

**Item 1. Cover Page**

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**HighBar Management, LLC**

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This brochure provides information about the qualifications and business practices of HighBar Management, LLC (the “Management Company”) and its affiliates (collectively, “HighBar” or “the Firm”). If you have any questions about the contents of this brochure, please contact us at (650) 900-4330. 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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of HighBar or its personnel.

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

**Item 2. Material Changes**

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HighBar Management, LLC is submitting this annual update to the Firm's brochure which was previously filed in June 2022. There are no material changes to this Brochure since the previous brochure. This Brochure contains minor updates to the Firm's description of its business and risk factors.

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#### **Item 4. Advisory Business**

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HighBar is a private investment management firm that focuses on managing private investment funds. HighBar Management, LLC is a Delaware limited liability company and the successor to HighBAR Ventures, which was founded in 1995.

HighBar Partners, GP, LLC (“General Partner II”), a Delaware limited liability company, is the general partner of HighBar Partners II, L.P. (“HighBar II”). HighBar Partners III GP, LLC (“General Partner III”), a Delaware limited liability company, is the general partner of HighBar Partners III, L.P. (“HighBar III”). HighBar Partners III Opportunity Fund GP, LLC (“Opportunity GP” and together with General Partner II and General Partner III, the “General Partners”), a Delaware limited liability company, is the general partner of HighBar Opportunity Fund, L.P. (“Opportunity Fund” and together with HighBar II and HighBar III, the “Funds”). The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and the Funds’ securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Management Company’s principal owners are John Kim and Roy Thiele-Sardiña. For more information about HighBar’s partners, see HighBar Form ADV Part 1, Schedule A.

Pursuant to the position expressed in the American Bar Association SEC No-Action Letter (January 18, 2012) (“ABA No-Action Letter”), this brochure describes the advisory services provided by the Management Company as filing adviser, and each of the General Partners, which collectively operate as a single advisory business together with the Management Company.

Investment advice is provided directly to each Fund itself and not to the individual investors in the Funds. HighBar tailors its advisory services to the individual needs of each Fund but not to the individual needs of underlying investors. Investors in a Fund participate in such Funds’ overall investment program but may be excused from a particular investment due to legal, regulatory or other applicable constraints. HighBar manages the Funds in accordance with the investment objectives and limitations set forth in each Funds’ offering memoranda, governing documents, subscription agreements, side letters, and any investment management agreement between HighBar and each Fund (together, “Operative Documents”). The advice provided by HighBar and its employees is limited to the types of investments described in the Operative Documents.

HighBar’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies generally are permitted. Each Fund invests through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.”

The Funds, the General Partner and/or HighBar, without any further act, approval or vote of any other limited partner of a Fund (a “Limited Partner”), may enter into side letters or other similar agreements with one or more Limited Partners that have the effect of altering or supplementing the terms of the relevant Funds’ limited partnership agreement, as amended (the “Partnership Agreement”), including, without limitation, fee arrangements, co-investment opportunities, notification provisions, reporting requirements and “most favored nations” provisions with respect to such Limited Partners.

HighBar does not participate in wrap fee programs.

As of December 31, 2022, HighBar managed approximately \$221,891,338 of regulatory assets on a discretionary basis. HighBar does not manage any investments on a non-discretionary basis.

## **Item 5. Fees and Compensation**

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HighBar receives compensation from a combination of Management Fees, carried interest allocations, and other fees payable by or in respect of portfolio companies or prospective portfolio companies. The Operative Documents set forth in detail each Funds' fee and expense structure, and investors should consult these documents for further information on fees and expenses. Terms not defined herein are defined in the applicable Operative Documents.

### **Management Fees**

The Funds will pay the General Partners an annual "Management Fee", payable quarterly in advance, at an annual rate equal to 2.0% of the aggregate non-affiliated capital committed during the Investment Period and a blended rate based on active invested capital post-Investment Period. The Management Fee shall be payable in equal quarterly installments in cash in advance, with the Management Fee for any partial quarter prorated based on the number of business days in such fiscal quarter.

The General Partners, HighBar, their affiliates or any of their respective directors, officers, managers or employees are not expected to bear any portion of the Management Fee.

### **Other Fees**

HighBar is entitled to or has received Directors' fees or Consulting fees, Break-up fees, or equivalent compensation (each as defined in the Partnership Agreement), subject to offset against the Management Fee as described below. This does not include any amounts received by any Operating Professionals (as defined below), any HighBar personnel or any other person from a portfolio company as reimbursement for expenses directly related to such portfolio company or a prospective portfolio company, as payment for services provided to any portfolio company in the ordinary course of such portfolio company's or prospective portfolio company's business or as compensation for services provided by an Operating Professional or any other person as an employee of or in a similar capacity for such portfolio company or any of its subsidiaries.

### **Management Fee Offset**

The amount attributable to Management Fee-paying Limited Partners of any directors' fees or consulting fees, break-up fees, broken deal, "topped bid," or equivalent compensation paid, whether in cash or in kind, received by HighBar or any HighBar officer or employee of any of them from any company in which a Fund then holds an interest (other than direct reimbursement of out-of-pocket expenses and subject to such other adjustments and exceptions as described in the Partnership Agreement) (hereinafter, "Fees Subject to Offset") shall be offset against and reduce the amount of the Management Fee payments next due the Management Company pursuant to the Partnership Agreement.

### **Carried Interest**

As described in Item 6 below, HighBar is entitled to be allocated carried interest ("Carried Interest") with regard to the Funds, which generally equals a specified percentage of realized profits net of all expenses and may be subject to preferred return and catch-up provisions. Each Funds' Carried Interest arrangement may differ, and each calculation is further described in the relevant Funds' Partnership Agreement.

## **Expenses**

As set forth more fully in the applicable Partnership Agreement and subject to any limitations set forth therein, each Fund generally bears all expenses relating to the Funds' activities to the extent not paid by portfolio companies; all Organizational Expenses and all Partnership Expenses (in each case as defined in the Partnership Agreement) shall be paid by the Funds. To the extent that the General Partner, Management Company or any of their affiliates pays any Organizational Expenses or Partnership Expenses on behalf of the Funds, the Funds shall reimburse the General Partner, Management Company or such affiliate, as the case may be, upon request.

A Fund generally shall bear all Organizational Expenses in an amount not to exceed the amount specified in the Partnership Agreement, unless otherwise approved by the limited partner advisory board (the "Advisory Board").

For avoidance of doubt, HighBar will pay normal operating overhead, including salaries of its employees and rent and other expenses incurred in maintaining its place of business, except as otherwise provided in the applicable Partnership Agreement.

HighBar will allocate fees and expenses to be borne by the Funds in accordance with the Operative Documents or, to the extent the Operative Documents do not expressly provide for a method of allocation, as determined by HighBar in good faith and in its fair and reasonable discretion in accordance with its internal policies and procedures.

Please refer to the Funds' Operative Documents for further information regarding the fees and expenses of HighBar and the Funds.

## **Operating Professionals**

The General Partner expects to utilize on behalf of the Fund and/or its portfolio companies operating partners, executives and other consultants, which may be affiliates of the General Partner, employees of such affiliates (including of the Management Company or another entity owned and/or controlled by personnel of the Management Company and/or its affiliates), portfolio companies of other funds managed by the General Partner or its affiliates, "venture partners," "entrepreneurs-in-residence," "executives-in-residence," "consultants," "contractors," "advisers" and/or other third-party consultants (including individual Operations Group members, consultants, Operating Executives and other external executives) ("Operating Professionals"). The General Partner may designate Operating Professionals in its sole discretion. The General Partner expects Operating Professionals to regularly provide services to, or in connection with, the Fund or one or more portfolio companies or prospective portfolio companies in relation to identification, diligence, operations and/or other investment-related and operational activities, and Operating Professionals may serve on boards of directors or other similar governing boards of portfolio companies ("Services").

The fees and expenses associated with any such Services ("Consulting Fees and Expenses") are expected to be paid and/or reimbursed by applicable portfolio companies and/or the Fund and will not offset the Management Fee. Consulting Fees and Expenses are expected to include, based on the particular Services, cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to Operating Professionals, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Operating Professionals, a percentage of the value of the portfolio company, the amount of capital invested in such portfolio company, amounts charged by other providers for comparable

services and/or a percentage of cash flows from such company. Operating Professionals also are expected to receive reimbursement of certain costs and expenses, including travel, meals, lodging and reasonable and customary entertainment, that are incurred in connection with providing Services. Separately, Operating Professionals may receive office space, health insurance, business cards and other benefits and may make use of other Management Company resources. Additionally, portfolio companies may provide opportunities for Operating Professionals to invest in the Fund and/or such portfolio company (without the payment of management fees or carried interest) and reimburse costs and expenses incurred by such persons. Operating Professionals also may receive remuneration from the General Partner and/or the Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities and reimbursements paid to Operating Professionals will not offset the Management Fee. Operating Professionals may have a limited partnership or profit interest in the Fund, the General Partner, one or more other investment funds sponsored by the General Partner or in an affiliate of the General Partner.

In addition, Consulting Fees and Expenses received by Operating Professionals that are borne by the Fund and/or a portfolio company may result in direct or indirect benefits to the Management Company, its affiliates and/or portfolio companies of other funds sponsored or advised by the Management Company or its affiliates. Consequently, the Management Company, its affiliates and/or portfolio companies of other funds sponsored by the Management Company or its affiliates could receive services without bearing associated costs. Conversely, the Fund or its portfolio companies or prospective portfolio companies could also benefit from services where the associated Consulting Fees and Expenses is borne by the Management Company, its affiliates and/or portfolio companies of other funds sponsored by the Management Company or its affiliates.

Although the General Partner intends to retain Operating Professionals members with a view to reducing costs to portfolio companies (and, ultimately, the Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such employment or retention. In addition, while the General Partner intends to retain only such Operating Professionals that it believes provide services that will create value for the Fund and/or its portfolio companies, there can be no assurance that no other service provider is more qualified to provide the applicable Services or could provide such Services at lesser cost.



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

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When certain performance hurdles are met, the General Partner of a Fund may receive a distribution of a portion of investment proceeds as performance-based incentive compensation.

HighBar will allocate a portion of the net realized investment profit of each Fund to the capital account of the Funds' respective General Partner as Carried Interest. The precise manner of calculation of such Carried Interest is disclosed in the pertinent Operative Documents. Generally, however, 20% of the investment profits of a Fund are allocated as Carried Interest to the applicable General Partner subject to the return to Limited Partners of a portion of their capital contributions.

The General Partner may, in its discretion, waive all or any portion of the Carried Interest that is attributable to any investor. In addition, none of the General Partners, HighBar, their affiliates or any of their respective directors, officers, managers or employees are expected to bear any portion of Carried Interest.

HighBar does not advise any third-party capital vehicles.

For more information regarding the specific terms of the Carried Interest, please consult each of the Operative Documents for the Funds.

The existence of performance-based compensation has the potential to create an incentive for the General Partners to make more speculative investments on behalf of a Fund than they would otherwise make in the absence of such arrangement. HighBar generally considers performance-based compensation to better align its interests with those of its investors.

## **Item 7. Types of Clients**

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HighBar provides discretionary investment advice to the Funds, which are private investment vehicles that are exempt from registration under the Investment Company Act.

The investors participating in the Funds come from a diversified base of institutional investors including university endowments, insurance companies, public pensions, corporate pensions, foundations, asset managers, family offices, and fund of funds. They also include HighBar employees, members of their families, and Operating Professionals.

Interests in the Funds are sold only to investors who meet qualification requirements under applicable securities laws. HighBar generally limits its respective investors to (i) “accredited investors” as defined in the Securities Act, (ii) “qualified purchasers” or “knowledgeable employees,” each as defined in the Investment Company Act and (iii) “qualified clients”, as defined in the Advisers Act. Investors in the Funds must meet certain qualifications prior to making an investment in the Funds.

The Funds generally do not have a minimum investment amount.

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

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HighBar seeks to make control investments in technology companies with established businesses and a dependable path to profitability. Target companies generally have used numerous rounds of prior financing to develop good fundamental products and technology, revenue, and referenceable customers, but failure to execute on their original return expectations has caused misalignment between management teams and their existing investors. HighBar seeks to realign management and investors in situations where it believes a strategic infusion of capital from a new controlling investor can generate attractive returns with potential downside protection for the new investor and improved outcomes for the existing syndicate and management. These companies often require greater strategic and operational focus at the business level to restart growth, creating the potential for attractive returns due to the favorable valuations and structural elements of a new investment from HighBar.

A Funds' investments may include recapitalizations of companies engaged in financial or operating restructuring, acquisitions of public or private companies, equity for expansion of promising growth companies, management buyouts, industry consolidations, build-ups, structured senior investment with equity-like returns and secondary direct investments. HighBar seeks to generate returns by identifying true discounts to intrinsic value, understanding and mitigating risks, actively building value in partnership with portfolio company management teams and achieving successful exits.

HighBar's investments are catalyzed by a consistent set of core and enhanced factors. HighBar is identifying larger deal opportunities where a flexible, value-driven approach can provide an advantage in the market and prioritizes investment opportunities at favorable valuations, with the ability to effect change at the operating level.

Set forth below, as well as in other items in this brochure, is a summary of some of the investment risks disclosed in greater detail in each of the Funds' Operative Documents. Please refer to each of the Funds' Operative Documents for more information on these and other risks relating to HighBar's business and investments in the Funds.

### **General Investment Risks**

*Business Risks.* The Funds' investment portfolio is expected to consist primarily of securities issued by privately held companies, which may be unseasoned, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Future and Past Performance.* The performance of HighBar's prior investments is not necessarily indicative of future results. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

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

*Concentration of Investments.* The Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent

that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

The Fund may acquire Bridge Securities to facilitate portfolio company investments. It is possible that all or a portion of an investment in Bridge Securities will not be recouped within the time period specified in the Limited Partnership Agreement, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Funds' portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Funds' investment limitations, certain of which exclude Bridge Securities. In addition, any such Bridge Securities could yield returns commensurate with fixed-income securities, which are generally lower than targeted returns for equity investments such as those targeted by the Fund.

*Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing growth equity and private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, Limited Partners will be required to bear Management Fees through the Fund during the Investment Period based on the entire amount of the Limited Partners' capital commitments and other expenses as set forth in the Limited Partnership Agreement.

*Dynamic Investment Strategy.* While the General Partner generally intends to seek attractive returns for the Fund primarily through making control-oriented, growth equity investments and/or private equity investments as described herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Principals have previously made investments.

*Growth Equity Transactions.* The Funds' strategy includes targeting growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk than more established companies, which can result in substantial or total loss. The companies in which the Funds invest may require substantial resources and efforts to enhance management teams, improve and expand marketing, sales and customer retention, optimize the Company's financial model, improve the new product pipeline, develop or implement next generation software solutions that support the business, and pursue accretive acquisitions. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. In addition, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the Fund will be successful.

*Technology-Enabled Services Focus.* The Fund intends to focus its investment in technology-enabled services companies. Concentration in limited industries may involve risks greater than those generally associated with diversified investment funds, including significant fluctuations in returns. The industries we intend to address are challenged by various factors, including rapidly changing and difficult to predict market conditions and customer needs and preferences; low market entry costs and therefore the continual emergence of new participants and competing solutions, consolidation and strengthening of existing market

participants; new technology and/or products that may quickly render existing technology and products obsolete; potentially high customer acquisition costs; potentially high customer turnover, and potentially low utilization rates of service personnel; short product life cycles; scarcity of and high demand for management, technical, scientific, research and marketing personnel with appropriate training; the possibility of lawsuits related to patents and other intellectual property and their associated rights; and rapidly changing investor sentiments and preferences with regard to technology. There is no assurance that solutions offered by the portfolio companies will continue to meet customer needs, that they will not be rendered obsolete or adversely affected by competing solutions, that they will be able to achieve the customer acquisition cost and customer retention targets necessary to be or remain profitable, that the portfolio companies will be able to maintain adequate pricing in the face of competition, or that the portfolio companies will not be adversely affected by other challenges.

*Illiquidity; Lack of Current Distributions.* An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Funds' capital, including unfunded Commitments.

*Leveraged Investments.* The Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency. The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Funds' investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund. The use of leverage by the Fund

may also cause all or a portion of a tax-exempt investor's returns that would not otherwise constitute UBTI to be treated as UBTI.

*Subscription Line.* As indicated above, the Funds may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Funds' investments and the payment of expenses). Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Fund would likely be subordinate to the Funds' obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental expenses that will be borne by Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Funds' Limited Partners and the terms of the Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. Conflicts of interest may arise in that the use of such facilities may, and likely would, delay the need for Limited Partners to make certain contributions to the Fund, which may enhance the Funds' performance figures and thereby benefit the General Partner and its affiliates. To the extent a particular Limited Partner's cost of capital is lower than the Funds' cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Funds' reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of the Fund and the Limited Partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the General Partner's ability to consent to the transfer of a Limited Partner's interest in the Fund. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Limited Partners.

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

means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

*Limited Transferability of Fund Interests.* There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Limited Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to Limited Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Limited Partners. After a distribution of securities is made to Limited Partners, many Limited Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Limited Partners may be lower than the value of such securities determined pursuant to the Limited Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

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

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

*Absence of Operating History.* The Fund has limited operating history and will be entirely dependent on the General Partner. Furthermore, there can be no assurance that the Funds' investments will achieve results similar to those attained by previous investments of the Principals or previous funds managed by the Principals. In addition, certain of the Funds' investments are expected to differ from previous venture capital investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

*Projections.* Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities.* The United States, pursuant to the "Foreign Account Tax Compliance Act" or "FATCA" has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, the Organization for Economic Co-operation and Development (the "OECD") has published a global Common Reporting Standard for the exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to the Fund and/or alternative investment vehicles, and may require the General Partner to collect and share with applicable taxing authorities information concerning Limited Partners (including identifying information and amounts of certain income allocable or distributable to them). A Limited Partner's failure to provide required information may result in expulsion from the Fund and/or alternative investment vehicles and/or the General Partner may exercise other potential remedies. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity's share of most payments attributable to investments in the United States, including dividends and interest, unless an exception applies. The Fund may be required to withhold such taxes from certain non-U.S. Limited Partners, unless an exception applies.

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

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

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the



U.S. and global financial markets, may complicate or prevent the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of the Fund, could adversely affect the ability of the Principals, employees or other individuals associated with the Fund, the Management Company or the General Partner who were or may in the future be granted direct or indirect interests in the General Partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from the Fund and the General Partner, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. These same issues may also apply to officers, directors and employees of the Funds' portfolio companies if such persons receive a profits interest in such companies.

*Alternative Investment Fund Managers Directive.* The European Union ("EU") Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA").

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

In the future, it may be possible for non-EEA alternative investment fund managers ("AIFMs") to market an alternative investment fund ("AIF") within the EEA pursuant to a pan-European marketing "passport", instead of under national private placement regimes. Access to this passport may be subject to the non-EEA AIFM complying with various additional requirements under the AIFMD, which may include one or more of the following: additional conduct of business and organizational requirements; rules relating to the remuneration of certain personnel; minimum regulatory capital requirements; restrictions on the use of leverage; additional disclosure and reporting requirements to both investors and EEA home state regulators; independent valuation of an AIF's assets; and the appointment of an independent depositary. Certain EEA Member States have indicated that they will cease to operate national private placement regimes when, or shortly after, the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may

only market in certain EEA jurisdictions pursuant to a passport, the Management Company may not seek to market interests in the Fund in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Fund. Alternatively, if the Management Company sought to comply with the requirements to use the passport, this could have adverse effects including, amongst other things, increasing the regulatory burden and costs of operating and managing the Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting the Management Company's ability to recruit and retain these personnel.

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

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

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

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

In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held

by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled.

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

Significant Adverse Consequences for Default. The Limited Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting Limited Partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

Dilution. Limited Partners admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Funds’ existing investments at the time of such contributions.

General Partner’s Carried Interest. The fact that the General Partner’s carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

Transfer by General Partner. To the extent the General Partner, its partners, the Principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side the Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Limited Partnership Agreement.

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

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

of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

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

*Director Liability.* The Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

*Limitation of Recourse and Indemnification.* The Limited Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Limited Partnership Agreement will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to Limited Partners.

*Litigation.* In the ordinary course of its business, the Fund and its portfolio companies may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

*Advisory Board.* The General Partner will appoint one or more Limited Partner representatives to the Advisory Board. The Limited Partnership Agreement may provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the Fund or any other Limited Partner. In addition, representatives of the Advisory Board may have various business and other relationships with the Management Company and its partners, employees and affiliates. These relationships may influence their decisions as members of the Advisory Board.

*Delayed Schedule K-1s.* The Fund may not be able to provide final Schedule K-1s to Limited Partners for any given fiscal year until after April 15 of the following year. The General Partner will endeavor to provide

Limited Partners with final Schedule K-1s or estimates on or before such date, but final Schedule K-1s may not be available until the Fund has received tax-reporting information from its portfolio companies necessary to prepare final Schedule K-1s. Limited Partners may be required to obtain extensions of the filing dates for their U.S. federal, state and local income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

*Business Continuity and Disaster Recovery.* The Firm's business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics (as further detailed below), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although the Firm has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies are planned for. If such business operations are disrupted or suspended for extended periods of time, the Funds may be adversely affected.

*Pandemic and Epidemic Outbreak Risks.* Public health emergencies, including without limitation any outbreak, re-outbreak, or mutation of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola, or other new or existing epidemic diseases, or the threat thereof, could have a significant adverse impact on HighBar or the Funds. The extent of the impact of any public health emergency on the Funds' and HighBar's operational and financial performance will depend on many factors, including the duration and scope of such public health emergency and the extent of any related travel advisories or restrictions. In addition to restrictions implemented, the impact of public health emergencies on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity may impact the operational and financial performance of the Funds. The effects of a public health emergency may materially impact the Funds, as well as their ability to source, manage, and divest investments or achieve their investment objectives. Furthermore, HighBar or the Funds could be significantly impacted, or their business operations could even be temporarily or permanently halted, as a result of government quarantine measures, voluntary or involuntary restrictions on travel or meetings, and other factors related to a public health emergency and a governmental response thereto.

*Market Conditions.* The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds' performance

can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Funds' performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support its investment objective.

Counterparty Risk. There are risks involved in dealing with the banks, custodians, and broker-dealers, as well as other securities intermediaries engaged by the Firm. Although the Firm monitors the banks, custodians, broker-dealers, and securities intermediaries, and believes that they are appropriate banks, custodians, broker-dealers, and securities intermediaries, there is no guarantee that the banks, custodians, broker-dealers, and securities intermediaries, or any other banks, custodians, broker-dealers, or securities intermediaries that the Funds may use from time to time, will not become bankrupt, insolvent, or otherwise cease to operate normally. While the U.S. Bankruptcy Code, the U.S. Securities Investor Protection Act of 1970, regulatory agencies including the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation, and applicable bank insolvency laws seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a bank or broker-dealer, there is no certainty that, in the event of a failure of a bank or broker-dealer that has custody of Fund assets, the Funds would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

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

Conflicts of Interest. Until such time as the General Partner is permitted under the Limited Partnership Agreement to raise a successor investment fund to the Funds, the Principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the Funds for the benefit of the Funds, subject to certain exceptions set forth in the Limited Partnership Agreement. However, the Principals may in the future, manage several other investment funds besides the Fund and investments similar to those in which the Fund will be investing and may direct certain relevant investment opportunities to those investment funds and investments. The Principals and the General Partner's investment staff will continue to manage and monitor such investment funds and investments. The General Partner believes that the significant investment of the Principals in the Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Partners, although the Principals have or may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the Principals may control or manage may compete with the Fund or companies

acquired by the Fund. At such time as the General Partner is permitted to raise a successor investment fund to the Funds, the Principals will continue to manage the Funds' investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments may be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Limited Partnership Agreement.

Over time, certain investment opportunities suitable for a Fund are likely also to be suitable for other investment funds sponsored by the General Partner or its affiliates. In determining which investment funds should participate in such investment opportunities, subject to the Limited Partnership Agreement, the General Partner, the Principals and their affiliates are subject to potential conflicts of interest among the investors in the Fund and investors in the other investment funds sponsored by the General Partner and the Principals. To determine whether a Fund or other investment funds sponsored by the General Partner or its affiliates will participate in the relevant investment opportunity, the General Partner generally assesses whether an investment opportunity is appropriate for each relevant fund based on the terms of such Funds' limited partnership agreement, as well as other factors, including but not limited to investment restrictions and objectives (including those set forth in the Limited Partnership Agreement, where applicable), operating guidelines, strategy, diversification limitations, risk profile, time horizon, tolerance for turnover, asset composition, cash level, life cycle, structure, applicable tax and regulatory considerations, investment restrictions and other relevant factors, including agreements with co-sponsors. The Funds may invest together with other funds advised by an affiliated adviser of the General Partner in the manner set forth in the relevant partnership agreements. The General Partner will determine the allocation of investment opportunities among funds in a manner that it believes is fair and equitable consistent with the General Partner's obligations and may take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which the Fund will invest exceeds an amount appropriate for the Fund, such excess may also be offered to one or more potential investors. See Item 8 – "Risk Factors – Co-Investments."

The General Partner's allocation of investment opportunities among the Fund and any of the other investment funds sponsored by the General Partner may not always, and often will not, be proportional. Therefore, such allocations may be more advantageous to the Fund relative to one or all of the other investment funds, or vice versa. While the General Partner will allocate investment opportunities in a way that it believes in good faith is fair and equitable to the Fund, there can be no assurance that the Funds' actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the General Partner may be subject did not exist.

Additionally, conflicts of interest can arise if the Fund makes an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by the General Partner or an affiliate. For instance, the Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This may result in differences in price, investment terms, leverage and associated costs between the Fund and any other investing fund sponsored by the General Partner or an affiliate. There can be no assurance that the Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Funds' return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

The General Partner may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Fund. The General Partner, in its sole discretion, will allocate fees and expenses in accordance with the Limited Partnership Agreement and in a manner that it believes

in good faith is fair and equitable to the Fund under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

The Fund intends to make controlling investments in some portfolio companies. As a result of these controlling interests, the General Partner typically has the right to appoint portfolio company board members (including current or former General Partner personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to the General Partner in connection with services provided by the General Partner and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Limited Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. The General Partner's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the General Partner subjects the General Partner and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse the General Partner or service providers retained at the General Partner's discretion for expenses (including, without limitation, travel expenses) incurred by the General Partner or such service providers in connection with the performance of services for such portfolio company. This subjects the General Partner to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Limited Partnership Agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion.

The General Partner and/or its affiliates, may also, from time to time, employ personnel (including Operating Professionals (as defined below)) with pre-existing ownership interests in or who were employed by portfolio companies owned by the Fund or other funds or investment vehicles advised by the General Partner; conversely, former personnel or executives of the General Partner (including Operating Professionals) may serve in significant management roles at portfolio companies or service providers recommended by the General Partner. Similarly, the General Partner and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the General Partner, the Fund, other funds or other investment vehicles the General Partner advises and/or portfolio companies. The General Partner may have a conflict of interest with the Fund in recommending the retention or continuation of a third-party service provider to the Fund or a portfolio company owned by the Fund 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 the General Partner advises, will provide the General Partner information about markets and industries in which the General Partner operates (or is contemplating operations) or will provide other services that are beneficial to the General Partner. The General Partner may have a conflict of interest in making such recommendations, in that the General Partner has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Fund and other funds and investment vehicles that the General Partner advises, while the



products or services recommended may not necessarily be the best available to the portfolio companies held by the Fund.

In certain circumstances, current or former Management Company personnel also may serve in interim or part-time roles at portfolio companies, or may provide services to portfolio companies as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at the Management Company. Under such arrangements, the relevant portfolio company may pay all or a portion of the compensation in respect of such employees, or may supervise or oversee such employees. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by the Management Company as overhead in respect of those personnel would be borne by the portfolio company when they are secondees or other portfolio company personnel. As secondees are often initiated to meet temporary portfolio company needs, they are expected to change over time, and in many cases will be ended by the Management Company when the portfolio company is sold, at which point the secondees may or may not return to the Management Company. It is possible that certain Management Company personnel may serve as secondees or other personnel with respect to multiple portfolio companies and perform services that directly or indirectly benefit the Management Company while serving as secondees or other portfolio company personnel.

Over the life of the Fund, the General Partner generally expects to exercise its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) the General Partner (or an affiliate, which may include other portfolio companies of the Fund or other investment funds sponsored by the General Partner) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates. For example, the General Partner may from time to time initiate transactions or service agreements between two or more portfolio companies of the Fund and/or other HighBar Funds, and may engage certain Limited Partners or their affiliates that are engaged in lending or related businesses to provide financing and/or other services in connection with a Funds' investments. This subjects the General Partner to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the General Partner may have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the General Partner, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner, the Fund or other investment funds sponsored by the General Partner or its affiliates), may favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not the General Partner 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 could provide such services at lesser cost.

The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Fund has a fixed investment period after which capital from Limited Partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of the Fund, calculated based upon the invested capital of the Fund, the Management Fee structure may create an incentive for the General Partner to deploy capital when it might not otherwise have done so.

The Management Company has instituted a program under which portfolio companies are given the option to participate in purchasing, vendor or similar arrangements with the Management Company, its affiliates and other portfolio companies of other HighBar Funds. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. The Management Company believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the Fund) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

Additionally time to time the General Partner, its affiliates and personnel and persons selected by them may receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Fund under which such portfolio companies make their goods and/or services available at reduced rates. Discounted prices or better terms offered by a portfolio company to the Management Company, any other portfolio company or third parties may affect the returns of the portfolio company.

Operating Professionals. The General Partner expects to utilize on behalf of the Fund and/or its portfolio companies operating partners, executives and other consultants, which may be affiliates of the General Partner, employees of such affiliates (including of the Management Company or another entity owned and/or controlled by personnel of the Management Company and/or its affiliates), portfolio companies of other funds managed by the General Partner or its affiliates, “venture partners,” “entrepreneurs-in-residence,” “executives-in-residence,” “consultants,” “contractors,” “advisers” and/or other third-party consultants (including individual Operations Group members, consultants, Operating Executives and other external executives) (“Operating Professionals”). The General Partner may designate Operating Professionals in its sole discretion. The General Partner expects Operating Professionals to regularly provide services to, or in connection with, the Fund or one or more portfolio companies or prospective portfolio companies in relation to identification, diligence, operations and/or other investment-related and operational activities, and Operating Professionals may serve on boards of directors or other similar governing boards of portfolio companies (“Services”).

The fees and expenses associated with any such Services (collectively “Consulting Fees and Expenses”) are expected to be paid and/or reimbursed by applicable portfolio companies and/or the Fund and will not offset the Management Fee. Consulting Fees and Expenses are expected to include, based on the particular Services, cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to Operating Professionals, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Operating Professionals, a percentage of the value of the portfolio company, the amount of capital invested in such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Operating Professionals also are expected to receive reimbursement of certain costs and expenses, including travel, meals, lodging and reasonable and customary entertainment, that are incurred in connection with providing Services. Separately, Operating Professionals may receive office space, health insurance, business cards and other benefits and may make use of other Management Company resources. Additionally, portfolio companies may provide opportunities for Operating Professionals to invest in the Fund and/or such portfolio company (without the payment of management fees or carried interest) and reimburse costs and expenses incurred by such persons. Operating Professionals also may receive remuneration from the General Partner and/or the Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities and reimbursements paid to Operating Professionals will not offset the Management Fee. Operating Professionals may have a limited partnership or profit interest in the Fund, the General Partner, one or more other investment funds sponsored by the General Partner or in an affiliate of the General Partner.

In addition, Consulting Fees and Expenses received by Operating Professionals that are borne by the Fund and/or a portfolio company may result in direct or indirect benefits to the Management Company, its affiliates and/or portfolio companies of other funds sponsored or advised by the Management Company or its affiliates. Consequently, the Management Company, its affiliates and/or portfolio companies of other funds sponsored by the Management Company or its affiliates could receive services without bearing associated costs. Conversely, the Fund or its portfolio companies or prospective portfolio companies could also benefit from services where the associated Consulting Fees and Expenses is borne by the Management Company, its affiliates and/or portfolio companies of other funds sponsored by the Management Company or its affiliates.

Although the General Partner intends to retain Operating Professionals members with a view to reducing costs to portfolio companies (and, ultimately, the Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such employment or retention. In addition, while the General Partner intends to retain only such Operating Professionals that it believes provide services that will create value for the Fund and/or its portfolio companies, there can be no assurance that no other service provider is more qualified to provide the applicable Services or could provide such Services at lesser cost.

Unfunded Pension Liabilities of Portfolio Companies. Court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Memorandum, which may change in the future as the case law and guidance develops.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Co-Investments. The General Partner may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of the Fund or any individual Limited Partner. In addition, co-investors may not participate in all rounds of financing with respect to a portfolio company, which will result in a different return profile for co-investors. In exercising its sole discretion in connection with such co-investment opportunities, the General Partner may consider some or all of a wide range of factors, which may include

factors which benefit the General Partner such as; whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived degree of that interest; the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to otherwise execute the transaction, in a timely manner with respect to the timeframe in which the General Partner believes favorable transaction terms may be achieved; any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; the General Partner's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the General Partner's ability to execute the relevant transaction in the desired time or on desired terms; the size of the investment allocation available to the General Partner (and not being allocated to the Fund or any other HighBar fund), and the practicality of splitting the allocation into smaller tranches; the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction; any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; whether the prospective co-investor is considered "strategic" to the investment because it is able to offer a HighBar Fund or the General Partner or any of their respective affiliates certain services or benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether the General Partner believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to any of the relevant HighBar Funds, the General Partner or their respective affiliates; whether the prospective co-investor has a history of consummating co-investment opportunities with the General Partner or its affiliates; whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity (including the financial resources to fund its pro rata share of any future follow-on investments); the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying portfolio company, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the investor would be willing to defer to the General Partner and assume a more passive role in governing the investment); whether the prospective co-investor has any interests in any competitor of the underlying investment; the expected investment holding period; the services provided by the prospective co-investor to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment); the size of the prospective co-investor's interest to be held in the underlying portfolio company as a result of a HighBar Fund's investment (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such HighBar Fund); the size of the prospective co-investor's commitment to the Fund or any other HighBar Fund; whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investors; the likelihood that the prospective co-investor may invest in the Fund and/or a future fund sponsored by the General Partner or its affiliates and other factors that the General Partner considers important in connection with the specific transaction or investment.

The Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction. In some cases, a co-investment vehicle may be formed in connection with the consummation of a transaction and such entity will bear expenses related to its formation and operation. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial to the transaction, ultimately is not consummated, the full amount of any fees and expenses generated in the course of evaluating any such proposed transaction generally would be borne by the Fund, and not by any potential co-investors that would have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of expenses.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the General Partner or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Limited Partners. When and to the extent that employees and related persons of the General Partner make capital investments in or alongside the Fund, the General Partner is subject to conflicting interests in connection with these investments. The General Partner's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

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

Cyber Security Breaches and Identity Theft. Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners, may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. The General Partner, the Funds' service providers and portfolio companies' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks.

The General Partner, the Management Company, the Funds' portfolio companies, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different

threats or risks that could adversely affect the Funds and the Limited Partners, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Funds and the Limited Partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the General Partner, the Funds' portfolio companies, the Funds' service providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the General Partner's systems to disclose sensitive information in order to gain access to the General Partner's data or that of the Limited Partners. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists, or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the Fund, to substantial losses.

In the event that such a cyber-attack or other unauthorized access is directed at the Management Company, the General Partner, the Funds, one of their affiliates or one of their service providers holding their financial or investor data, the Management Company, the General Partner, the Funds, and their affiliates may also be at risk of loss. Furthermore, service providers of the General Partner, the Fund and their respective affiliates, and the Funds' portfolio companies may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

If technological systems are compromised, become inoperable for extended periods of time or cease to function properly, General Partner, the Funds and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partner's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm General Partner's, the Funds' and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims (from an individual or a governmental body) or otherwise affect their business and financial performance. In addition, the General Partner's, the Funds' and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

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

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including the Management Company and its affiliates and portfolio companies of the Funds. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability on regulated entities.

GDPR - Fair Processing Information (Data Protection). Prospective investors should be aware that, in considering and/or making an investment in the Funds, and interacting with the Funds, its affiliates, agents, advisers and/or delegates by:

1. submitting the Subscription Agreements,
2. communicating through telephone calls, written correspondence and emails (all of which may be recorded); or
3. providing personal data concerning individuals connected with the investor (such as directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners, advisers and/or agents), they will be providing the Fund, its affiliates, agents, advisers and/or delegates with personal data (as such term is defined in applicable EU data protection legislation).

The General Partner has prepared a privacy notice, which provides further information regarding the personal data collected and used by it including in relation to the Fund, and the purposes for which such personal data is processed. The privacy notice can be accessed at the Funds' data room. Prospective investors should read the privacy notice carefully before sharing any personal data in accordance with the steps described above.

Impacts of Excuse or Exclusion. A Limited Partner's participation in the Funds' investments may be limited by virtue of the General Partner's right to exclude a Limited Partner from, or a Limited Partner's right to be excused from, participating in certain of the Funds' investments as set forth in the Limited Partnership Agreement, thereby increasing the participation of other Limited Partners. As a consequence of one or more Limited Partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one investment by the Fund. The performance of one or more substantial investments may have a significant impact on the overall performance of the Fund.

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

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making investments, the General Partner will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental

and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the General Partner may rely on the advice received from such third parties. Investment analyses and decisions by the General Partner will often be undertaken on an expedited basis in order for the Fund to take advantage of investment opportunities. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

*Adequacy and Availability of Insurance.* While the Funds may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the Funds' profitability.

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

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

*Possibility of Fraud or Other Misconduct of Employees and Service Providers.* Misconduct by (i) HighBar employees, (ii) portfolio company directors, officers or employees, and (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts and business practices of the Funds and/or the General Partner and cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to the Fund. HighBar generally seeks to reduce the risk



of such misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

*Failure to Make Capital Contributions.* If a Limited Partner fails to pay when due installments of its Commitment to the Fund, and the contributions made by non-defaulting Limited Partners and borrowings by the Fund are inadequate to cover the defaulted amount, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners).

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

*Agreements with Certain Investors.* The General Partner may enter into a side letter or other similar agreement with any Limited Partner in connection with its admission to the Fund without the approval of any other Limited Partner, which would have the effect of establishing rights under, altering or supplementing the terms of, or confirming the interpretation of an applicable Fund document (including the Limited Partnership Agreement and any related subscription agreement) with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners, and such rights may be significant. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse, exclusion or withdrawal rights applicable to particular investments or Limited Partners (which may increase the percentage interest of other Limited Partners in, and contribution obligations of other Limited Partners with respect to, certain investments); (ii) reporting obligations of the General Partner; (iii) waiver of certain confidentiality obligations; (iv) consent of the General Partner to certain transfers by such Limited Partner; (v) co-investment opportunities or (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such Limited Partner.

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

effect on the Fund, its portfolio companies and its investors, for example, by impacting the competitive positioning of a portfolio company or affecting the Fund's competitive advantage in finding attractive investment opportunities.

*Use of Alternative Investment Vehicles.* The General Partner has the authority to structure the making of, or restructure, a portfolio investment or any portion thereof (or the holding thereof if after the initial consummation of such portfolio investment) outside of the Fund by requiring any or all of the Limited Partners to make such investment directly or indirectly through one or more alternative investment vehicles. The structural attributes of certain alternative investment vehicles may result in divergent return characteristics for certain Limited Partners. The establishment and maintenance of any such alternative investment vehicles will result in additional expenses allocable to the participants in such vehicles. In addition, the General Partner may elect to structure an alternative investment vehicle that may result in favorable tax treatment for one set of Limited Partners but less favorable tax attributes for another.

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

*Laws and Regulations Governing the Cloud.* The future success of certain of portfolio companies may depend upon the continued use of the Internet cloud as a primary medium for commerce, communication and business services. Changes in laws and regulations related to the cloud or changes in the infrastructure of the cloud itself may diminish the demand for portfolio companies' products. U.S. federal, U.S. state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting the use of the cloud as a commercial medium. portfolio companies may be required to modify their products in compliance with or in response to such changes in laws and regulations. Also, domestic and foreign government bodies and agencies and private organizations may begin to impose taxes, fees or other charges for accessing the Internet or for the commerce conducted via the Internet. Such charges and regimes could limit the growth of Internet-related commerce or communications generally, or reduce demand for cloud-based products and services.

*Governmental Export and Import Controls.* Companies may be subject to U.S. and other jurisdictions' export controls for software and for incorporating encryption technology into any customer service platforms enabled through mobile applications. Such products incorporating encryption technology may only be exported with the required export authorizations, including by license, a license exception or other appropriate government authorizations, for example the filing of an encryption registration. Also, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit the ability of companies to offer or distribute their products. Further, U.S. and other jurisdictions' export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by economic sanctions. Such governmental export and import controls could negatively impact the General Partner and the Funds by impairing the abilities of portfolio companies to compete in international markets or subject them to liability for violations, including possible civil and criminal penalties and repercussions.

*Proprietary Rights.* Many target portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There

can be no assurance that the Funds or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the U.S. is significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

*Third-party Infringement Claims.* The Funds (or an affiliate thereof) or a portfolio company may, from time to time, receive notices from others claiming the Fund (or an affiliate thereof) or such portfolio company has infringed their intellectual property rights. The number of these claims may grow because of constant technological change in the software industry, increased user-generated content, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents. Additionally, portfolio companies may currently or in the future use "open source" software in their products or platforms. Such open-source software is generally licensed by its authors or other third parties under open source licenses. Licensing authors or third parties may allege that a portfolio company has not complied with the conditions of one or more of these licenses. To resolve these and other intellectual property infringement claims, the Fund and/or portfolio companies may enter into royalty and licensing agreements on terms that are less favorable than currently available, stop selling or redesign affected products, or pay damages to satisfy indemnification commitments with customers. These outcomes may cause operating margins to decline. In addition to money damages, in some jurisdictions plaintiffs can seek injunctive relief that may limit or prevent importing, marketing and selling products that have infringing technologies. In some countries, such as Germany, an injunction can be issued before the parties have fully litigated the validity of the underlying patents.

*Software Code Protection.* Source code can be critical to certain portfolio companies. If an unauthorized disclosure of a significant portion of source code occurs, a portfolio company could potentially lose future trade secret protection for that source code. This could make it easier for third parties to compete with such portfolio company products by copying functionality, which could adversely affect revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (e.g., viruses, worms, and other malicious software programs that may attack portfolio company products and services). Costs for remediating the unauthorized disclosure of source code and other cyber-security breaches, may include, among other things, increased protection costs, reputational damage and loss of market share, liability for stolen assets or information and repairing system damage that may have been caused. Remediation costs may also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach.

*Anti-Corruption Laws & Anti-Boycott Considerations.* The General Partners and the Funds are committed to complying with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption and anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Funds may be adversely affected or miss out on opportunities because of the Funds' or the General Partners' unwillingness to participate in transactions that potentially violate such laws and regulations. Such laws and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities and for portfolio companies to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In particular, U.S. regulators recently have been focused on private equity firms and their compliance with the FCPA.

Any policies and procedures that may be adopted by the General Partner to comply with the FCPA or similar laws may not be effective in all instances to prevent violations. In addition, despite any policies that the General Partner may seek to implement at portfolio companies, portfolio companies or their affiliates may engage in activities that could result in FCPA violations. Any determination that the General Partner or any of its portfolio companies has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could give rise to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could adversely affect the business prospects and/or financial position of the portfolio company or the Fund, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

Each Fund will require that each subscriber represent and warrant its compliance with applicable anti-corruption and anti-bribery laws and regulations. The Fund and the General Partner shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by any subscriber as a result of actions taken as deemed necessary by the Fund or the General Partner for compliance with anti-corruption and anti-bribery laws and regulations or compliance with anti-boycott laws and regulations.

*Economic Sanction Laws.* Each Fund is subject to laws that restrict it from dealing with entities, individuals, organizations and/or investments which are subject to applicable sanctions regimes. Enforcement of economic sanctions laws in the U.S., EU, and other countries is increasing, and failure by the General Partner, the Fund or portfolio companies to comply with U.S., EU, or other relevant economic sanctions could have serious legal and reputational consequences.

Accordingly, the Funds will require each subscriber to make representations and warranties with respect to compliance with anti-money laundering and sanctions regulations, including those of the U.S. Treasury Department's Office of Foreign Assets Control.

Where a subscriber or a related person is or becomes the target of sanctions or otherwise violates or would cause the Fund to violate applicable law, the Fund may be required immediately and without notice to such subscriber to cease any further dealings with the subscriber and/or the subscriber's interest in the Fund and/or freeze such subscriber's assets in the Funds' possession until the subscriber ceases to be subject to such sanctions or violations. The Fund and the General Partner shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by any subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Fund subsequently become subject to applicable sanctions, the Fund may immediately and without notice to subscribers cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings.

*National Security Investment Clearance.* In some cases, investments by a Fund involving the acquisition of or investment in a U.S. business (including a U.S. subsidiary of a company domiciled outside of the United States) may be subject to review and approval by the Committee on Foreign Investment in the United States ("CFIUS"). In the event that CFIUS reviews one or more investments, there can be no assurances that the General Partner will be able to maintain or proceed with such portfolio investments on acceptable terms. Additionally, CFIUS may seek to impose limitations on one or more such portfolio investments that may prevent the Fund from maintaining or pursuing investment opportunities that the Fund otherwise would

have maintained or pursued, which could adversely affect the performance of the Funds' investment in such portfolio investments and thus the performance of the General Partner. Pending legislation to reform CFIUS would increase the scope of CFIUS' jurisdiction to cover more types of investments and empower CFIUS to scrutinize more closely investments in U.S. technology companies. Certain of the Limited Partners of the Fund are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of the Funds' aggregate commitments, which may increase the risks of such limitations being imposed. Moreover, other countries continue to strengthen their own national security investment clearance regimes, and the General Partner's investments outside of the U.S. may also face delays, limitations, or restrictions as a result of compliance with these legal regimes.

*Investments with Third Parties.* A Fund may co-invest with third parties, thereby acquiring non-controlling interests in certain portfolio companies. The Fund may not have control over these companies and, therefore, may have a limited ability to protect its position therein. Such portfolio investments may involve risks not present in portfolio investments where a third party is not involved, including the possibility that a third-party partner or co-investor may have financial difficulties resulting in a negative impact on such portfolio investment, may have economic or business interests or goals which are inconsistent with those of the Fund, may cause the investment to be reviewable by CFIUS or another U.S. or other national security investment clearance regulator, or may be in a position to take action contrary to the Funds' investment objectives or narrow the array of potential exit strategies for the Fund. In addition, the Fund may in certain circumstances be liable for the actions of its third-party partners or co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

*Uncertainty of Projections and Outside Reports.* The General Partner will generally establish the capital structure of portfolio companies and the terms and targeted returns of investments on the basis of financial and other projections for such investment. Estimates or projections of economic and market conditions, supply and demand dynamics and other key investment-related considerations are key factors in evaluating potential investment opportunities and valuing the Partnership's investment program. It is possible for such estimates and projections to be significantly revised from time to time, creating significant changes in the value of any such portfolio company subject to such factors. Projected operating results will normally be based primarily on management judgments or third-party reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that any projections, forecasts or estimates referred to herein will prove to be accurate or that projected, forecasted or estimated results will be obtained. Actual results may vary significantly from the projections, forecasts or estimates set forth herein. General economic, natural and other conditions, which are not predictable, can have a material adverse impact on the reliability of such projections, forecasts or estimates. Assumptions or projections about asset lives, the stability, growth or predictability of costs, demand or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results. Certain portfolio companies, as well as the Partnership, will from time to time rely on the reports of technical consultants when evaluating the condition of certain assets. The actual condition of the assets may be worse than anticipated, requiring additional capital or maintenance expenditures that may not be recoverable, allocable to end-users or economical from a stand-alone perspective.

*Risk of Taxes Without Distributions.* Potential timing differences between income recognition for tax purposes and actual cash distributions to Partners may cause Partners to incur income tax liabilities in excess of actual cash distributions in certain tax years.

*U.S. Federal Income Tax Liability Resulting from IRS Audits.* U.S. federal income taxes arising from an IRS audit of the Fund will be paid by the Fund absent an election to the contrary. In addition, a newly

designated “partnership representative” will have the power to act on behalf of the Fund and its Partners in all IRS audits and other proceedings involving the Fund’s U.S. federal income, loss, deductions and credits. These new rules may be less favorable than prior partnership audit rules for certain Partners in certain cases.

*Recent Changes in U.S. Federal Income Tax Law.* All statements contained in this Brochure concerning the U.S. federal income tax (or other tax) consequences of an investment in the Funds are based on existing law and interpretations thereof. Recent changes in U.S. federal income tax law could materially affect the tax consequences of a Limited Partner’s investment in the Funds and the tax treatment of the Funds’ investments. While some of these changes may be beneficial, others could negatively affect the after-tax returns of the Fund and the Limited Partners. The effect of certain provisions of the new legislation is uncertain and future administrative guidance may result in additional changes. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in the Funds, or of investments made by the Funds, will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of the Limited Partners.

*U.S. Taxation of Carried Interest.* U.S. federal income tax law treats certain allocations of capital gains to service providers by funds such as the Fund as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of individuals associated with the Fund, the General Partner or the Management Company who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner or the Management Company and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. This could also create an incentive for the members of the General Partner to cause the Fund to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist or, under the terms of Fund Agreement, waive or defer the distribution or allocation of certain items of taxable income of the Fund otherwise included in the carried interest in exchange for an allocation to the General Partner of (and right to receive distributions with respect to) future taxable income or gains, which waiver or deferral could impact the character or amount of taxable income allocated by the Fund to the Limited Partners.

**Item 9. Disciplinary Information**

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Each of HighBar and its management persons has not been subject to any material legal or disciplinary events required to be discussed in this brochure.

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

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The Management Company is affiliated with each of the General Partners, which are subject to the Advisers Act pursuant to and in reliance upon the Management Company's registration in accordance with SEC guidance. These affiliated entities operate as a single advisory business and serve as investment managers and/or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants, or persons occupying similar positions.



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

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

Pursuant to Rule 204A-1 under the Advisers Act, HighBar has a Code of Ethics (referred to in this brochure as the “Code”) to ensure that HighBar describes its role as a fiduciary to the Funds. The interests of the Funds must always be recognized, respected, and have precedence over HighBar employees. The Code requires that HighBar employees act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. HighBar employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by HighBar or its employees.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of HighBar’s personnel. Subject to limited exceptions set forth in the Code, the Code requires that personnel pre-clear certain personal securities transactions, report personal securities transactions in accordance with the Code on at least a quarterly basis, and submit reports to HighBar regarding personal accounts and reportable securities holdings at least annually.

The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, includes restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Employees are required to provide an annual written certification to HighBar as to agreeing to comply with the Code. A copy of HighBar’s Code is available upon written request to HighBar at "HighBar Partners 405 El Camino Real – Suite 361 Menlo Park CA 94025", Attn: Brian Kriebel, Chief Compliance Officer.

### **Directors and Officers**

Certain employees of HighBar serve as directors or officers of entities through which investments by the Funds are held.

### **Co-Investment Opportunities**

HighBar may offer co-investment opportunities in certain Fund investments to existing investors or third parties. In some cases, a co-investment vehicle may be formed to invest in portfolio companies alongside one or more Funds in connection with the consummation of a transaction, subject to HighBar’s related policies and the relevant Partnership Agreement(s) and/or side letter(s). Where a co-investment vehicle is formed, such entity often will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the applicable General Partner, ultimately is not consummated, no co-investment vehicle generally will have been formed, and all expenses relating to such unconsummated transaction will be borne by the Fund or Funds selected by the applicable General Partner as proposed investors for such proposed transaction, and not by any prospective co-investors that were to have participated in such transaction, to the extent set forth in the applicable Partnership Agreement. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such expenses.

To the extent HighBar or the general partners receive any compensation or fees that are allocable to co-investment vehicles based on relative amounts invested (such as a transaction fee, asset management fee, arranger's fee, a management fee or any performance-based compensation), such fees are neither payable to the Funds nor credited against future Management Fees.

### **Other Potential Conflicts of Interest**

Until such time as the General Partner is permitted under the Limited Partnership Agreement to raise a successor investment fund to the Funds, the Principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the Fund for the benefit of the Fund, subject to certain exceptions set forth in the limited partnership agreement. However, the Principals may in the future, manage several other investment funds besides the Fund and investments similar to those in which the Fund will be investing and may direct certain relevant investment opportunities to those investment funds and investments. The Principals and the General Partner's investment staff will continue to manage and monitor such investment funds and investments. The General Partner believes that the significant investment of the Principals in the Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Partners, although the Principals have or may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the Principals may control or manage may compete with the Fund or companies acquired by the Fund. At such time as the General Partner is permitted to raise a successor investment fund to the Fund, the Principals will continue to manage the Funds' investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments may be allocated between the Fund and any successor or predecessor fund in a manner as set forth in the Limited Partnership Agreement.

Over time, certain investment opportunities suitable for the Fund are likely also to be suitable for other investment funds sponsored by the General Partner or its affiliates. In determining which investment funds should participate in such investment opportunities, subject to the Limited Partnership Agreement, the General Partner, the Principals and their affiliates are subject to potential conflicts of interest among the investors in the Fund and investors in the other investment funds sponsored by the General Partner and the Principals. To determine whether the Fund or other investment funds sponsored by the General Partner or its affiliates will participate in the relevant investment opportunity, the General Partner generally assesses whether an investment opportunity is appropriate for each relevant fund based on the terms of such Fund's limited partnership agreement, as well as other factors, including but not limited to investment restrictions and objectives (including those set forth in the Limited Partnership Agreement, where applicable), operating guidelines, strategy, diversification limitations, risk profile, time horizon, tolerance for turnover, asset composition, cash level, life cycle, structure, applicable tax and regulatory considerations, investment restrictions and other relevant factors, including agreements with co-sponsors. The Fund may invest together with other funds advised by an affiliated adviser of the General Partner in the manner set forth in the relevant partnership agreements. The General Partner will determine the allocation of investment opportunities among funds in a manner that it believes is fair and equitable consistent with the General Partner's obligations and may take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which the Fund will invest exceeds an amount appropriate for the Fund, such excess may also be offered to one or more potential investors. See Item 8 – "Risk Factors – Co-Investments."

The General Partner's allocation of investment opportunities among the Fund and any of the other investment funds sponsored by the General Partner may not always, and often will not, be proportional. Therefore, such allocations may be more advantageous to the Fund relative to one or all of the other investment funds, or vice versa. While the General Partner will allocate investment opportunities in a way

that it believes in good faith is fair and equitable to the Fund, there can be no assurance that the Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the General Partner may be subject did not exist.

Additionally, conflicts of interest can arise if the Fund makes an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by the General Partner or an affiliate. For instance, the Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This may result in differences in price, investment terms, leverage and associated costs between the Fund and any other investing fund sponsored by the General Partner or an affiliate. There can be no assurance that the Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

The General Partner may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Fund. The General Partner, in its sole discretion, will allocate fees and expenses in accordance with the Limited Partnership Agreement and in a manner that it believes in good faith is fair and equitable to the Fund under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

The Fund intends to make controlling investments in some portfolio companies. As a result of these controlling interests, the General Partner typically has the right to appoint portfolio company board members (including current or former General Partner personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to the General Partner in connection with services provided by the General Partner and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Limited Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. The General Partner's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the General Partner subjects the General Partner and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse the General Partner or service providers retained at the General Partner's discretion for expenses (including, without limitation, travel expenses) incurred by the General Partner or such service providers in connection with the performance of services for such portfolio company. This subjects the General Partner to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Limited Partnership Agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion.

The General Partner and/or its affiliates, may also, from time to time, employ personnel (including Operating Professionals) with pre-existing ownership interests in or who were employed by portfolio companies owned by the Fund or other funds or investment vehicles advised by the General Partner; conversely, former personnel or executives of the General Partner (including Operating Professionals) may serve in significant management roles at portfolio companies or service providers recommended by the

General Partner. Similarly, the General Partner and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the General Partner, the Fund, other funds or other investment vehicles the General Partner advises and/or portfolio companies. The General Partner may have a conflict of interest with the Fund in recommending the retention or continuation of a third-party service provider to the Fund or a portfolio company owned by the Fund 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 the General Partner advises, will provide the General Partner information about markets and industries in which the General Partner operates (or is contemplating operations) or will provide other services that are beneficial to the General Partner. The General Partner may have a conflict of interest in making such recommendations, in that the General Partner has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Fund and other funds and investment vehicles that the General Partner advises, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Fund.

In certain circumstances, current or former Management Company personnel also may serve in interim or part-time roles at portfolio companies, or may provide services to portfolio companies as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at the Management Company. Under such arrangements, the relevant portfolio company may pay all or a portion of the compensation in respect of such employees, or may supervise or oversee such employees. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by the Management Company as overhead in respect of those personnel would be borne by the portfolio company when they are secondees or other portfolio company personnel. As secondee arrangements are often initiated to meet temporary portfolio company needs, they are expected to change over time, and in many cases will be ended by the Management Company when the portfolio company is sold, at which point the secondees may or may not return to the Management Company. It is possible that certain Management Company personnel may serve as secondees or other personnel with respect to multiple portfolio companies and perform services that directly or indirectly benefit the Management Company while serving as secondees or other portfolio company personnel.

Over the life of the Fund, the General Partner generally expects to exercise its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) the General Partner (or an affiliate, which may include other portfolio companies of the Fund or other investment funds sponsored by the General Partner) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates. For example, the General Partner may from time to time initiate transactions or service agreements between two or more portfolio companies of the Fund and/or other HighBar Funds, and may engage certain Limited Partners or their affiliates that are engaged in lending or related businesses to provide financing and/or other services in connection with a Fund's investments. This subjects the General Partner to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the General Partner may have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the General Partner, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner, the

Fund or other investment funds sponsored by the General Partner or its affiliates), may favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not the General Partner 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 could provide such services at lesser cost.

The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Fund has a fixed investment period after which capital from Limited Partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of the Fund, calculated based upon the invested capital of the Fund, the Management Fee structure may create an incentive for the General Partner to deploy capital when it might not otherwise have done so.

The Management Company has instituted a program under which portfolio companies are given the option to participate in purchasing, vendor or similar arrangements with the Management Company, its affiliates and] other portfolio companies of other HighBar Funds. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. The Management Company believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the Fund) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

Additionally from time to time the General Partner, its affiliates and personnel and persons selected by them may receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Fund under which such portfolio companies make their goods and/or services available at reduced rates. Discounted prices or better terms offered by a portfolio company to the Management Company, any other portfolio company or third parties may affect the returns of the portfolio company.

## Item 12. Brokerage Practices

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HighBar has discretion regarding the types of investments to be made by the Funds, subject to each of the Funds' investment strategies and purpose as set forth in the Operative Documents of the Funds, respectively. For private or public securities transactions, HighBar may sell or purchase companies through the use of broker-dealer or investment banking institutions. In such case, the Funds' best interest will be considered.

HighBar generally does not make recommendations for investments by the Funds in public securities as most investments are in privately negotiated transactions. Accordingly, HighBar does not frequently select or recommend broker-dealers for client transactions. In the event that a broker-dealer is selected or recommended, HighBar employs a due diligence process to ensure that any such transaction is executed in the best interest of the Funds, taking into account certain factors such as a broker's execution capability and trading expertise, in addition to pricing.

- HighBar does not have any soft dollar arrangements.
- HighBar does not consider whether HighBar or a related person of HighBar receives Fund or investor referrals from a broker-dealer or third party because HighBar does not typically select or recommend broker-dealers.
- HighBar does not have directed brokerage dealings.

Generally, aggregation of the purchase or sale of securities for various Fund accounts does not apply to HighBar as HighBar primarily invests in private equity transactions.

### **Item 13. Review of Accounts**

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HighBar's Investment Team continually reviews and monitors the Funds' investments. HighBar's investment professionals routinely meet to discuss asset management activities as well as potential new investment opportunities. HighBar's Investment Team convenes as and when necessary to consider and approve new investment opportunities and material investment decisions regarding the Funds' existing investments, including dispositions and refinancings. More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios or the investments within them, including changes in the financial markets and activity and trends in the political or economic environment.

Within 120 days after each Fund's fiscal year-end and in accordance with each Fund's Operative Documents, audited financial statements are prepared by an independent accountant pursuant to Generally Accepted Accounting Principles ("GAAP") and are distributed to each investor in the Funds (see Item 15). HighBar also seeks to provide unaudited performance information for the Funds to investors on a quarterly basis. Quarterly reports are based on the unaudited and estimated value of the relevant Fund's investments. HighBar may distribute certain other reports to the Funds' investors upon specific requests from time to time.

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

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From time to time, HighBar may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. Any fees payable to any such placement agents generally will be borne by HighBar directly or indirectly through an offset against the Management Fee or otherwise, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, generally will be borne by the relevant Fund(s).

Please see Item 5 above regarding compensation received from portfolio companies.



## **Item 15. Custody**

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HighBar may be deemed to have custody of the Funds' assets because of each General Partner's role as general partner of the relevant Fund. However, HighBar does not maintain physical custody of such assets. As set forth in Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), all client funds that fall under the purview of the Custody Rule are held at accounts maintained in the name of the applicable client by entities deemed qualified custodians as defined in the Custody Rule.

HighBar intends to deliver audited financial statements of the applicable Funds (such Funds over which HighBar is deemed to have custody) to all investors in such Funds within 120 days of the applicable Fund's fiscal year end. The financial statements will be prepared in accordance with generally accepted accounting principles and audited by an independent accountant.

## **Item 16. Investment Discretion**

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HighBar exclusively manages the business of the Funds and has discretionary investment authority to manage the making of new investments by the Funds and the management of the existing investments held by the Funds. Generally, this authority is provided for in each Fund's Operative Documents. To become an investor, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement or limited liability company agreement. Such Operative Documents generally contain a power of attorney that grants HighBar certain powers related to the orderly administration of the affairs of the Funds. Once an investor executes these documents, with limited exceptions, such as certain conflicts of interest as discussed elsewhere in this brochure, HighBar is not required to contact an investor prior to transacting any business. In addition, investors in the Funds must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

## **Item 17. Voting Client Securities**

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HighBar's investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a Fund will be placed in a position of proxy voting authority.

The majority of "proxies" received by HighBar, however, will be written shareholder consents or similar instruments for private companies owned by a Fund. As such, HighBar has proxy voting policies and procedures pursuant to regulations. HighBar's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. If a Fund does come into possession of securities with voting rights, HighBar will implement the appropriate policies and procedures and seek to vote proxies in the best interests of its clients.

**Item 18. Financial Information**

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

HighBar is not aware of any financial conditions that would be reasonably likely to impair HighBar's ability to meet contractual commitments to the Funds.

Neither HighBar nor any affiliates have been the subject of a bankruptcy petition at any time during the past ten years.

**Item 19. Requirements for State-Registered Advisers**

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HighBar is not required to register with any state securities authority. Therefore, Item 19 is not applicable.