

New State Capital Partners

Part 2A of Form ADV

Brochure

March 31, 2023

2001 Palmer Avenue, Suite 205

Larchmont, NY 10538

Telephone: 212-675-1600

www.newstatecp.com

This firm brochure (this “Brochure”) provides information about the qualifications and business practices of New State Capital Partners LLC and New State Advisors LLC (hereinafter, “New State,” or the “Firm” or “our” or “us”). If you have any questions about the contents of this Brochure, please contact us at 212-675-1600 or acipriani@newstatecp.com. The information in this Brochure has not been approved nor verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Additional information about New State is also available on the SEC’s web site at

www.adviserinfo.sec.gov.

Item 2 - Material Changes

New State filed its most recent prior Brochure in March 2022. This amendment updates the description of the business practices and advisory services of New State, including with respect to various investment-related risk factors, conflicts of interest, fee disclosures and other similar disclosures.

Item 3 - Table of Contents

Item 2 - Material Changes	i
Item 3 - Table of Contents.....	ii
Item 4 - Advisory Business	1
Item 5 - Fees and Compensation	1
Item 6 - Performance-Based Fees and Side-By-Side Management	4
Item 7 - Types of Clients	4
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 - Disciplinary Information	29
Item 10 - Other Financial Industry Activities and Affiliations	30
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	30
Item 12 - Brokerage Practices	31
Item 13 - Review of Accounts.....	31
Item 14 - Client Referrals and Other Compensation	31
Item 15 - Custody	31
Item 16 - Investment Discretion.....	32
Item 17 - Voting Client Securities.....	32
Item 18 - Financial Information	32

Item 4 - Advisory Business

New State Capital Partners LLC and New State Advisors LLC are investment advisers sharing a principal place of business located in Larchmont, New York. New State Advisors LLC is a relying adviser to New State Capital Partners LLC, and both advisers share a unified compliance program, advise only private funds, and conduct a single advisory business. References herein to “New State,” the “Firm” or the “Adviser” refer to both New State Capital Partners LLC and New State Advisors LLC. New State has been conducting business since 2013. The Firm is privately held, and its principal owner is David Blechman.

New State provides investment advisory services to multiple private equity funds (“Clients” or the “Funds”).

New State tailors its advisory services to the needs of each Fund, in accordance with the applicable investment objectives and the relevant prospectus, limited partnership agreement, offering memorandum or other applicable documentation of each Fund (collectively, “Offering Documents”), where applicable. Any restrictions on investments are set forth in the relevant Offering Documents. New State does not tailor its investment advice to the individual investors in each Fund that it manages. As such, investors cannot impose restrictions on the types of investments made through the Funds.

As of December 31, 2022, New State managed approximately \$1,113,865,855 in client assets on a discretionary basis.

Item 5 - Fees and Compensation

A. Fees

New State collects management fees and performance fees relating to the Funds as set forth in each applicable Fund’s Offering Documents. Management fees are generally 2.00% per annum of the Fund investors’ capital commitments during the investment period of the Fund. Subsequent to the investment period, management fees are generally 2% per annum of the Fund investors’ unrealized investment contributions in the Fund. A more detailed description of the specific management fee calculation for each Fund is included in the Offering Documents for each Fund. Performance fees may vary by Fund and are generally 20% of carried interest. Some or all of the companies that the private equity funds invest in also pay monitoring fees and transaction-related fees directly to New State for the provision of certain services. Under certain circumstances, New State offsets all or part of its management fee against these monitoring and transaction-related fees. Such offsets range from 80 to 100% of the portion of the fees allocable to the Fund’s ownership in the underlying portfolio company. The specifics of the calculation of offsets are set forth in more detail in the applicable Offering Documents. In certain circumstances individuals associated with New State who are either retained by New State or one of its affiliates and provide services or support to the Funds or their respective portfolio companies, receive compensation from portfolio companies, directly or through reimbursement from the portfolio companies to New State, that are not subject to offset in accordance with the Offering Documents.

New State, in its sole discretion, can waive or modify the management fee or performance fee for Fund investors that are members, employees or affiliates of New State, relatives of such persons, and for certain other investors. In addition, while monitoring and transaction-related fees related

to the portfolio companies are subject to negotiation, they are not arms-length. These fees are generally calculated as a percentage of the budgeted EBITDA of the respective portfolio company.

New State or its affiliates, as applicable, reserve the right to waive, reduce, or rebate the management fee and/or performance fee with respect to any investor in a Fund. New State has arranged co-investment opportunities with certain investors in a Fund to invest alongside the Fund in a particular investment and may arrange additional co-investment opportunities in the future. That arrangement may or may not include a management or performance fee or may include a management or performance fee that is higher or lower than the fees charged to the Funds.

B. Billing

New State receives management fees from several of the Funds on a quarterly basis in advance and, where applicable, will earn a performance fee as set forth in each applicable Fund's Offering Documents.

C. Additional Expenses

The management fee and performance fee are exclusive of transaction fees and certain Fund expenses, liabilities and obligations relating to the Partnership and its subsidiaries' activities, including but not limited to origination costs, identification and sourcing of investment opportunities, deal related expenses incurred in performing due diligence on potential investments, costs associated with indebtedness or guarantees made by the partnership, sales commissions, broker dealer fees, administrative and custodial expenses, service provider costs, technology costs, costs associated with environment, social and governance investment considerations, reverse breakup and termination fees, insurance (including directors and officers liability, fidelity bonds, portfolio company management liability insurance, cyber security, errors and omissions liability crime and general partnership liability premiums and any other costs associated with retentions and brokerage fees), litigation, mediation and indemnification costs, partnership meeting costs, travel (including chartering private air travel where deemed appropriate by the General Partner and in certain circumstances, with oversight of the advisory board of the respective Fund) operational costs, communications expenses, taxes and other related costs and expenses that are incurred by the Fund, and each Fund is responsible for the payment of these costs and expenses.

The management fee is also exclusive of expenses related to organizing the Fund, expenses related to negotiating Fund documentation, filing fees and other accounting and legal fees related to organization of the Fund (collectively, "Organizational Expenses"). Placement agent fees and commissions are also exclusive of, and in addition to, New State's management fees and performance fees (if applicable). However, placement agent fees paid by the Funds in a given period reduce the amount of future management fees paid by that Fund to New State, as set forth in more detail in the applicable Offering Documents.

For a more complete discussion regarding fees and expenses applicable to a particular Fund, please refer to the appropriate Offering Documents. Please see Item 12 – Brokerage Practices for more information.

Further, New State or its affiliate allocates a portion of certain portfolio company investments to co-investors and at times create separate vehicles for its principals, officers and employees, and any of their respective friends or family members, to invest alongside a Fund. As more fully

described in Item 5 - D. below, there are circumstances under which co-investors are not allocated broken-deal expenses.

D. Conflicts of Interest and Allocations

New State's investments on behalf of the Funds generally consist of purchasing interests, often controlling, in portfolio companies. Further, the investment periods for Funds managed by New State are generally not overlapping for extended periods of time. However, to the extent New State is actively evaluating investments for more than one Fund, it will seek to allocate investment opportunities for Funds on a fair and equitable basis over time, and taking into account a number of factors such as (but not limited to) the sourcing of the relative amounts of capital available for new investments and the investment programs and Funds for which such participation is appropriate, the governing documents of each Fund, and other relevant considerations.

Further, New State will determine that each investment opportunity is appropriate for a Fund and consistent with the Fund's investment objectives and with any investment guidelines or restrictions applicable to that Fund. When it is determined that it would be appropriate for a Fund to participate in an investment opportunity, New State will allocate to such Fund consistent with the investment guidelines and provisions applicable to that Fund.

New State is permitted to allocate a portion of a portfolio company investment that it makes for a Fund to co-investors, and consequently can exercise its discretion to do so for any investments that the Fund makes or has made. New State intends to offer co-investments in its discretion to third parties or to Fund investors, including when there is an interest from a particular investor in the Funds or where New State identifies an opportunity that may be of interest to select Fund investors. Co-investment offerings can enhance strategic relationships with third parties or improve New State's relationships with certain investors. The terms under which such co-investments may be offered will be determined by New State or its affiliate and the relevant co-investor, unless otherwise provided for in the respective Fund's Offering Documents. New State and its affiliate are permitted to receive a carried interest or management fee in respect of co-investment opportunities. Further, New State has created separate vehicles for members of its investment team, any of their respective friends or family members, or employees of New State or certain of its affiliates to invest alongside an existing Fund. Such vehicles invest a fixed amount or percent alongside the relevant Fund.

New State allocates certain expenses and transaction costs among its Funds, and between the Funds and itself, in a fair and impartial manner that takes into account a number of factors, including, among others, the provisions of the Fund's Offering Documents, the amount of capital committed or invested by a Fund, the number or percentage of transactions or investment opportunities in which a Fund was eligible to participate, and the presence of any co-investment vehicles or direct investors investing (or proposing to invest) alongside a Fund. New State will generally allocate all relevant expenses and transaction costs pro rata among its Funds, including co-investment vehicles participating in an investment.

To the extent that New State offers co-investment opportunities to third parties, it will seek to enter into a letter of understanding with the prospective co-investor at the time that the co-investment opportunity is presented that states that the prospective co-investor will bear broken deal expenses on a pro rata basis with the Funds. There is, however, the possibility that a potential co-investor will not agree to bear their pro rata share of broken deal expenses, in which case the Fund may bear a disproportionate share of such expenses.

Please see Item 8 Actual and Potential Conflicts of Interest for more information on conflicts.

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

Performance fees are fees based on a share of capital gains on, or capital appreciation of, the assets of a Fund. Performance fees can create an incentive for New State to recommend investments that are riskier or more speculative than would be the case if such arrangement were not in effect. New State and its employees may be perceived to have an incentive to devote more resources toward managing Funds for which it charges a higher performance fee over other Funds. New State addresses such potential conflicts through policies and procedures that seek to ensure that all clients are treated fairly, and investment opportunities are allocated appropriately over time. New State reserves the right to effectuate specific clawback disbursements, in strict compliance with the stipulations delineated within the pertinent Offering Documents.

Item 7 - Types of Clients

New State provides investment advisory services to private equity funds. Please note that New State's clients are the Funds. Investors in such Funds are not clients of New State. Minimum contributions for investments in a Fund may vary for each Fund and are subject to waiver by the general partner of the respective Fund.

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

A. Methods of Analysis and Investment Strategies

Each Fund advised by New State has its own strategies and risks which are described in its Offering Documents. New State's strategy seeks to acquire control investments in companies in the lower end of the middle market, with earnings before interest, taxes, depreciation, and amortization ("EBITDA") of up to approximately \$25 million, at deep value prices and with structures or other investment characteristics that provide downside protection. Once acquired, New State works to grow EBITDA at portfolio companies and exit the investments at enhanced valuation multiples. New State focuses on creating value through deal sourcing efforts which focus on a broad range of intermediary relationships, use of its operating resources at the portfolio companies, and collaboration with portfolio company management.

B. Material Risk Factors

Investing in securities involves risk of loss that investors should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of an investor's investment in a Fund will fluctuate due to market conditions and other factors. The investment decisions made, and the actions taken in managing the Funds, will be subject to various market, liquidity, currency, economic, political and other risks, and investments may lose value.

Illiquidity of Investments in the Funds. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual and other

limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the return of capital or realization of gains, if any, on an investment generally will occur only upon the partial or complete disposition of such 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 Firm (or its designated affiliate)) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

Investments in Private Companies. The Funds' investment portfolios are expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

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

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

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include a broad spectrum of sources of capital, including other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates, and other private equity funds. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds likely will be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the Fund, Firm and their respective affiliates.

To the extent that the Funds encounter significant competition for investments, returns to investors may decrease. Participation in auctions also will increase the pressure on the Funds

with respect to pricing of a transaction. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified and consummated. Regardless of the extent to which the investors are invested (or drawn down to be invested), the investors will be required to bear management fees through the Funds during the investment period based on the entire amount of the investors' commitments and other expenses as set forth in the governing documents.

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

Leveraged Investments; Borrowing. The Funds are permitted to make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Funds' opportunities for gain and their risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which may be impacted by regulatory restrictions and guidelines and which are difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The availability of leverage is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage may impose restrictive financial and operating covenants on a portfolio 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 portfolio company's condition or industry, competitive pressures, an adverse economic environment or rising (or floating) 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 Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Additionally, lenders would typically have a claim that has priority over any claim by the Funds to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time

a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect a Fund's ability to generate attractive returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of businesses which the Fund may have been contracted to purchase. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency.

The Funds are also permitted to borrow money pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate Commitments available to be called, or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. Although the use of leverage by a Fund will increase the Fund's ability to swiftly invest capital, it will also result in interest expense and other costs to the Fund that may exceed, or otherwise not be covered by, distributions made to the Fund or appreciation of its investments. The Funds are permitted to incur leverage on a joint and several basis with one or more other investment funds and/or other entities managed by or otherwise affiliated with the general partner or any of its affiliates and, in connection with incurring such indebtedness, the general partner reserves the right, in its sole discretion, to cause a Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent the Fund incurs leverage (or provides any guaranty), such amounts may be secured by the commitments of the limited partners and other Fund assets. Any leverage secured by the commitments of the limited partners could enable a lender to issue a capital call on behalf of the general partner of the fund, and such investors' contributions may be required to be made directly to the lender instead of to the Fund.

Investment in Junior Securities. The securities in which the Funds 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.

Distressed Securities Generally. The Funds are permitted and expected to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Distressed debt securities are subject to the significant risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk) and also may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market

liquidity (market risk). Distressed securities may react to developments affecting market and credit risk more than non-distressed securities. A wide variety of other considerations exist, including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the access of New State to reliable and timely information concerning material developments affecting a company, or which cause lengthy delays in the completion of the liquidation or reorganization proceedings. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that New State will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Funds invests, a Fund may lose its entire investment or may be required to accept cash or securities with a value less than the Fund's original investment.

Other Equity and Non-Distressed Investments. The Funds are permitted to make investments in special situation equities, post-reorganization securities, securities of non-U.S. issuers, emerging market debt securities, private debt or equity securities, publicly traded equity securities, convertible securities, warrants, futures, options and risk arbitrage, which involve special risks. Special situation equities are event driven, and may be subject to greater volatility than other equity securities. The market price of a publicly traded equity security can be adversely affected by a wide variety of broad macroeconomic and market factors unrelated to the financial condition and prospects of the issuer. Dividends and interest paid by foreign issuers may be subject to withholding and other foreign taxes.

Investment Involving Restructurings. The Funds are permitted to make investments in special situations, including restructurings, which involve portfolio companies that are experiencing or are expected to experience severe financial difficulties, which may never be overcome and may cause a portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities, which may exceed the value of a Fund's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated, or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to the limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment or a similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments involving restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

High Yield, Low or Unrated Securities. The Funds are permitted to invest in “high yield” bonds and preferred stock or debt securities which are unrated or rated in the lower categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

High yield securities may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer’s assets. High yield securities may also not be protected by financial covenants or limitations on additional indebtedness. Companies that issue such securities may be highly leveraged and may not have more traditional financing methods available to them. In addition, the Fund is permitted to invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

The Funds are permitted to invest in obligations of issuers that are generally trading at significantly higher yields than had been historically typical of the applicable issuer’s obligations. Such investments may include debt obligations that have a heightened probability of being in covenant or payment default in the future or that are currently in default and are generally considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically, such workout or bankruptcy proceedings result only in partial recovery of cash payments or an exchange of the defaulted security for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Risks Associated with Bankruptcy Cases. The Funds’ investment activities, particularly involving companies in distressed situations, may become involved as a creditor in bankruptcy cases. In addition, the general partner may purchase securities or assets of, or claims against, companies in bankruptcy.

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to reorganize and may be required to liquidate assets.

The debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during the reorganization and may be adversely affected by an erosion of the issuer's intrinsic values. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purposes of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority over the claims of certain creditors (for example, claims for taxes) may be quite high.

There are instances where creditors and equity holders lose their ranking and priority such as when they take over management and functional operating control of a debtor. In those cases where a Fund, by virtue of such action, is found to exercise "domination and control" of a debtor, the Fund may lose its priority if the debtor can demonstrate that it was adversely impacted or other creditors or equity holders were harmed by the Fund. A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Mispriced Securities. The identification of investment opportunities that are mispriced by the market is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in mispriced securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Fund's investments may not adequately compensate for the business and financial risks assumed. The Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Fund's capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. The Fund is permitted to finance such purchases with borrowed funds and in such event will have to pay interest on such funds during such waiting period.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to

obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect to which such distribution was made.

In certain transactions, the Fund may not be “hedged” against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

Convertible Securities. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund’s ability to achieve its investment objective.

Debt Investments. The Funds may invest in debt, debt-related, and other securities of companies. These securities may be unsecured, subordinated to senior indebtedness, or unprotected by covenants or limitations on additional indebtedness.

Debt securities are subject to both credit and interest rate risks. If an issuer is unable to make principal and interest payments on its indebtedness, a Fund may suffer a partial or total loss of capital invested in the company. Declines in revenues or increases in expenses may significantly affect the ability of an issuer to pay, and these risks may change over the life of an investment. Interest rates are subject to risks associated with changes in the market. Interest rate changes directly affect the value of adjustable rate securities, and indirectly affect the value of fixed rate securities.

The Funds may invest in convertible debt and equity-related securities to the extent that the General Partner believes such investments offer potential for capital appreciation. There is no minimum credit standard that is a prerequisite to the Fund’s investment in any security and the debt securities acquired by the Fund may be non-investment grade.

Portfolio companies could experience adverse business conditions that could result in a default on all or part of their obligations to the Fund. A portfolio company’s ability to satisfy its obligations to the Fund could be impacted by market or industry conditions, national or international economic or political factors or other developments beyond the company’s control. Defaults could ultimately result in the loss of investment principal.

“Blocking Positions”. In connection with the Funds’ distressed investment strategy, a Fund may acquire plan of reorganization “blocking positions” in securities of portfolio companies. This strategy entails significant risks. If the General Partner’s evaluation of the anticipated outcome of such a blocking position or any investment situation should prove incorrect, the Fund could experience substantial losses.

Interest Rate Risk. Portfolios with debt investments are subject to interest rate risks; changes in the prevailing market interest rates could negatively affect the value of such investments in a Fund's portfolio. The ability of companies or businesses in which the Fund may invest to refinance debt instruments or repay debt obligations may depend on their ability to obtain financing, including by selling new securities or instruments in the high yield debt or bank financing markets, which at certain points over the last several years have been extraordinarily difficult to access at favorable rates. Volatility and instability in the securities market also may increase the risks inherent in the Fund's investments. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate credit instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. While interest rates are currently expected to remain at favorable rates in the near term, there is a general belief that the U.S. Federal Reserve will at some point in the future tighten the monetary supply and increase benchmark interest rates, which may have a negative impact on the price of debt instruments globally and could adversely affect the value of the Fund's investments. Additional factors that may affect market interest rates include inflation, slow or stagnant economic growth or recession, unemployment, international disorders and instability in domestic and foreign financial markets. The Fund expects that it will periodically experience imbalances in its assets and liabilities as a result of changes in interest rates. In a changing interest rate environment, the Fund may not be able to manage this risk effectively. If the Fund is unable to manage interest rate risk effectively, the Fund's performance could be adversely affected. While the Fund is permitted to seek to do so, it is not required to hedge its interest rate risk.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur on debt instruments will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many fixed rate obligations will be discount instruments when interest rates and/or spreads are high, and will be premium instruments when interest rates and/or spreads are low, such debt instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact a Fund's portfolio in two ways. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an

environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the Management Company may have constructed for these investments, resulting in a loss to the Fund's overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

Risks in Effecting Operating Improvements. In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of the Fund to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. Executing operational improvements may divert the attention of a portfolio company's key personnel and disrupt normal business operations of such company. There can be no assurance that the Fund will be able to successfully identify and implement such improvements or that any such successfully implemented improvements will result in a return on invested capital with respect to such portfolio company.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making investments, New State 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, regulatory 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 New State may rely on the advice received from such third parties. Investment analyses and decisions by New State will often be undertaken on an expedited basis for a Fund to take advantage of investment opportunities and/or consummate investments. In such cases, the information available to New State at the time of an investment decision may be limited, and New State 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 be indicative that an investment will be successful or that the Fund will realize a return on its invested capital.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of 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 2007-2008 downturn in the U.S. and global financial markets, may complicate

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

Non-U.S. Investments. The Funds are permitted to invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Investments in non-U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities and instruments, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. investments are denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Fund invests; (iii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (v) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less or more government supervision and regulation; (vi) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation; (vii) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (viii) potential unsettled points of applicable governing law and the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for the Fund and/or the Partners; (x) differing and potentially less well-developed, well-tested and/or more restrictive laws, regulations and regulatory institutions and judicial systems, including regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xi) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (xii) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (xiii) political hostility to investments by foreign or private equity investors; and (xiv) less publicly available information.

Hedging Arrangements; Related Regulations. New State is permitted (but is not obligated) to endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. 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 New State and/or one of its affiliates an obligation to register with the 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 the Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

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, virus or disease epidemics 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 Fund's portfolio companies.

Political Risks. The political systems of many countries in the emerging markets have been undergoing a variety of transitions. The developing political systems of emerging markets countries are susceptible to civil and ethnic unrest and wars, popular dissatisfaction with privatization efforts, abrupt changes in political and economic power, and changes in government institutions and policies, any of which could adversely affect private investors. The process of political development is ongoing, and investors should bear in mind that the outcome is unpredictable.

Actions in the future of one or more of the governments of the countries in the emerging markets could have a significant effect on the economy of such country, which could in turn adversely affect private sector companies, market conditions, and prices and yields of securities in the Clients' portfolios. Political and economic instability in emerging markets could adversely affect the Clients' investments. Economic or diplomatic sanctions may be in place, or may be imposed in or with respect to, certain countries in which Clients invest or in which portfolio companies do business, which is likely to limit the liquidity of the affected investments or negatively impact the value of the Clients' investments. Clients may be subject to the risk of possibility of

expropriation or confiscatory taxation with respect to investments in certain countries. Restrictions imposed or actions taken by foreign governments could include exchange controls, seizure or nationalization of foreign deposits or securities accounts and adoption of other governmental restrictions that could adversely affect the prices of securities held by Clients or the ability to repatriate profits on investments or even the capital invested, which could adversely impact Clients. Investments in such circumstances is speculative and involves the potential loss by an investor of the entire amount invested. Despite the risks involved, New State does not intend to obtain political risk insurance.

General Economic and Market Conditions. The private equity industry generally and the success of the Funds' investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by New State. 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 Funds 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 Funds' portfolio companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007, the downgrading of the credit rating of the U.S. in 2011 or the recent downturn in the U.S. and global financial markets, 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 Fund's 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, topping, 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 New State believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective.

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

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

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across nearly all of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund and its portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund’s ability to

fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including the potential for defaults by borrowers under debt instruments held by the fund. In addition, the operations of the Fund, its portfolio companies, New State may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as the Funds to obtain favorable financing for investments, the Funds' ability to generate attractive investment returns may be adversely affected to the extent the Funds are unable to obtain favorable financing terms for its investments. Moreover, to the extent that such deterioration is not temporary and continues, it may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such deterioration also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

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 certain adverse 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. A Fund may not be able to obtain insurance against certain losses of a catastrophic nature, such as those caused by wars, earthquakes, terrorist attacks or other similar events, as such events may be either uninsurable or insurable at such high rates as to materially and adversely impact the Fund's profitability.

Material Non-Public Information. As a result of the operations of New State and its affiliates, as well as in connection with officerships and directorships of New State's personnel, New State comes into possession of confidential or material, non-public information. Therefore, New State and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, 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 New State's internal

policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. The information and technology systems of New State, the Funds and the portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although New State intends to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, New State, the Funds and/or a portfolio company may incur significant 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 New State's, a Fund's 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 New State's, a Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions or otherwise adversely affect their business and financial performance. 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 addition, in the event that such a cyber-attack or other unauthorized access is directed at New State or one of its affiliates or service providers holding its financial or investor data, New State, its affiliates or the Funds may also be at risk of loss.

The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy, or all of the risks applicable to New State or a particular security or investment. Investors should carefully read the Offering Documents before making an investment in a Fund.

Privacy and Data Protection Law Compliance Risk.

The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "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 New State, the General Partners, the Funds and/or their portfolio companies, and increase compliance 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 New State, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

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

Environmental, Social and Governance (“ESG”) Matters.

New State maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory, or contractual requirements. There is no guarantee that New State will be able to successfully implement its ESG policy while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by New State, or any judgment exercised by New State, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what ESG characteristics mean by region, industry, and topic, as well as the interpretations of their scope and materiality. New State’s interpretations and decisions are expected to differ from others’ views and could also evolve over time. In addition, in evaluating an investment, New State expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause New State to incorrectly assess a company’s ESG practices and/or related risks and opportunities. New State does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on New State’s view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policies.

For avoidance of doubt, however, New State does not expect to subordinate a Fund’s investment returns or increase a Fund’s investment risks as a result of (or in connection with) the consideration of any ESG factors.

Financial Institution Risk; Distress Events.

An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “Financial Institution”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and

Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, New State, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of New State to manage the Funds and their investments, and on the ability of new State, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of New State or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution’s services, it is also possible that New State will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that New State will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

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

Russia-Ukraine Conflict.

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

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

Valuation of Investments.

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

LIBOR and other Benchmark Rates.

To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Fund may be subject to certain

material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other General Partner-Led Transactions.

There continues to be a significant market in the private fund sector for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments, and New State reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by New State following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where New State believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by New State and its affiliates), often on different terms than the original investment. However, certain of such transactions are expected to require: a limited partner to invest additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio company; and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of new State or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where New State or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, New State, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. To the extent New State requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by New State in addition to the purchase amount paid in a transaction, such requirement is expected to have a dilutive

effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the Fund investment(s) being sold. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances New State reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that New State will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, New State reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. New State is permitted to seek the consent of the relevant Fund advisory committee to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Potential Conflicts of Interest.

Investors should be aware that various actual and potential conflicts of interest will arise from the overall investment activities of the Funds, their general partners, New State and their respective affiliates.

Investment Allocation Conflicts.

New State and certain affiliates currently have, and in the future could obtain, economic interests in other investment funds and investments as well and receive management and other fees and carried interest relating to such investment funds and investments. Such other investment funds and investments that New State or its affiliates control or manage, in certain instances, are likely to compete with Clients and or companies acquired by Clients.

Over time, certain investment opportunities suitable for certain Clients are likely also to be suitable for other investment funds managed by New State. In determining which Clients should participate in such investment opportunities, New State is subject to potential conflicts of interest among those Clients. To determine which Client will participate in the relevant investment opportunity, New State generally assesses whether an investment opportunity is appropriate for each relevant Client based on the terms of such Client's governing documents, as well as factors including, but not limited to: the respective Client's available capital, each Client's investment restrictions and objectives (including those set forth in the relevant Client's governing documents (including side letters, if any), strategy, risk profile, sourcing, structural and operational considerations of the relevant Client's, investment limitations, target rate of return, composition of each Client's

portfolio, target investment size, suitability as a follow-on investment for current investors, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification considerations, cash level (if any), tax and regulatory considerations, life cycle, structure size and nature of investment, anticipated duration/hold period and other relevant factors (including agreements with co-sponsors). New State will determine the allocation of investment opportunities among Clients in a manner that it believes is fair and equitable under the circumstances consistent with New State's obligations and, in connection with such determination, New State will take into consideration factors such as those set forth above. If New State determines that the available amount of an investment opportunity in which a Client will invest exceed an amount appropriate for a Client, such excess is permitted to be offered to one or more potential co-investors.

New State's allocation of investment opportunities among Clients may not always, and often will not, be proportional. Therefore, such allocations, from time to time, will be more advantageous to a Client relative to one or all of the other Clients, or vice versa. While New State will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to Clients, there can be no assurance that a Client'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 New State may be subject did not exist.

Additionally, conflicts of interest can arise if a Client makes an investment in a portfolio company in conjunction with an investment made by another Client. For instance, it is possible that a Client will not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Client. This has the potential to result in differences in price, investment terms, leverage and associated costs between Clients. There can be no assurance that Clients will exit an investment at the same time or on the same terms, and there can be no assurance that a Client's return on such an investment will be the same as the returns achieved by any other Client 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 a particular Client.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by New State principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and New State's Allocation Policy. Without limitation, New State principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. New State personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. New State's principals and New State's investment staff will continue to manage and monitor such investments until their realization. Such other investments that New State principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, New State principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in New State's sole discretion, New State and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, New State personnel are permitted to serve on boards or act in other roles unaffiliated with New State, the Funds or their portfolio companies, including boards of charitable and educational institutions,

public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

From time to time, New State will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of New State. In determining which investment vehicles should participate in such investment opportunities, New State and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, New State is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of New State in a portfolio company also have the potential to raise the risk of using assets of a client of New State to support positions taken by other clients of New State.

Co-Investment Conflicts.

New State can make controlling investments in portfolio companies or otherwise obtain control rights or significant influence with respect to such portfolio companies. As a result of these significant investments, Funds can anticipate that a general partner affiliated with New State will have the right to appoint portfolio company board members (including current or former New State 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 New State or its affiliates in connection with services provided by New State and its affiliates to such portfolio company, and except to the extent such amounts are subject to governing document provisions, are in addition to the management fee or carried interest. New State or its affiliates can have authority to appoint or influence the appointment of portfolio company board members who are likely to be involved in approving compensation payable to New State subjects such portfolio company board appointees to potential conflicts of interest.

Following such determination of allocation among Funds, New State reserves the right to offer co-investment opportunities to one or more potential co-investors, including members of the Operations Group, vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and New State's Allocation Policy. New State's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*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; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; New State'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 New State's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; the size and/or timing of a commitment to a Fund; and whether New State 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 the relevant portfolio company, other portfolio companies or the Funds. Although New State reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by New State in identifying co-investors. New State reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Secondaries Conflicts.

New State is also permitted to employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by Clients; conversely, former personnel or executives of New State could potentially serve in significant management roles at portfolio companies or service providers recommended by New State. Similarly, New State and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, and their respective affiliates and personnel, 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, current and 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, New State, and/or Funds or other investment vehicles New State advises. New State will have a potential conflict of interest with Clients in recommending the retention or continuation of a third-party service provider to Clients or a portfolio company owned by a Client 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 New State advises, will provide New State information about markets and industries in which the New State operates (or is contemplating operations) or will provide other services that are beneficial to New State. New State will have a potential conflict of interest in making such recommendations, in that New State has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for Clients New State advises, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Client.

Because New State's (or its affiliates) carried interest is based on a percentage of net profits it creates an incentive for New State to cause the Funds to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Funds have a fixed investment period after which capital from investors generally can only be drawn down in limited circumstances, and because the management fee is, at certain times during the life of the Funds, calculated based upon the amount of capital invested by the Funds, the management fee structure creates an incentive for New State to deploy capital when it might not otherwise have done so.

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

Cross-Guarantees.

Although New State generally structures Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any New State affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such cases, New State intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market participants are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or an New State affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by any Fund or an New State affiliate, whether or not related to the Fund in which such limited partners have invested.

Affiliated Persons Investing.

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

Side Letters.

New State and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of New State's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Governing Documents.

New State is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, e.g., based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to New State, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to New State, its affiliates and personnel, or the Funds. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, New State, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms.

LPs Excused or Excluded from investments.

The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy, or all of the risks applicable to New State or a particular security or investment. Investors should carefully read the Offering Documents before making an investment in a Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although New State believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Item 9 - Disciplinary Information

Registered investment advisers are required to provide information about any legal or disciplinary events that would be material to your evaluation of New State or the integrity of its management.

New State has no reportable disciplinary events.

Item 10 - Other Financial Industry Activities and Affiliations

New State manages the Funds and its affiliates act as general partner or sponsor of the Funds. These entities operate as a single advisory business together with New State and generally share common owners, officers, and persons occupying similar positions.

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

Code of Ethics and Personal Trading

New State has adopted a Code of Ethics for all supervised persons that describes, among other things, New State's standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to a prohibition on insider trading and personal securities trading procedures and reporting requirements, among other things. All supervised persons at New State must acknowledge the terms of the Code of Ethics annually and at any time the Code of Ethics is materially amended.

Subject to the Code of Ethics and applicable law, officers, directors and employees of New State and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Funds. The Code of Ethics seeks to assure that the personal securities transactions, activities and interests of the employees of New State will not interfere with (i) making decisions in the best interest of the Funds and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

In addition, the Code of Ethics requires pre-clearance of certain transactions, and may restrict trading in certain circumstances. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as the Funds, there is a possibility that employees might benefit from market activity by a Fund in a security held by an employee. Employee trading is monitored to detect and prevent conflicts of interest between New State and the Funds.

New State's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting acipriani@newstatecp.com.

Principals, officers and employees of New State and its related persons and affiliates are or may be investors in its private equity funds. As such, it is possible that New State could cause a Fund to buy or sell securities in which New State or one of its related persons has a financial interest. For example, New State could recommend that a Fund invest in a portfolio company in which another Fund previously invested. Because New State will have a nominal ownership interest in both Funds, New State could have a potential conflict of interest in making such a recommendation. New State addresses this through disclosure to Clients and Fund investors. As New State typically will only invest in portfolio companies through fund vehicles, any New State employee will receive the same price as other investors in the Fund.

At times, New State will allocate a portion of a portfolio company investment that it makes for a private equity fund to co-investors. New State and the relevant co-investor will determine the terms under which such co-investments are offered, unless otherwise provided for in the respective Fund's governing documents. The general partners of the respective Funds are permitted to receive

a carried interest or management fee in respect of such co-investment opportunities. Further, New State has historically and will in the future create separate vehicles for its principals, officers and employees, any of their respective friends or family members, or employees of New State or certain of its affiliates to invest alongside an existing private equity fund. These vehicles may have terms that are different than those of the private equity fund that they invest alongside of. New State has historically and will continue to disclose to investors in its Funds the terms under which these separate vehicles exist.

Item 12 - Brokerage Practices

Selection of Broker-Dealers

New State's private equity funds invest in privately-offered portfolio company securities and therefore do not generally use broker-dealers to execute trades on their behalf. In certain circumstances portfolio companies owned by the Funds have paid a brokerage fee for transactions involving the purchase or sale of private debt securities. New State does not receive research or other soft dollar benefits. New State does not receive investor referrals from broker-dealers. However, from time to time, New State may enter into arrangements with certain broker-dealers related to deal-sourcing and sales. Such broker-dealers are compensated in varying ways, including without limitation by payment of a fixed fee or a percentage of the consummated investment. Such arrangements do not present a conflict of interest for New State in selecting broker-dealers because New State does not regularly execute trades with broker-dealers. New State does not have any directed brokerage arrangements.

Item 13 - Review of Accounts

Fund portfolios are reviewed by New State no less frequently than quarterly. Criteria in a portfolio review includes, but is not limited to, investment performance, market fluctuations, significant events, and Fund investment objectives. New State may conduct more frequent reviews as the result of a triggering event (*i.e.*, market adjustment). Investors receive, at a minimum, written reports containing asset values and performance information, in accordance with each Fund's Offering Documents.

Item 14 - Client Referrals and Other Compensation

New State does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.

New State has entered into agreements with third-party placement agents and pays compensation to the placement agents for referring investors to the Funds. The placement agents generally receive a percentage of the capital commitments that depends upon specific circumstances and restrictions.

Item 15 - Custody

New State does not have physical custody of Client accounts but may be deemed to have custody by virtue of its related persons serving as general partner of the Funds. New State maintains custody of assets held in the name of one or more Funds with the following qualified custodians: Pacific Western Bank, 406 Blackwell St Ste 240, Durham, NC, 27701 and JP Morgan Private Bank, 270 Park Ave 31st Floor, New York, NY 10017.

New State will comply with the custody rule by obtaining an annual audit of a Fund and distributing the audited financial statements to investors within 120 days of the end of the Fund's fiscal year.

Item 16 - Investment Discretion

New State manages each of the Funds on a discretionary basis. Discretionary authority allows New State to select the identity, amount, time, and price at which securities are to be purchased and sold for the Funds. New State is authorized to exercise discretion by the applicable Offering Documents of each Fund.

Item 17 - Voting Client Securities

As the Funds' investments consist only of private transactions in portfolio companies, this item is not applicable.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. New State has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.