantial amount of time. Even when an investment is successfully disposed, some of the consideration is often deferred through the use of lock ups, earn-outs, promissory notes, escrows, holdbacks and other similar arrangements.

A significant portion of the Funds' investments are in equity or equity-related investments which, by their nature, involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial loss of principal. There can be no assurance that the principals and other key investment professionals will correctly evaluate the nature and magnitude of the various factors that have the potential to affect the value of such investments. A variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, can significantly affect the results of a Fund's activities. As a result, a Fund's performance over a particular period will not necessarily be indicative of the results that can be expected in future periods.

Investments Longer Than Term. While not likely, it is possible a Fund will, on occasion, invest in portfolio companies which are not advantageously disposed of prior to the date a Fund will be dissolved, either by expiration of a Fund's term or otherwise. Although ECM expects that portfolio companies will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the relevant General Partner has a limited ability to extend the term of a Fund in such situations, a Fund could potentially have to sell, distribute or otherwise dispose of portfolio companies at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of a Fund its General Partner (or the relevant liquidating trustee or other representative) will be required to use its commercially reasonable efforts to liquidate all of the assets of the Fund in an orderly manner, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur. Upon dissolution of a Fund or as otherwise provided in the Governing Documents, portfolio companies can be distributed in-kind so that investors then become equity holders in one or more public or private companies (and as a consequence will generally be unable to protect their interests in the same manner as their interests in a Fund). In addition, ECM will likely establish necessary reserves prior to distributing any gains, further elongating the period before the investors will likely receive distributions of disposition proceeds or current income.

Third-Party Involvement in Investments. Investments involving multiple co-investors can pose additional risks and can potentially be more difficult to finance and exit. For example, the Funds have the ability co-invest with third parties through joint ventures or other entities, including with private equity funds sponsored by others in so-called "club deals." A co-investment commitment to a portfolio company can be substantial. Such investments will generally involve risks not present in investments where

third parties are not involved, including the possibility that a co-investor will: experience financial, legal or regulatory difficulties; at any time have economic or business interests or goals which are inconsistent with those of the Funds; take a different view from the Funds as to the appropriate strategy for an investment; or be in a position to take action contrary to the Funds' investment objectives. Moreover, as a result of co-investment arrangements, a Fund can be liable for the actions of third-party co-investors under certain circumstances.

ESG Matters. To the extent practicable, reasonable and applicable in connection with a Fund's investment mandate, ECM will take certain environmental, social and governance ("ESG") risk factors into account in its investment process. In particular, where practical, reasonable and applicable, companies primarily engaged in the production or provision of certain products or services can be subject to additional diligence, or may be excluded from a Fund's investible universe. In addition, ECM utilizes third party assessment tools to rate and analyze potential private market investments from an ESG-related perspective. As a result, investment opportunities will be more limited than would otherwise be the case if ECM were making investments solely on the basis of financial returns and a Fund can forgo certain opportunities in connection with this review. In addition, the ratings and analysis generated by such third party assessment tools used by ECM can be based on data that are incomplete or inaccurate, or do not properly weigh certain data points. Any ESG-related evaluation of a potential investment opportunity will be made solely in the discretion of ECM in accordance with its internal policies and procedures and will not necessarily reflect the views of all prospective investors.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in multiple countries across the world, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. As such, the availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, can be restricted. This can have an adverse effect on the economy generally and on the ability of their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty can also (i) reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, ~~which could reduce~~ potentially reducing the accuracy of financial projections. Furthermore, such uncertainty can have an adverse effect upon portfolio companies in which a Fund makes investments.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Foreign Investments. The Funds generally have authority to invest in companies located outside of the United States. Investments in non-U.S. companies involve the following risks, among others: (i) currency exchange risks, controls on and changes in controls on, foreign investment and limitations on repatriation of invested capital and on a Fund's ability to exchange local currencies for U.S. dollars, (ii) differences between U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, and the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, (iii) changes in tax treaties and (iv) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such investments. While ECM intends, where it deems appropriate, to manage the Funds in a manner that will minimize exposure to the foregoing risks, there can be no assurance that adverse developments or changes in law in certain non-U.S. countries in which a Fund invests will not adversely affect the value of such Fund's investments located in such countries.

The economics of individual non-U.S. countries can differ, favorably or unfavorably, from the U.S. economy in such respects as growth or gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and balance of payments position.

In addition, certain investments by a Fund in companies located outside the U.S. can, under certain circumstances, require that a portion of the income of such companies be imputed currently as income for U.S. income tax purposes to such Fund (and thus would be required to, in turn, be reported as taxable ordinary income by the investors on their own individual U.S. tax returns, according to their respective pro rata shares thereof) whether or not such income is distributed by such company to a Fund or by a Fund to the investors. Thus, investors will likely need to satisfy such tax liabilities from cash from other sources. In addition, such investments will from time to time impose certain reporting obligations on a Fund and/or the investors, which obligation requires such companies to provide certain information to such Fund. A Fund cannot be sure that it will, at that time, be in a position to obtain such information from such companies.

Leverage. A Fund will generally use leverage when making investments in portfolio companies. In addition, a Fund is authorized to increase the leverage of a portfolio company by using promissory notes or other indebtedness issued by the portfolio company as part of the purchase consideration. Although the use of leverage can enhance returns and increase the number of investments that a Fund can make, it can also substantially increase the risk of loss. Although a Fund will seek to use leverage in a manner its General Partner believes is prudent, the leveraged capital structure of portfolio companies will increase the exposure of those companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio company or its industry. Because the securities in which a Fund invests are among the most junior in a portfolio company's capital structure, the inability of a portfolio company to service its debt obligations would likely result in a loss of principal in such Fund's investment.

Bridge Financings. A Fund can, at times, provide interim debt or interim equity financing to a portfolio company or prospective portfolio company in anticipation of permanent financing (including an investment by a Fund). These bridge loans will typically be convertible into a term loan or permanent equity investment in the portfolio company; however, for reasons not always in ECM's control, the anticipated long-term securities issuance or other refinancing or syndication will not occur and the bridge loan will sometimes remain outstanding. In such event, the interest rate on such bridge loan will generally not adequately reflect the risk associated with the unsecured position taken by a Fund.

Need for Additional Capital, Support Equity and Add-on Acquisitions. The Funds typically provide follow-on funding for their portfolio companies for support equity or to finance add-on acquisitions. There can be no assurance that a Fund will have sufficient capital to do so, and, even if it does have sufficient capital, it will likely be limited by restrictions on the amount of capital it can invest in any one portfolio company and its affiliates. Any decision by a Fund not to invest additional capital, or its inability to invest additional capital, can have a substantial negative impact on a portfolio company in need of such an investment or can diminish such Fund's ability to influence the portfolio company's future development.

Portfolio Concentration. The Governing Documents of each Fund specify the amount of capital commitments that are permitted to be invested in any one portfolio company (including add-on acquisitions). While this portfolio concentration can enhance total returns to investors, if any large position has a material loss, then returns to the investors will likely be lower than if they had invested in a more diversified portfolio. The Funds' investments are expected to be concentrated in one or more specific industries. Other than as set forth in the Governing Documents, investors have no assurance as to the degree of diversification of a Fund's portfolio companies, either by geographic region, industry or transaction type. To the extent a Fund concentrates portfolio companies in a particular industry, sub-sector, security, investment type or geographic region, such Fund will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, certain geographic regions, industries and/or sub-sectors are sometimes more adversely affected from economic pressures when compared to other geographic regions, industries or sub-sectors.

Lower Middle Market. The Funds will make investments in the securities of lower middle market companies. While middle market companies can have potential for rapid growth, they often involve higher risks than larger companies. Middle market companies have more limited financial resources than larger companies and will potentially be unable to meet their obligations under their debt obligations that a Fund holds, which can be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of a Fund realizing any guarantees it may have obtained in connection with its investment. Middle market companies also typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general

economic downturns. Less publicly available information can be available about these companies and they will not, at times be subject to the financial and other reporting requirements applicable to public companies. They are more likely to depend on the management talents and efforts of a small group of people; therefore, the death, disability, resignation, or termination of one of more of these people could have a material adverse impact on the company and, in turn, on a Fund. Middle market companies can also have less predictable operating results and can require substantial additional capital to support their operations, finance expansion or maintain their competitive position. They can also have difficulty accessing the capital markets to meet future capital needs, which can limit their ability to grow or to repay their outstanding indebtedness upon maturity.

Operating and Financial Risks of Portfolio Companies. Companies in which the Funds invest can 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 the Funds expect to be stable will potentially: operate at a loss or have significant variations in operating results, require substantial additional capital to support their operations or to maintain their competitive position or 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 the 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. Additionally, executing operating improvements can divert the attention of key personnel and disrupt normal business. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and operating improvements.

Bankruptcy of Portfolio Companies. The Funds are permitted, on occasion, to make investments in portfolio companies that experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings can operate to the detriment of a Fund. There is also a risk that a court will potentially subordinate a Fund's investment to other creditors or require such Fund to return amounts previously paid to it by a portfolio company that became insolvent or files for bankruptcy, a risk that would generally be expected to increase if a Fund has management rights in such portfolio company.

Unspecified Use of Proceeds. Investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Funds and, accordingly, will be dependent upon the judgment and ability of ECM and the principals in investing and managing the capital of the Funds. No assurance can be given that the Funds will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Funds will be achieved.

Due Diligence of and Conduct at Portfolio Companies. Before selecting portfolio companies, ECM will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each portfolio company. Due diligence can entail evaluation of important

and complex business, financial, tax, accounting, environmental, social, governance and legal issues. When conducting due diligence and making an assessment regarding an investment, ECM 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 ECM carries out with respect to any investment opportunity will potentially not reveal or highlight all relevant facts necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the portfolio company being successful. There can be no assurance that attempts to provide downside protection with respect to portfolio companies will achieve their desired effect and potential investors should regard an investment in the Funds as being speculative and having a high degree of risk.

There can be no assurance that the Funds will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during their efforts to monitor the portfolio company on an ongoing basis or that any risk management procedures implemented by a Fund will be adequate. In the event of fraud by any portfolio company or any of its affiliates, a Fund would be at risk of suffering 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 can adversely affect the value of a Fund's securities and/or instruments in such portfolio company. The Funds 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 making investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund can be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Consultants, legal advisors, appraisers, accountants, investment banks and other third parties can be involved in the due diligence process and/or the ongoing operation of a Fund's portfolio companies to varying degrees depending on the type of investment. For example, certain finance, administrative and other similar functions are outsourced to third-party service providers whose fees and expenses will be borne by such portfolio company or a Fund and will not offset the Management Fee. Such involvement of third-party advisors or consultants can present a number of risks primarily relating to ECM's reduced control of the functions that are outsourced.

Time and Attention of Principals. The principals intend to devote substantially all of their business time and attention to the management of the Funds and any successor funds. ECM and its affiliates, including the principals, will also be permitted to pursue certain other business activities outside of the Funds.

Reliance on Portfolio Company Management. The day-to-day operations of a portfolio company will be the responsibility of that company's management team. Although the Funds will be responsible for monitoring the performance of the portfolio companies and generally will seek to invest in companies

operated by capable management, there can be no assurance that an existing management team, or any successor team installed by a Fund, will be able to successfully operate a portfolio company in accordance with such Fund's investment strategy. 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. 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, such investment and a Fund could be adversely affected thereby. In addition, the Funds can also be adversely affected if there is misconduct by personnel of a portfolio company. For example, financial fraud or other deceptive practices, or failures by personnel to comply with anti-bribery, trade sanctions or other legal and regulatory requirements, could cause significant reputational and business harm. Such misconduct can undermine a Fund's due diligence efforts with respect to such portfolio companies and could negatively affect the valuations of the investments.

Board Participation. ECM employees serve on the board of directors (or similar governing body) of the portfolio companies and, as such, have duties to persons other than the Funds. Although holding board positions will be important to the Funds' investment strategy and can enhance the ability of the Funds and ECM to manage investments, director positions can also have the effect of impairing ECM's ability to sell the related securities when, and upon the terms, it would otherwise desire, and can subject a Fund and ECM to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. Not all portfolio companies will necessarily obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain can in some cases prove to be insufficient to adequately protect a Fund from such liability. In general, to the extent not covered by the portfolio companies, a Fund will likely indemnify ECM from those claims.

Diverse Investor Group. Fund investors include U.S. taxable and tax-exempt entities. Such investors are likely to have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual investors can relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments, the timing of the disposition of investments and the various tax laws applicable to various investors. As a consequence, conflicts of interest can arise in connection with decisions made by ECM, including with respect to the nature or structuring of investments, that would potentially be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. Subject to provisions specifically included in the Governing Documents, the relevant General Partner will generally consider the investment and tax objectives of a Fund and the investors as a whole in making investments, and will use reasonable best efforts to structure portfolio companies in non-U.S. companies in as tax-efficient a manner as possible.

Indemnification. The Funds, except in certain circumstances, will be required to indemnify the General Partners, ECM, their affiliates and each of their respective members, managers, officers, directors, employees, shareholders, partners, members of the advisory board, Operating Partners and other persons who serve at the request of a General Partner on behalf of a Fund for liabilities incurred in connection with the affairs of such Fund. These liabilities may be material. For example, in their capacity as directors of a portfolio company, the members, managers, advisors and affiliates of a General Partner or ECM can be subject to certain claims. The indemnification obligations of a Fund would be payable from the assets of such Fund, including the unfunded capital commitments of the investors. In addition, if the assets of a Fund are insufficient, the General Partner may recall distributions previously made to the investors, subject to certain limitations set forth in the Governing Documents. Such obligations will survive the dissolution of the Funds.

Advisory Board. Each Fund's General Partner will appoint at least three and not more than five investor representatives to an advisory board, which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or can be requested in certain circumstances, including certain approvals or consents required by the Advisers Act. All investors are bound by the determinations of the relevant advisory board, regardless of whether an investor is directly represented by a member of such advisory board. The Governing Documents will provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any other investor. Members of the advisory board can have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. Members of the advisory board at times are expected to have various business and other relationships with ECM and its members, partners, managers, directors, officers, employees and affiliates. These relationships have the potential to influence their decisions as members of the advisory board. To the extent that an investor is not directly represented by a member of the advisory board, such investor will have no influence over matters submitted to the advisory board for review or approval. On any issue involving actual conflicts of interest, ECM will be guided by its good faith discretion.

In addition, it is possible that members of one Fund's advisory board will also be a member of another Fund's advisory board. In such instances, a conflict of interest could be deemed to exist because advisory boards could be requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such advisory board members serve, and such members would be unlikely to recuse themselves from any such vote.

Material, Non-Public Information. By reason of their responsibilities in connection with their other activities, certain ECM personnel or consultants will potentially acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds will not be able to initiate a transaction that it otherwise might have initiated and will not be able to sell a portfolio investment that it otherwise will have sold. Conversely, a Fund will not have access to material non-

public information in the possession of ECM which will at times be relevant to an investment decision to be made by a Fund, and a Fund can initiate a transaction or sell a portfolio investment which, if such information had been known to it, would not have been undertaken.

Side Letters. A General Partner on behalf of a Fund has entered into side letters or other similar agreements with certain investors with respect to a Fund without the approval or vote of any other investor, which has the effect of establishing rights under, altering or supplementing the terms of the Governing Documents with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Any rights established, or any terms of the 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 Governing Documents.

Co-Investment Allocations. ECM expects, in its discretion, to make available an opportunity to co-invest in certain portfolio companies to strategic investors, lenders, investors and/or other investors. Except as set forth in the Governing Documents, ECM shall owe no duty to present any co-investment opportunity to any investor. The allocation of co-investment opportunities will potentially involve a benefit to the Firm including, without limitation, Carried Interest from the co-investment opportunity or capital commitments to a Fund. Such co-investment opportunities can present inherent conflicts of interest between the interests of a Fund and the co-investors (for example, over the price and other terms of such investment, exit strategies and related matters, including the exercise of remedies of their respective investments). Furthermore, to the extent that a Fund holds interests that are different (or more senior) than those held by such other co-investors, ECM can be presented with decisions involving circumstances where the interests of such co-investors are in conflict with those of a Fund.

As a general matter, the allocation of co-investment opportunities is entirely discretionary and it is expected that many investors who have expressed an interest in co-investment opportunities will not necessarily be allocated any co-investment opportunities or will receive a smaller amount of co-investment opportunities than the amount requested. ECM will take into account various facts and circumstances it deems relevant in allocating co-investment opportunities.

In addition, as noted in Item 7 above, following the acquisition of a portfolio company, a Fund can transfer a portion of its interest in such portfolio company to co-investors as specified in the Governing Documents. Investors should note, however, that during the period prior to the syndication of such co-investment (if it occurs), a Fund will be underwriting the risks associated with the portfolio company.

Contingent Liabilities on Disposition. In connection with the disposition of an investment, a Fund will be required to make representations about the business and financial affairs of the portfolio company being sold. The Funds also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements will expose the

Funds to contingent liabilities that ultimately might yield funding obligations that must be satisfied by the investors to the extent required by the Governing Documents.

Difficulty Making Dispositions. Because the Funds' investments are in portfolio companies that are highly illiquid, a Fund can potentially experience difficulty in disposing of certain of its investments at opportune times or valuations, or at all. A Fund will not be able to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated can be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Valuation of Investments. Generally, ECM will determine the value of all Fund investments. Market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by the Funds generally will be illiquid and not quoted on any exchange. ECM will determine the value of all Fund investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States ("GAAP").

There can be no assurance that ECM will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based, if any, will be correct. There can be no assurance that ECM's valuation decision with respect to an investment will represent the value realized by a Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by ECM can cause the Firm to ineffectively manage a Fund's investment portfolio and risks, and can also affect the diversification and management of a Fund's investment portfolio.

In addition, the Firm regularly reports to Fund investors, prospective investors and the investor community more generally, metrics of each Fund's performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments. These reports are an indication of the overall performance of a Fund and are important to the Firm's efforts to attract investors to the Firm and any current or future Fund. An objective of ECM's valuation methodologies and procedures is to eliminate any influence these incentives have on fair value determinations.

Regulatory Changes and Enhanced Scrutiny of the Private Fund Industry. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives. Specific and general regulations addressing the private equity industry,

including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio companies, the profitability of enterprises, and the costs of operating the Funds. Additional regulation could also increase the risk of third-party litigation.

The Funds can also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The regulatory environment for private investment funds is evolving and changes in the regulation of private investment funds and their advisers may adversely affect the value of investments held by the Funds. The effect of any future regulatory change on the Funds and its operations could be substantial and adverse.

Risk Management; Operational Controls. The operational controls and risk management techniques used by the Funds involve third parties over whom ECM does not exercise control, including outsourced providers of legal, information technology and custody services. The proper operation of a Fund and safekeeping of its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques ECM uses also necessarily include subjective elements, making the judgment and discretion of the Firm's professionals fundamental to the risk management process. The greater the importance of subjective factors, the more challenging it becomes for the Firm to control for risk, which in turn increases the likelihood of unpredictable results with respect to a portfolio company and a Fund's overall performance.

Additional operational risks arise from such factors as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology (including those highlighted below under "Cybersecurity Breaches and Identity Theft"), changes in personnel, errors caused by third parties or other disruptive events. While ECM has adopted a business continuity program designed to minimize the disruption these events could otherwise cause to normal business operations, business continuity programs are inherently limited. For example, the Firm could experience unanticipated contingencies or the planned controls and oversight may not function as intended. In addition, certain circumstances, including natural disasters, war, terrorism, public health crises, power or utility shortages and other system failures and malfunctions could prevent the Firm and its service providers from performing certain tasks, potentially for extended periods of time, including funding an investment, finalizing valuations, making a distribution or reporting to investors. Any such failure could cause losses to a Fund.

Cybersecurity Breaches and Identity Theft. Cybersecurity incidents, cyber-attacks, denial of service attacks and social engineering attempts (including business email compromise attacks), both generally and within the financial services industry, have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency in the future. The information and technology systems of ECM, its portfolio companies and their service providers may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, ransomware

attacks, usage errors or malfeasance by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes or terrorist incidents. The use of internet or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments. In addition, ECM's systems could be vulnerable to supply-chain attacks, wherein attackers target third parties providing software or services in order to introduce vulnerabilities in ECM's network or systems. If unauthorized parties gain access to such information and technology systems, or if personnel abuse or misuse their access privileges, they would potentially be able to steal, publish, delete or modify private and sensitive information. Although ECM has implemented, and portfolio companies and service providers will in their discretion implement, various measures to manage risks relating to these types of events, such measures will sometimes prove to be inadequate and, if compromised, information and technology systems would potentially become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Even with sophisticated prevention and detection systems, breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage will not necessarily be identified in a timely manner or at all, potentially resulting in further harm and precluding appropriate remediation. ECM, the Funds and/or their portfolio companies will potentially have to make significant investments to fix or replace information and technology systems. Data taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the investor directly as well as affect the value of assets in which the Funds invest. The breach or failure of these systems and/or of disaster recovery plans for any reason can cause significant interruptions in the operations of ECM, the Funds, a portfolio company and/or their service providers and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and their beneficial owners) and the intellectual property and trade secrets of ECM and/or portfolio companies. Such a failure has the potential to harm the reputation of ECM, the Funds and/or a portfolio company, require them to make a significant investment to remedy the effects of any such failures, subject any such entity and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance. When such issues are present with regard to the issuer of securities in which a Fund invests, the Fund's investment in those securities can lose value.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. Any deterioration of the global credit markets has the potential to make it more difficult for investment funds such as the Funds to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, could dramatically reduce investor demand for high yield debt and senior bank debt, which in turn could lead some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A Fund's ability to generate attractive investment returns can be adversely affected to the extent a Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such

marketplace events are not temporary and continue, they can have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the United States and global economies. Such marketplace events also can restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

Inflation Risk. If a portfolio company is unable to increase its revenue in times of higher inflation, its profitability can be adversely affected. Some portfolio companies can have long-term rights to income linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. Typically, as inflation rises, a portfolio company will earn more revenue, but will incur higher expenses; as inflation declines, a portfolio company will at times not be able to reduce expenses in line with any resulting reduction in revenue. Many such businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions can protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs for such businesses and a reduction in the amount of cash available, if any, for distribution to investors.

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

Any Distress Event has a potentially adverse effect on the ability of ECM to manage the Funds and their investments, and on the ability of ECM, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or

dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of ECM and/or the portfolio companies to make payroll, fulfill obligations and maintain operations. Although ECM expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event ECM determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “Custody Rule”), even if performed in the Firm’s best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

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

Conflicts of Interest

The material conflicts of interest that a Fund encounters include those discussed below and elsewhere in this Brochure. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise during a Fund’s life. Investors should be aware that ECM, its personnel and its affiliates will likely in the future engage in further activities that can result in additional conflicts of interest not addressed below. In particular, ECM expects in the future to identify additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment. There can be no assurance that ECM will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. To the extent that ECM identifies conflicts of interest in the future, the Firm intends, but is under no obligation, to disclose these conflicts and their implications to investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the advisory board or to investors more generally.

ECM and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other investment vehicles, and providing transaction-related, management and other services to its investment vehicles and portfolio companies. In the ordinary course of ECM conducting its activities, the interests of the Funds can conflict with the interests of ECM, one or more other investment vehicles, portfolio companies or

their respective affiliates. From time to time a General Partner can cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, another Fund, co-investors, co-investment vehicles or investors. Such transactions can arise in the context of rebalancing an investment among parallel investing entities, in the context of one Fund purchasing an investment from another Fund or adding capital to another Fund's investment. Any such transactions raise potential conflicts of interest, including where the investment by a Fund supports the value of portfolio companies owned by another Fund or investors. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. Any such transactions will be conducted in accordance with the Governing Documents and all necessary approvals will be obtained.

Management Fees and Fund Expenses. Regardless of the aggregate amount actually invested by a Fund, the Management Fee will be based upon aggregate capital commitments of the investors for a set period of time at the beginning of a Fund's term (unless such period is terminated at an earlier date pursuant to the terms of the relevant Governing Document), after which it will be based on invested capital of a Fund contributed by the investors. As described further in the Governing Documents, Fund Expenses encompass a broad range of expenses. The Funds will pay the Management Fee and Fund Expenses, which are expected to reduce actual returns to investors and will be paid regardless of whether a Fund produces positive investment returns. If a Fund does not produce significant positive investment returns, these fees and expenses have the potential to reduce the amount of the investment recovered by an investor to an amount less than the amount invested in a Fund by the investor. In addition, any expenses reimbursed by the portfolio companies to the Firm are indirectly borne by the investors to the extent of a Fund's ownership of such portfolio companies.

Allocation of Investments. Until such time as ECM is permitted to raise a successor investment fund, the Firm will pursue all appropriate investment opportunities that meet the investment criteria of the most recently raised Fund principally for the benefit of that Fund, subject to certain exceptions set forth in the Governing Documents. However, ECM and its affiliates, including the principals, currently manage other investment Funds and can direct certain relevant investment opportunities between Funds, to the extent permitted in each Fund's Governing Documents. ECM's allocation of investment opportunities among investment Funds, co-investors and third-parties will at times not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. There can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which ECM expect to be subject did not exist. In determining the Funds and investors who should participate in such investment opportunities, ECM is subject to potential conflicts of interest in determining allocations among the Funds and other investors. Such other Funds can potentially compete each other during the period of time when more than one Fund is making new investments, or for follow-on investments, as applicable. At such time as the relevant General Partner is permitted to raise a successor investment fund, ECM and its affiliates, including the principals, will continue to manage the Funds' investments,

but also can and likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments can be allocated between Funds and any successor fund in a manner as set forth in the Governing Documents.

Industry Relationships. As with many other private equity fund sponsors, as part of ECM's business, the principals, ECM and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, finders (including portfolio company finders), professional advisors (such as attorneys and accountants), investors, co-investors, current and former directors, officers and employees of current and former ECM portfolio companies and former employees and members of ECM as well as family members or close contacts of such persons. Certain of these third parties can possibly: (i) introduce investment opportunities to a Fund; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential ECM portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to ECM, a Fund, portfolio companies or other ECM funds or portfolio companies. Such third parties can also provide goods or services to or have business, personal, familial, financial or other relationships with the principals. In other instances, such third parties provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through ECM's entities) to Firm personnel and their estate planning vehicles. In addition, such third parties can invest in one or more ECM funds; co-invest in one or more ECM portfolio companies; or provide other significant business or investment services to ECM, a Fund, portfolio companies, other ECM funds and/or their portfolio companies. Such third parties can be entitled to receive a portion of a Fund's proceeds in connection with the sale of a particular portfolio company. Such third parties can also on occasion receive discretionary bonuses, transaction-based fees and/or directors' fees from, participation and/or profits or equity interests in a portfolio company or holding company in exchange for providing their services and such discretionary bonuses, fees, participation and/or profits or equity interests are not subject to the Management Fee offsets described in Item 5 above. These relationships have the potential to influence the relevant General Partner in deciding whether to select or recommend any such third-party to perform services for the Fund or a portfolio company. The cost of any services provided by such third parties will generally be borne directly or indirectly by the Fund or its portfolio companies, as applicable. In limited circumstances, advisors and service providers can charge different rates or have different economic arrangements with a specific Fund or portfolio company, including fee discounts, which results in more favorable rates or arrangements than those payable by other Funds or portfolio companies. These arrangements can influence ECM in deciding whether to select or recommend any such third-party to perform services for a Fund or a portfolio company.

Employees and Service Providers. ECM expects, from time to time, to employ personnel with pre-existing ownership interests in, or who were employed by portfolio companies owned by, a Fund; conversely, former personnel or executives of ECM are expected, in certain situations, to serve in significant management roles at portfolio companies or service providers recommended by ECM. Similarly,

ECM and/or its personnel frequently maintain relationships with (or invest in) financial institutions, service providers and other market participants, including managers of pooled investment vehicles, banks and brokers. Certain of these persons or entities invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to ECM or a Fund. ECM is likely to have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide ECM information about markets and industries in which ECM operates (or is contemplating operations) or will provide other services that are beneficial to ECM. ECM is likely to have a conflict of interest in making such recommendations, in that there can be no guarantee that the products or services recommended will necessarily be the best available to the portfolio companies. Over the life of each Fund, ECM generally expects to exercise its discretion to recommend to such Fund or to a portfolio company that it contracts for services with various service providers. This subjects ECM to potential conflicts of interest because although ECM intends to select service providers that it believes are aligned with its operational strategies and that will enhance the performance of portfolio companies, ECM will generally have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that ECM, because of such incentive or for other reasons (including whether the use of such persons has the ability to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to ECM or its Funds), will favor such retention or continuation even if a better price and/or quality of service provider can be obtained from another person. Whether or not ECM has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or can provide such services at lesser cost.

Transactions with Fund Investors. ECM has entered into transactions with certain Fund investors, for example, investors who are also business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services (including mezzanine and/or other lending arrangements) to the Firm, its Funds and portfolio companies. The terms of these transactions will be negotiated on an arm's-length basis; however, ECM will be subject to a conflict of interest when determining such terms because ECM has the potential to benefit from retaining such investors' investment in the Funds.

Employees Seconded to Portfolio Companies. On occasion, ECM employees (specifically, Operating Partners) transition to fill positions at portfolio companies, typically in the role of chairman or executive. In each instance, ECM reduces any employee Operating Partner's salary by the salary paid to such employee Operating Partner by the portfolio company. For Fund II – Fund IV, ECM treats the salary an employee Operating Partner receives from the portfolio company as fee income (which is offset against the relevant Fund's Management Fees) and discloses the offset in the relevant Fund's year-end report. For the avoidance of doubt, non-employee Operating Partner compensation does not offset Management Fees. For Fund V, the salary received by both employee and non-employee Operating Partners is not treated as fee income per the Fund V Governing Documents.

Fund and Portfolio Company Expenses. The Funds will pay and bear all expenses related to their operations, including Management Fees and the costs of holding, monitoring, maintaining and disposing of portfolio companies, including investment banking fees and consulting fees, whether or not a Fund makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses can be substantial and have the potential to surpass such Fund's operating income. The amount of these Fund Expenses will reduce the actual returns realized by Fund investors on their investment in a Fund (and can, in certain circumstances, reduce the amount of capital available to be deployed by a Fund for investments). Fund Expenses include recurring and regular items, as well as extraordinary expenses for which it is sometimes hard to budget or forecast. As a result, the amount of each Fund's expenses ultimately called or called at any one time have the potential to exceed expectations.

In addition, the Funds, through portfolio companies or directly, bear the cost, including compensation, of directors, executives or consultants to portfolio companies, which can include former senior principals or employees of ECM, in connection with management or consulting services provided by such persons. Any such cost will generally not offset Management Fees paid to ECM. Because such persons are former senior principals or employees of ECM, ECM will generally have a conflict, or potential conflict of interest, in approving such arrangement, although it generally seeks to do so at market rates for the services provided. There can be no assurance, however, that such rates are the lowest cost available.

Portfolio Company Board Service. As a result of the Funds' significant and often controlling interests in portfolio companies, ECM and/or its affiliates typically have the right to appoint portfolio company board members, or to influence their appointment, and to determine or influence a determination of their compensation. ECM principals and employees and those appointed by them often serve on the boards of Fund portfolio companies. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to ECM in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Governing Document's offset provision, are in addition to the Management Fee or Carried Interest. ECM's authority to appoint or influence the appointment of portfolio company board members who will potentially be involved in approving compensation payable to the Firm subjects ECM and any such portfolio company board appointees to potential conflicts of interest. Serving in such capacity can give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director conflicts with the interests of a Fund in general; however, as the Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. Any fees earned for sitting on such portfolio company boards by employees are offset against Management Fees; provided that such fees earned by third parties appointed by ECM (such as Operating Partners) are not offset against Management Fees.

Investor Transfer of Interest. In certain cases, ECM will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, ECM will not

receive compensation for identifying such transferees and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

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

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

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements. The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among ECM, the investors, the Funds, the General Partners and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While ECM will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations ECM adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

Conflicts Related to the Withholding of Certain Information. The Governing Documents of the Funds generally permit the applicable Fund's General Partner to withhold information from designated

investors in such Fund under specified circumstances. For instance, information may on occasion be withheld from investors that are subject to Freedom of Information Act or similar requirements.

Cross Fund Transactions. ECM is permitted to effect cross transactions between Funds. Such cross fund transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that (i) a Fund will not receive the best price possible or (ii) ECM will have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. In effecting a cross transaction, the Firm will seek to ensure that the purchase or sale is effected at a price that is comparable to what price could be obtained through an arm's-length transaction with a third party and that is otherwise fair to both parties, which in some cases can include receiving a fairness opinion, receiving a legal opinion, engaging a placement agent and/or investment banker, each as appropriate. In certain circumstances, ECM reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. The Firm will maintain documentation to memorialize the basis for determining fairness in pricing.

Employee Investors. It is expected that certain of ECM's employees and personnel will invest in a Fund directly or as part of a General Partner's commitment to a Fund. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external Fund investor. For example, employee investors generally will not be subject to a Management Fee and/or Carried Interest with respect to their investment and receive information regarding investments at different times than other investors.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

For information regarding the types of securities and portfolio companies in which Funds invest, please see Item 4.B and Item 8.A, above.

Item 9 – Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

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

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

Item 10 – Other Financial Industry Activities and Affiliations

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Neither ECM nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Neither ECM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading advisor
5. Banking or thrift institution
6. Accountant or accounting firm
7. Lawyer or law firm

- 8. Insurance company or agency**
- 9. Pension consultant**
- 10. Real estate broker or dealer**
- 11. Sponsor or syndicator of limited partnerships.**

ECM does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor or syndicator of limited partnerships that are material to its advisory business or to its Funds or its investors. ECM has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to the principals, employees, the Funds or their portfolio companies. Additionally, some of these professionals are investors in an ECM Fund, either personally or through their company.

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

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

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material

conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

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

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

A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC Rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.

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

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

ECM will provide a copy of its Code of Ethics to any existing or prospective investor upon request to ECM’s Chief Compliance Officer, Brian Leonard, (216) 292-3838 or bleonard@edgewatercapital.com.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise

Participation or Interest in Client Transactions

Certain ECM employees and their family members have invested in the Funds through the relevant General Partner. As mentioned in Item 5 and Item 6 above, ECM generally reduces all of the Management Fee and Carried Interest related to investments held by such persons. ECM does not

believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of investors in such Funds.

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

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

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

Conflicts of Interest

If any matter arises that ECM determines in its good faith constitutes an actual conflict of interest, ECM will take such actions as are necessary or appropriate, and as permitted by any applicable Fund's Governing Documents, to address the conflict. The Governing Documents of each Fund include a description of what ECM believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe

your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Personal Trading

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

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

The principals and supervised persons of ECM will occasionally carry on investment activities for their own account and for family members or others, and in connection therewith, can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds, even if their investment objectives are the same or similar. In addition, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds. The investment policies, fee arrangements and other circumstances of these investments can vary from those of the Funds. All such employee private investments are subject to pre-approval and/or review by the Chief Compliance Officer.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Because of the private nature of its portfolio companies, ECM does not typically face a situation where a supervised person buys or sells a security for his or her own account at or about the same time that the Firm is also buying or selling the same securities for the Funds. A supervised person wishing to

purchase or sell an interest in an ECM portfolio company is required to seek pre-approval from the Chief Compliance Officer for such transaction.

Item 12 – Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

While ECM generally focuses on securities transactions in private companies and purchases and sells such companies through privately negotiated transactions, the Funds on occasion engage broker-dealers and investment bankers to perform various services for the Funds and portfolio companies, such as assisting in the purchase or sale of a private portfolio company. ECM has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, ECM will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, ECM selects a broker-dealer or investment banker based on ECM's judgment regarding a variety of factors, including but not limited to: ECM's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services provided; and the commission rates, among other factors.

Although ECM generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or the experience of a broker-dealer or investment banker that operates outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services. However, ECM believes the commissions or mark-ups charged are competitive with those that other broker-dealers or investment bankers charge.

- 1. *Research and Other Soft Dollar Benefits.* If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with**

client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

ECM does not receive research or other soft dollar benefits in connection with securities transactions for the Funds.

- 2. *Brokerage for Client Referrals.* If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

ECM does not receive client referrals in connection with selecting or recommending broker-dealers for the Funds.

3. Directed Brokerage.

ECM does not engage in directed brokerage.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

In the event ECM were to aggregate the purchase or sale of securities for Fund accounts, it would generally expect to do so on a pro rata basis.

Item 13 – Review of Accounts

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

The investment portfolios of each Fund are generally private, illiquid and long-term in nature and accordingly ECM’s review of them is not directed toward a short-term decision to dispose of securities. ECM closely monitors the portfolio companies of its Funds and a team of investment professionals reviews the following factors in each Fund’s portfolios on an on-going basis, including, without limitation: (i) the extent of high barriers to competition within the target industry; (ii) whether the portfolio company and/or industry demonstrates high margin characteristics; (iii) whether there is significant market fragmentation within the industry; and (iv) robust revenue growth potential of the portfolio company and/or within the industry. It is not uncommon for the relevant investment professionals for an investment to be in regular, as often as weekly, contact with the portfolio company’s senior management team. Moreover, partners of ECM monitor portfolio company performance through regular management meetings, as well as detailed reviews of specific portfolio companies that occur as needed.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

The investment committee of each Fund or Chief Compliance Officer would perform additional reviews in the event that there is turnover in senior management, there are debt covenant compliance risks, the portfolio requires an additional equity investment from the Fund, the investment is faced with a regulatory review (*e.g.*, EPA, tax audit, etc.) or the investment is severely under-performing from budget.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

ECM provides to investors on behalf of its Funds the following written reports: (i) annual audited financial statements prepared in accordance with United States generally accepted accounting principles (“GAAP”) as promulgated by the Financial Accounting Standards Board (“FASB”), accompanied by (A) the report of the independent certified public accountant and (B) valuations of the Fund’s investments as of the end of such year (including a statement of each investor’s closing capital account balance), to be delivered within 120 days of fiscal year end (or earlier as agreed to in the Governing Documents); (ii) unaudited financial statements for the first three quarters of each fiscal year which will be accompanied by (A) a report providing a narrative summary of the status of each portfolio company, (B) a list of investments made during such quarter and the consideration paid for each such investment and (C) a list of realized investments during such quarter; (iii) annual tax information necessary for the completion of tax returns (K-1); and (iv) periodically, descriptive investment information for each portfolio company and such other information regarding the Fund’s activities as the relevant General Partner deems advisable. All reports are sent to investors in writing and are delivered electronically through ShareFile. The Firm also has contact with investors (*e.g.*, personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

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

Item 14 – Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

As described in Item 5 above, ECM receives transaction, monitoring, advisory, investment banking, directors, break-up or other similar fees and reimbursements from the portfolio companies held by the Funds. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that ECM believes will ultimately enhance the value of the companies and benefit the Funds and their investors.

These types of fee arrangements present potential conflicts of interest and provide ECM with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, a portion of such benefits received by ECM or its employees (but not Operating Partners) in connection with services rendered to portfolio companies or transactions of the Funds are offset in whole or in part against Management Fees payable by the Funds, to the extent described above in Item 5 and as detailed in each Fund's Governing Documents.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

As of the date hereof, ECM has not directly or indirectly compensated any person who is not a supervised person for client referrals and does not use placement agents to assist in its fundraising efforts.

Item 15 – Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

ECM is deemed to have custody of the Funds' assets because the General Partners are not operationally independent from ECM: each Fund's General Partner generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), ECM has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to inspection by the Public Company Accounting Oversight Board ("PCAOB") for each of the Funds

over which it is deemed to have custody, copies of which are delivered to the Funds and their respective investors within 120 days of fiscal year end (or earlier as agreed to in the Governing Documents). In addition, upon the final liquidation of a Fund, ECM will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying investors promptly upon completion of the audit. Investors are encouraged to carefully review such financial statements.

ECM does not accept physical custody of Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant Fund's bank account maintained with a qualified custodian. ECM receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds' qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

Item 16 – Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

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

Generally, ECM's only restrictions with respect to managing a Fund, such as, but not limited to, the type of securities in which a Fund invests, will be contained in the relevant Fund's Governing Documents. However, an investor can seek to impose limitations on ECM's authority through a side letter agreement, and the Firm and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon ECM's investment authority with respect to an investor's investment must be presented to ECM and the relevant Fund's General Partner in writing and agreed to by all applicable parties. Other investors meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights over such agreements.

While no investors to date have limited the Firm's or a Fund's discretionary authority to provide investment advice, certain investors are prohibited from investing in companies that derive more than

25% of their revenue from the sale of certain vice products.

Item 17 – Voting Client Securities

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

By virtue of the applicable Governing Documents, ECM has the authority to vote proxy statements on behalf of the Funds. However, given the nature of ECM's advisory business, the Funds seldom hold public securities; the majority of "proxies" received by ECM are written shareholder consents or similar instruments for private companies owned by the Funds. Specifically, from time to time, portfolio companies request ECM (usually through the General Partner of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, ECM considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies.

ECM has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. ECM's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value. ECM generally believe its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds. However, in the event that there is a conflict of interest in voting proxies, ECM's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory board on the proposed proxy vote, or through other alternatives as set forth in ECM's proxy voting policy. Investors in the Funds cannot direct how ECM votes proxies or shareholder consents, nor is ECM required to seek investor approval or direction from investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by ECM often sit on the boards of portfolio companies to which ECM provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. ECM does not consider service on portfolio company boards by the aforementioned persons or their receipt of nominal board fees, if any, to create a material conflict of interest in voting proxies with respect to such companies.

ECM will provide a copy of its proxy voting policy to investors upon request to Brian Leonard, Chief Compliance Officer, at (216) 292-3838 or bleonard@edgewatercapital.com. Investors can also obtain information from the Firm, free of charge, about how ECM voted any previous securities, if any.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

This Item is not applicable to ECM.

Item 18 – Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

ECM does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

ECM has no financial condition that impairs its ability to meet contractual commitments to the Funds and their investors.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

ECM has not been the subject of a bankruptcy petition.

Form ADV Part 2B: BROCHURE SUPPLEMENT

EDGEWATER CAPITAL MANAGEMENT, LLC

5005 Rockside Road, PH 1300
Independence, OH 44131
<https://www.edgewatercapital.com/>

Contact: Brian Leonard
(216) 292-3838 (phone)
bleonard@edgewatercapital.com

March 30, 2023

This Brochure Supplement provides information about Edgewater Capital Management, LLC (“ECM”) that supplements the ECM Brochure. Please contact us at (216) 292-3838 or bleonard@edgewatercapital.com if you did not receive ECM’s Brochure or if you have any questions about the contents of this supplement.

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

Christopher Childres

Year of Birth: 1965

Founder and Managing Partner

5005 Rockside Road

PH 1300

Independence, OH 44131

(216) 292-3838

Item 2 – Educational Background and Business Experience

Christopher Childres is the Founder and a Managing Partner of ECM.

Prior to founding ECM in 1998, Mr. Childres was an attorney in the M&A department of the Winthrop, Stimson, Putnam & Roberts, where he was involved in both domestic and international acquisitions, leveraged acquisitions and debt-financing transactions, both for public and private companies.

Mr. Childres earned a B.A. in English and American Literature from Northwestern University and a J.D. from Fordham University School of Law.

Item 3 – Disciplinary Information

There are no disciplinary events material to an investor's evaluation of Mr. Childres.

Item 4 – Other Business Activities

Mr. Childres serves on the board of directors of several ECM portfolio companies. Mr. Childres' appointment on such boards has been designated to be in the best interests of the Funds and their respective investors. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interests can arise between Mr. Childres' fiduciary duties to the portfolio company on which he serves and his duty to ECM, as there is no guarantee that decisions that are in the portfolio companies' best interests will necessarily be in ECM's best interests. As the Funds will generally be significant shareholders of such companies, it is expected that such interest will generally be aligned; however, in the event of a conflict of interest, Mr. Childres intends to recuse himself from the decision-making process.

Item 5 – Additional Compensation

Mr. Childres does not receive an economic benefit for providing advisory services other than the compensation he receives from ECM.

Item 6 – Supervision

For compliance matters, Mr. Childres is supervised by ECM's Chief Compliance Officer, Brian Leonard, who can be reached at (216) 292-3838 or at bleonard@edgewatercapital.com. Mr. Childres is subject to the provisions of the Firm's Compliance Manual and Code of Ethics. For investment matters, the investment committee is responsible for approving and monitoring all investments.

Ryan Meany

Year of Birth: 1975

Managing Partner

5005 Rockside Road

PH 1300

Independence, OH 44131

(216) 292-3838

Item 2 – Educational Background and Business Experience

Ryan Meany is a Managing Partner of ECM.

Prior to joining ECM in 2000, Mr. Meany worked extensively on transaction origination, execution, portfolio management and strategic planning efforts. Prior to ECM, Mr. Meany was an investment banker with NatCity Investments, Inc., the investment banking and brokerage subsidiary of National City Corporation. While at National City Corporation, Mr. Meany completed a variety of corporate finance transactions including M&A, corporate financings and other advisory services. These transactions spanned a variety of industries including manufacturing, metal fabrications, financial services, healthcare, food products and consumer goods.

Mr. Meany earned a B.S. in Business Administration from Miami University and an M.B.A from the Weatherhead School of Management at Case Western Reserve University.

Item 3 – Disciplinary Information

There are no disciplinary events material to an investor's evaluation of Mr. Meany.

Item 4 – Other Business Activities

Mr. Meany serves on the board of directors of several ECM portfolio companies. Mr. Meany's appointment on such boards has been designated to be in the best interests of the Funds and their respective investors. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interests can arise between Mr. Meany's fiduciary duties to the portfolio company on which he serves and his duty to ECM, as there is no guarantee that decisions that are in the portfolio companies' best interests will necessarily be in ECM's best interests. As the Funds will generally be significant shareholders of such companies, it is expected that such interest will generally be aligned; however, in the event of a conflict of interest, Mr. Meany intends to recuse himself from the decision-making process.

Item 5 – Additional Compensation

Mr. Meany does not receive an economic benefit for providing advisory services other than the compensation he receives from ECM.

Item 6 – Supervision

For compliance matters, Mr. Meany is supervised by ECM's Chief Compliance Officer, Brian Leonard, who can be reached at (216) 292-3838 or at bleonard@edgewatercapital.com. Mr. Meany is subject to the provisions of the Firm's Compliance Manual and Code of Ethics. For investment matters, the investment committee is responsible for approving and monitoring all investments.

Richard Schwarz

Year of Birth: 1951

Partner

5005 Rockside Road

PH 1300

Independence, OH 44131

(216) 292-3838

Item 2 – Educational Background and Business Experience

Richard Schwarz is a Partner of ECM.

Prior to joining ECM in 2003, Mr. Schwarz had decades of experience in operations management, leveraged buyouts, entrepreneurship, management consulting and sales. His responsibilities have included full company profit and loss, M&A, product development and strategic planning, both for domestic and international organizations. Mr. Schwarz has held various senior management and governance positions in manufacturing, distribution and chemicals businesses.

Mr. Schwarz earned a B.S. in Chemical Engineering from Ohio State University, an M.B.A from the Weatherhead School of Management at Case Western Reserve University and is a Registered Professional Engineer (“PE”) in the state of Ohio.

For additional information regarding the minimum qualifications generally required to achieve and maintain a PE designation in Ohio, please refer to the State of Ohio Engineers and Surveyors Board (<https://www.peps.ohio.gov/>).

Item 3 – Disciplinary Information

There are no disciplinary events material to an investor’s evaluation of Mr. Schwarz.

Item 4 – Other Business Activities

Mr. Schwarz serves on the board of directors of several ECM portfolio companies. Mr. Schwarz’s appointment on such boards has been designated to be in the best interests of the Funds and their respective investors. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interests can arise between Mr. Schwarz’s fiduciary duties to the portfolio company on which he serves and his duty to ECM, as there is no guarantee that decisions that are in the portfolio companies’ best interests will necessarily be in ECM’s best interests. As the Funds will generally be significant shareholders of such companies, it is expected that such interest will generally be aligned; however, in the event of a conflict of interest, Mr. Schwarz intends to recuse himself from the decision-making process.

Item 5 – Additional Compensation

Mr. Schwarz does not receive an economic benefit for providing advisory services other than the compensation he receives from ECM.

Item 6 – Supervision

For compliance matters, Mr. Schwarz is supervised by ECM's Chief Compliance Officer, Brian Leonard, who can be reached at (216) 292-3838 or at bleonard@edgewatercapital.com. Mr. Schwarz is subject to the provisions of the Firm's Compliance Manual and Code of Ethics. For investment matters, the investment committee is responsible for approving and monitoring all investments.

Robert Girton

Year of Birth: 1985

Partner

5005 Rockside Road

PH 1300

Independence, OH 44131

(216) 292-3838

Item 2 – Educational Background and Business Experience

Robert Girton is a Partner of ECM.

Prior to joining ECM in 2011, Mr. Girton was an investment banker at Harris Williams & Co. and Candlewood Partners. While in investment banking, Mr. Girton completed a variety of corporate finance transactions, including M&A, leveraged financings and other advisory services.

Mr. Girton earned a B.S. in Corporate Finance from the University of Akron and an M.B.A from the Weatherhead School of Management at Case Western Reserve University.

Item 3 – Disciplinary Information

There are no disciplinary events material to an investor's evaluation of Mr. Girton.

Item 4 – Other Business Activities

Mr. Girton serves on the board of directors of several ECM portfolio companies. Mr. Girton's appointment on such boards has been designated to be in the best interests of the Funds and their respective investors. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interests can arise between Mr. Girton's fiduciary duties to the portfolio company on which he serves and his duty to ECM, as there is no guarantee that decisions that are in the portfolio companies' best interests will necessarily be in ECM's best interests. As the Funds will generally be significant shareholders of such companies, it is expected that such interest will generally be aligned; however, in the event of a conflict of interest, Mr. Girton intends to recuse himself from the decision-making process.

Item 5 – Additional Compensation

Mr. Girton does not receive an economic benefit for providing advisory services other than the compensation he receives from ECM.

Item 6 – Supervision

For compliance matters, Mr. Girton is supervised by ECM's Chief Compliance Officer, Brian Leonard, who can be reached at (216) 292-3838 or at bleonard@edgewatercapital.com. Mr. Girton is

subject to the provisions of the Firm's Compliance Manual and Code of Ethics. For investment matters, the investment committee is responsible for approving and monitoring all investments.

Peter Ostergard

Year of Birth: 1984

Partner

5005 Rockside Road

PH 1300

Independence, OH 44131

(216) 292-3838

Item 2 – Educational Background and Business Experience

Peter Ostergard is a Partner of ECM.

Prior to joining ECM in 2014, Mr. Ostergard was a Vice President at Fidus Partners, where he spent six years focused on middle market M&A transactions across a variety of industries. Prior to Fidus, Mr. Ostergard was an investment banking analyst at KeyBanc Capital Markets.

Mr. Ostergard earned a B.S. degree in Economics and History from Vanderbilt University.

Item 3 – Disciplinary Information

There are no disciplinary events material to an investor's evaluation of Mr. Ostergard.

Item 4 – Other Business Activities

Mr. Ostergard serves on the board of directors of several ECM portfolio companies. Mr. Ostergard's appointment on such boards has been designated to be in the best interests of the Funds and their respective investors. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interests can arise between Mr. Ostergard's fiduciary duties to the portfolio company on which he serves and his duty to ECM, as there is no guarantee that decisions that are in the portfolio companies' best interests will necessarily be in ECM's best interests. As the Funds will generally be significant shareholders of such companies, it is expected that such interest will generally be aligned; however, in the event of a conflict of interest, Mr. Ostergard intends to recuse himself from the decision-making process.

Item 5 – Additional Compensation

Mr. Ostergard does not receive an economic benefit for providing advisory services other than the compensation he receives from ECM.

Item 6 – Supervision

For compliance matters, Mr. Ostergard is supervised by ECM's Chief Compliance Officer, Brian Leonard, who can be reached at (216) 292-3838 or at bleonard@edgewatercapital.com. Mr. Ostergard

is subject to the provisions of the Firm's Compliance Manual and Code of Ethics. For investment matters, the investment committee is responsible for approving and monitoring all investments.

Brian Leonard

Year of Birth: 1977

Chief Financial Officer & Chief Compliance Officer

5005 Rockside Road

PH 1300

Independence, OH 44131

(216) 292-3838

Item 2 – Educational Background and Business Experience

Brian Leonard is the Chief Financial Officer & Chief Compliance Officer of ECM.

Prior to joining ECM in 2015, Mr. Leonard was a Director in the transaction services practices of two national accounting firms for a total of five years. He spent an additional nine years in the assurance and transaction services practices of two “Big 4” accounting firms. His clients and targets included domestic and international companies and consisted of both private equity firms and Fortune 500 corporations, where he worked on transactions in the industrial products, chemicals, coatings and information technology industries. Mr. Leonard was also the Chief Financial Officer of an electronic health records company.

Mr. Leonard earned a B.S. in Accounting from Miami University.

Item 3 – Disciplinary Information

There are no disciplinary events material to an investor’s evaluation of Mr. Leonard.

Item 4 – Other Business Activities

Mr. Leonard is not involved in any outside business activities that create a conflict of interest with ECM or its Funds.

Item 5 – Additional Compensation

Mr. Leonard does not receive an economic benefit for providing advisory services other than the compensation he receives from ECM.

Item 6 – Supervision

For compliance matters, Mr. Leonard is supervised by ECM’s Managing Partner, Ryan Meany, who can be reached at (216) 292-3838 or at rmeaney@edgewatercapital.com. Mr. Leonard is subject to the provisions of the Firm’s Compliance Manual and Code of Ethics. For investment matters, the investment committee is responsible for approving and monitoring all investments.