

**Form ADV Parts 2A and B: FIRM BROCHURE**



**WYNNCHURCH | CAPITAL**

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**March 31, 2023**

This brochure ("Brochure") provides information about the qualifications and business practices of Wynnchurch Capital, L.P. ("Wynnchurch Capital" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (847) 604-6100 or [rsroka@wynnchurch.com](mailto:rsroka@wynnchurch.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

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

## Item 2 – Material Changes

There have been no material changes since the last annual updating Brochure amendment filed on March 30, 2022.

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

- Item 4: updated to reflect regulatory assets under management as of December 31, 2022 and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

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## Item 4 – Advisory Business

### Firm Description

Wynnchurch Capital, L.P., together with its fund general partners and, as required, its predecessor investment management companies, Wynnchurch Capital, Ltd. and Wynnchurch Capital, LLC (collectively, unless the context requires otherwise “Wynnchurch Capital” or the “Firm”), is an investment advisory firm which manages private partnerships that make control private equity, equity-oriented and debt investments in lower middle-market companies headquartered in the United States and Canada. Based in Rosemont, Illinois, with an additional office in New York, New York, Wynnchurch Capital has been in business since 1999.

Wynnchurch Capital generally makes value investments in complex, overlooked and underperforming situations where the Firm believes it can implement focused value construction. The Firm seeks to invest primarily in corporate carve-outs, restructurings, operational turnarounds, bankruptcies, management sponsored buyouts and other recapitalizations in the niche manufacturing and business services sectors. Wynnchurch Capital focuses on the following industries within the manufacturing and business service sectors: industrial manufacturing, building products, aerospace and defense, transportation, industrial services, energy and mining services, value added distribution, food processing and consumer goods and services. The Firm targets equity, equity-oriented and/or debt investments of \$10 million to \$500 million per deal with initial acquisition enterprise values generally ranging from \$75 million to \$3 billion. As of December 31, 2022, Wynnchurch Capital has invested \$3.164 billion in 79 platform investments since inception in 1999.

Wynnchurch Capital serves as the investment adviser for, and provides discretionary investment advisory services to, the following private funds exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Investment Company Act”): Wynnchurch Capital Partners II, L.P. (“Fund II”); Wynnchurch Capital Partners III, L.P. (“Fund III”); Wynnchurch Capital Partners IV, L.P. (“Fund IV”); WC Partners Executive IV, L.P. (“Executive Fund IV” and together with Fund IV, “Fund IV”, unless specifically noted); Wynnchurch Capital Partners V, L.P. and Wynnchurch V US Feeder, L.P. (together “Fund V” and all of the above Funds together, unless referred to specifically, a “Fund” and collectively, the “Funds”). In addition, Wynnchurch Capital also permits certain limited partners and third parties to co-invest alongside a Fund directly into a portfolio company. Such direct co-investments are not considered Funds or clients of Wynnchurch Capital. More information regarding about Wynnchurch Capital’s Funds is available in the Firm’s Form ADV Part 1, Schedule D, 7.B.(1).

Each Fund is affiliated with a general partner (“General Partner”) with the authority to make investment decisions on behalf of such Fund. The following General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations

promulgated thereunder (the “Advisers Act”) pursuant to Wynnchurch Capital’s registration: Wynnchurch Partners II, L.P. (the General Partner of Fund II (“Fund II GP”)); Wynnchurch Partners III, L.P. (the General Partner of Fund III (“Fund III GP”)); Wynnchurch Partners IV, L.P. (the General Partner of Fund IV and Executive Fund IV, collectively the “Fund IV GP”); Wynnchurch Partners V, L.P. (the General Partner of Fund V (“Fund V GP”) and collectively, “General Partners”). The applicable General Partner of each Fund retains investment discretion and limited partners in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, Wynnchurch Capital has been delegated the role of investment adviser. This Brochure also describes the business practices of each General Partner, which operate as a single advisory business together with Wynnchurch Capital. More information regarding about Wynnchurch Capital’s General Partners is available in the Firm’s Form ADV Part 1, Schedule D, Section 7.A.

### **Principal Owners/Ownership Structure**

Wynnchurch Capital is principally owned and controlled by John A. Hatherly, Francis G. Hayes and Christopher P. O’Brien. More information regarding Wynnchurch Capital’s owners and executive officers is available in Wynnchurch Capital’s Form ADV Part 1, Schedule A.

### **Advisory Services**

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

Wynnchurch Capital’s investment advice and authority for each Fund is tailored to the investment objectives of each Fund; Wynnchurch Capital does not tailor its advisory services to the individual needs of limited partners in its Funds. These objectives are described, as applicable, in the private placement memorandum, limited partnership agreement (“LPA”), investment advisory agreement, subscription agreements, side letters and other governing documents of each Fund (collectively, “Governing Documents”) and limited partners determine the suitability of an investment in a Fund

based on, among other things, the Governing Documents. The Firm does not seek or require limited partner approval regarding each investment decision.

While each Fund's Governing Documents contain provisions restricting that Fund from investing in certain investments or types of investments, limited partners in the Funds cannot impose additional restrictions on investing in certain investments or types of investments other than through side letter agreements. Limited partners in Funds participate in the overall investment program for the applicable partnership, but can be excused from a particular investment due to legal, regulatory or other applicable constraints, pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, Wynnchurch Capital has entered into side letters or similar written agreements with limited partners that have the effect of establishing rights under or altering or supplementing a Fund's Governing Documents. Examples of side letters entered into include restrictions on types of investments, confidentiality and use of a limited partner's name, defining the tax status of a specific partner, the requirement to periodically provide certain additional certifications, reporting provisions, notification provisions, provisions whereby limited partners have expressed an interest in participating in co-investment opportunities, advisory board representation and most favored nation provisions, among others. These rights, benefits or privileges are not always made available to all limited partners nor in some cases are they required to be disclosed to all limited partners, consistent with general market practice. Side letters are negotiated at the time of the relevant limited partner's capital commitment, and once invested in a Fund, limited partners generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more limited partners will not in certain cases disadvantage other limited partners.

### **Wrap Fee Program**

Wynnchurch Capital does not participate in wrap fee programs.

### **Assets Under Management**

As of December 31, 2022, Wynnchurch Capital managed approximately \$5.654 billion in regulatory assets under management, all of it on a discretionary basis. Wynnchurch Capital does manage assets on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

Wynnchurch Capital and its affiliated General Partners receive fees and compensation in exchange for advisory services provided to the Funds, including management fees, carried interest, additional compensation in connection with management and other services performed for portfolio companies of the Funds and reimbursements from portfolio companies for certain expenses advanced on their behalf.

Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge or charge them in different amounts. The following is a general description of fees, compensation and expenses of the Funds. Limited partners should refer to the Governing Documents of the applicable Fund for a complete understanding of how Wynnchurch Capital is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

## **Management Fees**

The General Partner charges each Fund a management fee, generally 2% per annum of non-affiliated limited partner's commitments. Specifically, management fees are initially charged at 2% of each non-affiliated limited partner's committed capital for the period of time during which each Fund is making investments; thereafter, the management fee is equal to 2% of each non-affiliated limited partner's invested contributions with respect to investments that have not been disposed of less the aggregate amount of any permanent write-downs with respect to each investment that has not been disposed of subject to the terms of each Fund's LPA. The management fee charged to each Fund is described in full detail in each Fund's LPA and more briefly below. All management fees were negotiated with limited partners during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. Generally, limited partners participating in a subsequent closing after the initial closing of a Fund are responsible for paying the management fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, management fees are payable during term extensions unless otherwise agreed to with limited partners.

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the management fee and management fees differ from one Fund to another, as well as among limited partners in the same Fund. Specifically, management fees are waived for Wynnchurch Capital employees (including employees investing through a General Partner), affiliates, Operations Group members and their respective families investing in a Fund (although in each case, these limited partners generally pay their pro rata share of certain Fund expenses). Similarly, limited partners in Executive Fund IV do not pay a management fee (although such limited partners pay their pro rata share of certain expenses).

As per the Governing Documents of certain Funds, the relevant General Partner is permitted to waive, defer, or reduce all or a portion of the management fee otherwise required to contribute to such Fund as partial satisfaction of the commitment of the General Partner and certain employees and affiliates of Wynnchurch Capital to invest in and alongside the Fund. Certain waived portions of the management fee are treated by the Governing Documents as deemed capital contributions by the relevant General Partner, which is effectively invested in the relevant Fund on the General Partner's behalf and operates to reduce the amount of capital the applicable General Partner would otherwise be required to contribute to the Fund. The limited partners of a Fund are required to make a pro rata contribution according to their respective commitments to fund any contribution that would otherwise be required in connection with any such waiver and, as a result, the exercise of

such waiver has the potential to result in an acceleration of limited partners' capital contributions. Waived or reduced management fees are not subject to the management fee offsets described below.

Management fees will generally be reduced by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by Wynnchurch Capital in connection with the organization of a Fund that exceed a limit as specified in such Fund's Governing Documents; and (iii) certain supplemental fees and compensation with respect to portfolio companies, including closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, directors' fees, monitoring fees, consulting fees and other similar fees (whether in the form of cash, securities or otherwise); and (iv) waived management fees. The receipt of such supplemental fees is offset against the management fee in amounts ranging by 50% to 100%, depending on the Fund and as described in each Fund's LPA, net of any expenses (including broken deal costs) incurred in connection with such portfolio company and, in the case of Fund V, any management fee waivers (as described above).

For clarity, the following fees or expenses do not offset management fees, in each case as applicable and which varies across Funds: (i) any fees or compensation received by or on behalf of a co-investor or Operations Group member; (ii) fees or expenses borne by a Fund; (iii) reimbursements from a portfolio company; (iv) profits interests or compensation to an affiliate (such as an Operations Group member) that was entered into prior to such person becoming an affiliate of Wynnchurch Capital, regardless of when the interests, compensation or amounts crystallize or vest; or (v) portfolio company directors' or board fees paid by a former portfolio company to a Wynnchurch Capital employee or former employee who remains on the company's board of directors following the Fund's disposition of its investment in the company or otherwise. Any supplemental fees with respect to an investment or potential investment (including a transaction not consummated) are allocated to a Fund (and offset against the management fee as described above) only to the extent of the Fund's relative ownership (or anticipated ownership) of such investment or potential investment, except as otherwise set forth in the Governing Documents. Accordingly, a Fund will, in most such cases, only benefit from the management fee reduction described above with respect to its allocable portion of any such supplemental fees and not the portion allocable to any other investor (which could include other Funds, third parties, co-investors, portfolio company management or employees and/or others) that holds an economic interest in (or, in the case of a transaction not consummated, would have held an economic interest in) the applicable investment. Further, any such reduction of a Fund's management fee is only applicable to the extent a management fee is payable by a Fund currently or in the future. In the event a Fund does not pay a management fee (such as for Executive Fund IV) or does not have an offset provision requiring the reduction of management fees, Wynnchurch Capital will retain the credited offset portion of supplemental fees allocable to these Funds net of broken deal costs.

To the extent that an offset credit would reduce a Fund's management fee for a given quarter below zero, the credit will be carried forward for future application against payable management fees, and



if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons. The amount and manner of such reduction is set forth in the relevant Governing Documents of the applicable Fund.

The management fee is paid out of current income, as well as from the disposition proceeds of each respective Fund and from drawdowns that reduce each limited partner's capital contribution. The Funds are closed-ended investment vehicles intended for a long-term investment. Accordingly, management fees are expected to be paid, except as otherwise described in the relevant Governing Documents, and limited partners generally are not permitted to withdraw or redeem interests in the Funds.

Wynnchurch Capital generally has discretion over whether to charge portfolio company fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. The amount of such supplemental fees are paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by Wynnchurch Capital on a transaction by transaction basis, subject to the terms set forth in each Fund's Governing Documents. In most circumstances, such compensation is not reviewed or approved by an independent third party. There can be no assurance that the amount of fees charged will be proportional to the amount of hours performed on behalf of a portfolio company.

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

### **Carried Interest**

Each Fund's General Partner is entitled to be allocated carried interest with respect to the Funds, which is generally equal to 20% of all realized profits net of all expenses in excess of an 8% compounded preferred return and catch-up provisions. Each Fund's carried interest arrangement is further described in full detail in the relevant Fund's Governing Documents and more briefly in Item 6, below.

## Fund Expenses

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund. The Funds will pay all expenses of operating the Funds including, but not limited to all fees, costs, expenses, liabilities and obligations relating to the Funds and their subsidiaries and intermediate entities activities, investments and business to the extent not borne or reimbursed by a portfolio company, including: (i) all fees, costs, expenses, liabilities and obligations attributable to identifying, evaluating, sourcing, diligencing, structuring, organizing, acquiring, managing, operating (including costs associated with engaging or managing third parties and affiliates, such as rent, overhead, travel), holding (including the fees, costs and expenses related to the organization or maintenance of any intermediary entity used to acquire, hold or dispose of an investment whether or not consummated, or to otherwise facilitate such Fund's investment activities), valuing, winding up, liquidating, dissolving and disposing of the Funds' investments (including interest and fees on money borrowed on behalf a Fund, a General Partner and Wynnchurch Capital) and travel and travel-related investment activities (including first-class and black car travel, and on limited occasions, charter travel along with premium meals, social and entertainment events with the management of portfolio companies, customers, clients, borrowers, brokers and service providers); (ii) legal, information technology (including costs of developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of a Fund, the limited partners, a portfolio company or a prospective investment), side letter compliance, filing, accounting, auditing, actuarial, investment banking, consulting, financing, insurance related to an investment or portfolio company (including directors and officers and errors and omissions liability insurance and other insurance, including insurance of which Wynnchurch Capital and its affiliates are beneficiaries), cybersecurity insurance premiums, broker, sale, finders', financing commitment fees, real estate title, appraisal, printing, custodian, depository (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive), transfer, registration and other similar fees and expenses; (iii) expenses incurred in connection with third party valuations (including fees paid to third-party valuation agents for valuations, appraisals or pricing services); (iv) fees, costs and expenses of service providers to the Funds, including accountants, administrators, custodians, attorneys, consultants and other service providers whether retained by a General Partner, Wynnchurch Capital or a Fund on behalf of, or in connection with the operations of such Fund or any investment; (v) filing and other fees and expenses (including fees, costs and expenses associated with the preparation and distribution of the Funds' financial statements, tax returns, tax estimates, Schedule K-1s or any other administrative, regulatory or other regular or periodic Fund-related reporting or filing obligations (including Form PF filings and compliance with the Alternative Investment Fund Managers Directive or any similar law, rule or regulation, but excluding certain regulatory expenses set forth in the relevant LPA)); (vi) costs and certain expenses of the advisory board, annual meetings of the limited partners and any other meeting with any limited partner and conferences (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses), regardless of whether all of the individuals attending or otherwise participating in any such meeting are limited partners or representatives

thereof; (vii) costs and expenses that are classified as extraordinary under GAAP (such as litigation, indemnification, judgments and settlements, if any); (viii) costs and expenses incurred in connection with potential investments not consummated (including travel expenses and expenses that would have been borne by co-investors or co-investment vehicles); (ix) any placement fees; (x) fees or compensation for services provided by the Operations Group or any member thereof (including any consulting and retainer fees paid to the Operations Group or any member thereof), with such compensation payable directly by Fund V not to exceed a calendar year threshold; (xi) any taxes, fees or other governmental charges levied upon the Funds; (xii) the management fee; (xiii) all fees, costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and final winding-up of any alternative investment vehicles; (xiv) expenses related to attending industry meetings, conferences or similar events in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated); and (xv) excess organizational expenses (as defined in the LPA, but which, for the avoidance of doubt, are offset against the management fee as described above and below). Costs and expenses noted above generally also include travel, private premium hired cars, premium lodging (including temporary housing), ground transportation and meals.

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio company or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions (*i.e.*, broken deal costs) are paid by the relevant Fund(s) selected as proposed investors in such transaction. For more information on brokerage practices, please see Item 12, below.

### **Expense Reimbursement**

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

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

### **Offering and Organizational Expenses**

Each limited partner will bear its pro rata share of a Fund's organizational expenses, including legal, accounting, filing, capital raising, travel and other organizational expenses ("Organizational Expenses"). The amount and type of Organizational Expenses varies by Fund and is further detailed in the Governing Documents of such Fund. Any amounts in excess of such permitted limit are offset dollar for dollar against management fees.

### **Co-Investment Expenses**

As described in Item 4 above and in Item 7 below, in certain circumstances, Wynnchurch Capital permits certain investors to co-invest directly into portfolio companies, subject to Wynnchurch Capital's related policies and procedures, the relevant Governing Documents and/or side letter(s) or similar arrangements. Expenses incurred for direct co-investments are borne directly at the portfolio company. Wynnchurch Capital also manages one co-investment fund, Executive Fund IV, which was formed to invest alongside Fund IV in all Fund IV investments and shares in expenses and post-closing costs alongside Fund IV.

In the event a proposed co-investment transaction is not consummated, the full amount of any fees and expenses generated in the course of evaluating such investment, including any broken deal costs, will generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. Co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's limited partners) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in such portfolio company, such proposed co-investor is expected to bear its share of such broken deal costs (which will generally be recorded at such portfolio company).

### **Third Party Professionals: Operations Group and Operating Partners**

Wynnchurch Capital and its affiliates engage and retain advisers, consultants, operating partners, executive partners and other similar non-investment professionals (collectively, the "Operations Group" or "third party professional") to assist with managing the portfolio companies. The nature of the relationship with each of the members of the Operations Group and the amount of time

devoted or required to be devoted by them varies. In certain cases, Operations Group members provide the Funds and/or Wynnchurch Capital with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, Operations Group members take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. In certain instances, Wynnchurch Capital has formal arrangements with Operations Group members (which in some cases is terminable upon notice by any party) and such third party professionals are denominated as operating partners, executive partners or Operations Group members of Wynnchurch Capital. In other cases, the relationship is more informal. There can be no assurance that any of the Operations Group members will continue to serve in such role and/or continue their arrangement with Wynnchurch Capital and/or any portfolio company throughout the term of the Funds.

Members of the Operations Group typically receive some form of compensation, including direct compensation (which can include a salary, an annual fee or retainer, a discretionary bonus or a success fee (in the form of cash or equity) based on pre-determined targets or milestones), benefits, payments, co-investment rights (including in investments in which they are not involved), equity allocations (including stock), a profits interest, transaction fees, options in a portfolio company or a percentage of the carried interest in either a portfolio company or the Funds. Wynnchurch Capital often appoints an operating partner or executive partner to serve on the board of a Wynnchurch Capital portfolio company, which fees are generally paid directly by such portfolio company to the operating partner or executive partner. Certain fees payable to third party professionals are associated with a particular transaction and will typically be included in the closing costs payable by the applicable portfolio company. Other fees, such as board fees, are paid directly by a portfolio company to the third party professional. In the event a third party professional provides work directly to a portfolio company in addition to board service, any such fees received are paid by the portfolio company directly to the third party professional. Work performed by Operations Group members for unconsummated transactions is borne by the Fund(s) that was to have participated in such transaction as part of broken deal expenses.

Third party professionals typically incur expenses while working with Wynnchurch Capital portfolio companies, and such expenses are generally borne by the relevant portfolio company or potential portfolio company which the third party professional is advising, including but not limited to, the cost of travel and other out-of-pocket costs) but can also be paid by the relevant Fund (generally in the case of unconsummated transactions) or by Wynnchurch Capital (generally in the case of work performed for the management company).

Some Operations Group members and operating partners have multiple responsibilities that overlap between positions and roles of the Operations Group, board level oversight and Wynnchurch Capital management company activities. Such activities are categorized, and related fees or reimbursement received are allocated to the relevant Fund, portfolio company or to Wynnchurch Capital, as applicable, on a monthly basis. On occasion, third party professionals will transition to

become a Wynnchurch Capital employee or a Wynnchurch Capital employee will transition to become third party professionals. In the event a third party professional transitions to become an employee of Wynnchurch Capital, such third party professional will not lose his or her economics as a third party professional and the receipt of such economics once the third party professional becomes an employee of Wynnchurch Capital will not result in an offset to the management fee. For Operations Group members affiliated with Fund V, such persons' compensation is permitted in certain circumstances to be reimbursed by Fund V, as specified in the Fund V Governing Documents. Such changes in status can shift the burden of compensating such persons from Wynnchurch Capital to the Funds and/or their portfolio companies.

The determination of the appropriate form and amount of compensation for such services takes into account a variety of factors but will ultimately be at the discretion of Wynnchurch Capital. Some third party professionals are also limited partners in the Funds and participate as direct investors and/or receive equity grants in portfolio companies in which they are involved.

None of these fees, bonuses, profits interests, options, other compensation or reimbursements received by third party professionals are offset against management fees.

### **Fee Receipt Allocation**

From time to time, Wynnchurch Capital, a Fund or a portfolio company agrees to pay a transaction fee, portion of management fees, carried interest, equity grant or other fee to a third party, such as a third party professional, consultant, adviser, finder, placement agent, co-investor, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments based on the applicable portfolio company meeting certain success hurdles. Such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on a Fund's investment and indirectly reduces the proceeds available for distribution to the relevant Fund at the time of such portfolio company's sale. None of these fees or compensation offset management fees payable by a Fund.

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

A carried interest allocation represents an adviser's allocation based on a percentage of net profits of the funds it manages. Each Fund's relevant General Partner receives a carried interest allocation of 20% of realized profits subject to an 8% annually compounded preferred return (or hurdle) and subject to reimbursement of all Fund expenses, including management fees. Calculated based on cumulative realized gains and income only, carried interest allocations are allocated to the relevant General Partner as portfolio holdings are liquidated or otherwise monetized and are subject to after-tax claw-backs to the extent that the General Partner is paid in excess of its entitled distribution. This fee structure is described in detail in each respective Fund's Governing Documents received by each limited partner prior to investment in such Fund.

The General Partner of each Fund is permitted, in its sole discretion, to waive or reduce the amount of carried interest for a Fund or for certain limited partners in a Fund. Specifically, if principals and employees, and their respective family and friends, are Fund limited partners, they will generally pay reduced carried interest or none at all. Similarly, limited partners in certain Funds (specifically, Executive Fund IV) generally are allocated a lower amount of carried interest. These carried interest allocations are structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The fact that each General Partner's carried interest allocations are based on the performance of the Fund can create an incentive for a General Partner to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher carried interest, if applicable. The Firm believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Documents create limitations on the ability of Wynnchurch Capital to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring certain parallel Funds to purchase and sell investments contemporaneously if they share an investment through a contemporaneous initial investment; (iii) any losses a Fund sustains will reduce each General Partner's carried interest distribution; (iv) carried interest is earned only after limited partners have received as distributions 100% of their capital contributions for each realized investment plus a preferred return; (v) a General Partner often makes a substantial commitment to a Fund to invest its own capital alongside the limited partners; (vi) each Fund requires the General Partner to return any carried interest distributed in excess of "fund level" calculated carried interest amounts at specified times during the Fund's life; and (vii) Wynnchurch Capital's ability to attract future limited partners is tied to the performance of its investments.

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

To address these conflicts of interest, the Firm has implemented policies and procedures in an attempt to ensure that all Funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities. Investment opportunities which satisfy the investment

parameters of more than one Fund will be allocated in accordance with Wynnchurch Capital's policies and procedures, the applicable Governing Documents and taking into consideration certain factors, as determined in the Firm's sole discretion, which can include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by Wynnchurch Capital. Wynnchurch Capital's policies and procedures regarding investment allocation are designed to ensure that all investment decisions are made in accordance with Wynnchurch Capital's fiduciary duties to its Funds and without consideration of Wynnchurch Capital's (or its affiliates' or employees') pecuniary interest. Wynnchurch Capital will not allocate investment opportunities based in whole or in part on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. Investment allocation decisions are determined by the Investment Committee.

## **Item 7 – Types of Clients**

Wynnchurch Capital provides portfolio management services to its clients, which are private funds. Each of the Funds limit its respective limited partners to persons who are both “accredited investors” as defined in the Securities Act of 1933, as amended (“Securities Act”) and either “qualified purchasers” or “knowledgeable employees” each as defined in the Investment Company Act. The Funds are not registered or required to be registered under the Investment Company Act; their securities are not registered or required to be registered under the Securities Act; they are not made available to the general public; and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to Wynnchurch Capital and/or the Funds. The Funds generally require minimum investment amounts varying from \$5.0 million to \$20.0 million for limited partner investment, although the General Partners have accepted commitments under such minimum amounts in their sole discretion.

Limited partners in the Funds include a broad range of investors, including, among others, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, fund of funds, foundations, endowments, municipalities, trust programs, foreign funds and other U.S. and international institutions and typically include, directly or indirectly, principals and employees of Wynnchurch Capital as well as operating partners, Operations Group members and members of their respective families.

On occasion, Wynnchurch Capital offers co-investment opportunities for certain investors to invest alongside a Fund in certain portfolio companies. As referenced in Item 4 above, co-investments have been structured either as (i) a separate Fund (such as Executive Fund IV) or (ii) a direct



investment by certain investors into a portfolio company or its holding or operating company. When structured as a Fund, Wynnchurch Capital considers the investment to be a Fund client, identifies the Fund in its Form ADV Part 1, Schedule D, Section 7.B.(1), obtains an audit for the Fund, reserves the option to assess a management fee and carried interest on such Fund and includes the amount of assets of such Fund in the Firm's regulatory assets under management. In the case of direct co-investments, Wynnchurch Capital does not consider the investment to be a Fund or a client, does not act as the investment manager to the co-investment portion of the investment, does not charge management fees or carried interest to the investment, does not have custody of the investment or include the amount of assets of the co-investment in the Firm's regulatory assets under management. In such direct co-investment opportunities, Wynnchurch Capital will perform management, advisory and other services for the portfolio companies in which these co-investors invest, generally at no cost to such co-investors except portfolio company fees and expenses (which such fees and expenses are recorded at the portfolio company).

With the exclusion of Executive Fund IV (which was formed to invest alongside Fund IV in all Fund investments), co-investment opportunities arise when Wynnchurch Capital has the opportunity for an investment in an existing or prospective portfolio company and determines in its sole discretion that all or a portion of the applicable opportunity is not required to be offered to, or is not appropriate for, a Fund. Specifically, opportunities to participate in co-investment transactions arise when Wynnchurch Capital has the opportunity for an investment in an existing or prospective portfolio company and Wynnchurch Capital determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund's Governing Documents or otherwise or (iv) Wynnchurch Capital believes the Fund will benefit from the participation of the co-investor(s).

Wynnchurch Capital will select the investors that are permitted to co-invest in a particular portfolio company in its sole discretion based on various factors, including those that are specified in the Fund Governing Documents, side letter provisions and in its policies on investment allocation and co-investments. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no investor has a right to participate in any co-investment opportunity. While one or more limited partners in the Funds are on occasion invited to co-invest in a Fund's portfolio companies, Wynnchurch Capital is authorized in its sole discretion to offer any or all of a co-investment opportunity to investors that are not limited partners in the Funds. Wynnchurch Capital's exercise of discretion in allocating co-investment opportunities often will not always result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to Wynnchurch Capital's Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors.

Co-investment opportunities are made available select limited partners and third parties, including without limitation, management or founders of the applicable portfolio company, strategic investors, lenders, investment bankers, finders, deal sources, third party professionals, other private equity or venture capital firms, other persons or entities affiliated, associated or otherwise known to Wynnchurch Capital or its personnel and unrelated third parties. Additionally, certain individuals who source transactions or provide financing have negotiated co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Fund(s).

Some co-investors can be provided a board seat or observer rights at a portfolio company. Any board fees received by these co-investors are not offset against management fees. Such positions generally provide such persons with voting rights, access to information and potentially the ability to influence the operations and decision-making of the portfolio company that are not necessarily available to other investors. As mentioned in Item 5, above, any board fees received by such co-investors are paid by the relevant portfolio company and are not subject to the offset against management fees.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment vehicle purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds also will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment may acquire such interest on terms that may not reflect the then-current value of such investment. When potential co-investors are identified prior to a Fund's closing on an investment, the Firm seeks to have such co-investors pay their share of broken deal expenses in the event the transaction is not consummated. Potential co-investors identified after a transaction closes typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. In addition, to the extent that Wynnchurch Capital engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as investors in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction. As fees paid by or on behalf of co-investors in portfolio companies are not subject to a management fee offset and are thus retained by Wynnchurch Capital, the opportunity to receive

such fees could present a conflict of interest. Further, as management fees are offset based on each Fund's invested capital in an investment, the inclusion of co-investors presents a conflict of interest in that Wynnchurch Capital could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement.

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

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

### **Strategy**

Wynnchurch Capital makes primarily control private equity, equity-oriented and debt investments in middle-market companies headquartered in the United States and Canada. The Funds focus on making value investments in complex, overlooked and underperforming situations where the Firm believes it can implement focused value construction strategies to drive superior investment returns. The Funds seek to pursue opportunities in industries in which Wynnchurch Capital investment professionals have significant prior investing or operating experience, in addition to extensive business relationships. Areas of particular focus for Wynnchurch Capital include aerospace and defense, government contracting, building products and materials, consumer and food, energy, natural resources and infrastructure, manufacturing, industrial, transportation and logistics, business services and value-added distribution. The Funds seek to invest primarily in corporate carve-outs, operational turnarounds, restructurings, bankruptcies, management sponsored buyouts, recapitalizations and founder-run businesses in the targeted core sectors. Wynnchurch Capital's value-based investment approach relies on improving operational effectiveness, implementing new market strategies and constructively changing commercial arrangements, rather than the excessive use of financial leverage to generate returns. The Firm's value construction model is centered around: (i) sourcing of opportunities with select deal/company attributes at below market prices; (ii) developing performance improvement plans for portfolio companies; and (iii) ensuring management excellence to stabilize, standardize and optimize investments.

Key elements of Wynnchurch Capital's strategy are to invest across a "performance improvement continuum," including: (i) deep distress, where a company is at or nearing bankruptcy and/or a deep operational turnaround is needed; (ii) instances of general underperformance, where a business is at a cyclical trough or exhibits a moderate opportunity for improvement; and (iii) opportunistically, cases where a company is well positioned and well performing, but Wynnchurch Capital has a

unique sourcing angle, facilitating an especially attractive value buy (often, where an official sale process is nonexistent or limited), or otherwise believes the Firm would be an advantaged owner of the business.

## **Risk Factors**

No investment is free of risk. Prospective limited partners are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Limited partners should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. Different or new risks not addressed below can, and are likely to, arise in the future and, therefore, the following list is not intended to be exhaustive. All limited partners should be aware of certain risk factors, which include, but are not limited to, the following:

*Business Risks.* Each Funds' investment portfolio consists 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.

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

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

*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. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners are required to bear management fees through the Funds during the investment period based on the entire amount of the limited partners' commitments and other expenses as set forth in the respective LPA.

*Dynamic Investment Strategy.* While the General Partners generally intend to seek attractive returns for the Funds primarily through making private equity investments, each General Partner pursues additional investment strategies and modifies or departs from its initial investment strategy, investment process and investment techniques as it determines appropriate within the limits of the respective Governing Documents. Similarly, each General Partner can pursue, within the discretion

granted in the relevant LPA, investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience.

*Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments are often realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment can be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, it is possible that there will be no current return on the investment. Furthermore, the expenses of operating each Fund (including the annual management fee) can exceed income, thereby requiring that the difference be paid from a limited partner's capital, including, without limitation, unfunded commitments.

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

*Highly Competitive Market for Investment Opportunities.* The activity of identifying, executing and realizing investments that fall within the asset classes anticipated to be pursued by the Funds is highly competitive, involves a high degree of uncertainty and will be subject to market conditions. The Funds expect to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, business development companies, strategic industry acquirers, financial institutions (such as mortgage banks and pension funds), hedge funds and investment funds affiliated with other financial sponsors or institutional investors, private equity and debt investors, credit vehicles and other financial investors investing directly or through affiliates. Further, over the past several years, an ever-increasing number of investment funds have been formed (and many such existing funds have grown in size). Additional funds with similar investment objectives will be formed in the future by other unrelated parties. As a result of recent dislocations in the credit market, other firms and institutions are seeking to capitalize on the perceived opportunities with vehicles, funds and other products that are expected to compete with the Funds for investments. It is possible that competition for appropriate investment opportunities will increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made. There can be no assurance that the Funds will be able to identify or consummate investments satisfying their investment criteria or that if such investments are made, that such investments will be realized at

favorable valuations or that the objectives of the Funds will be achieved. Likewise, there can be no assurance that the Funds will be able to realize profit upon the values of its investments or that it will be able to fully invest its capital. To the extent that the Funds encounter competition for investments, returns to limited partners would decrease.

*Uncertain Exit Strategies.* Although the Funds will often invest with the intention of holding an investment through a predefined timeframe, in some cases Wynnchurch Capital will determine it is advisable to exit a position earlier. However, due to the illiquid nature of some of the positions which the Funds are expected to acquire, Wynnchurch Capital is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available at an attractive price, or at all. Exit strategies which appear to be viable or profitable when an investment is initiated are likely precluded or unprofitable by the time the investment is ready to be realized due to market, economic, legal, political or other factors.

*Leveraged Investments.* The Funds are permitted to make use of leverage by having a portfolio company incur debt to finance a portion of the investment in a portfolio company, including with respect to companies not rated by credit agencies. Such use of leverage generally magnifies a Fund's risk of loss from a particular investment and increases a portfolio company's exposure to company, industry and economic conditions and changes in interest rates. The cost and availability of leverage is highly dependent on the state of the broader credit markets (which can be impacted by regulatory restrictions and guidelines) and which state is difficult to accurately forecast. As a result, at times it will be difficult to obtain or maintain the desired degree of leverage. The availability of leverage also 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) can restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and can impair its ability to finance future operations and capital needs. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund is expected to suffer a partial or total loss of capital invested in the portfolio company, in turn affecting Fund returns.

*Interest Rate Risk.* The market value of debt securities generally varies in response to changes in interest rates and the financial condition of the issuer of such securities. During periods of declining interest rates, the value of debt generally increases. Conversely, during periods of rising interest rates, the value generally declines. These changes in market value will be reflected in the net asset value of the Funds. No assurance can be given that the debt and fixed income obligations in which the Funds invest will continue to earn yields comparable to those earned historically, nor can any assurance be given that the issuers of such securities will make payment on such obligations as they become due.

*Investment in Junior Securities.* The securities in which the Funds invest are expected to 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 an investment once made.

*Distressed Investments.* The Funds on occasion 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 have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that Wynnchurch Capital will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Wynnchurch Capital has entered into a sub-advisory agreement with an investment adviser to provide investment advisory services to one Fund with regard to distressed debt opportunities. Wynnchurch Capital and the Fund be dependent on the sub-advisor for investment acumen with regard to these distressed debt investments. In the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund will sometimes lose some or all of its investment or be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

*Non-Controlling Investments.* The Funds on occasion hold meaningful minority stakes in privately held companies and in some cases, will have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times will hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund holds would not necessarily have the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it will likely be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of its minority interests in such companies, it will generally be very difficult to sell such interests or seek a sale of such company upon terms acceptable to such Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

*Projections.* The Funds use financial projections to help analyze potential current or future financing for portfolio companies, limited partner reporting or other transactions. Projected operating results of a company in which the Funds invest are normally based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events

could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Bridge Financings.* From time to time, the Funds lend to companies or against assets on a short-term, senior or subordinated basis or otherwise invest on an interim basis in companies or lend against assets in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be refinanced into a more permanent, long-term financing; however, for reasons not always in the Funds' control, it is possible that such long-term financing or other refinancing or syndication will not occur and such bridge loans and interim investments remain outstanding. During the one-year period from the date that a Fund funds a bridge financing and that any such bridge financing is outstanding, such bridge financing will not be subject to the preferred return or carried interest provisions outlined in the Governing Documents. To the extent that a bridge financing is not refinanced, sold or otherwise repaid within such one-year period (as extended pursuant to the Governing Documents), the bridge financing will be treated as a permanent investment in the portfolio company. In such an event, the interest rate on such loans or the term of such interim investments would not adequately reflect the risk associated with the position taken by a Fund. On occasion, a General Partner has loaned money to a limited partner to bridge the cost of their capital call. The Funds are not involved in the transactions and do not bear any portion of the loan.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, a Fund often decides to provide additional funds to such portfolio company or to increase its investment in a portfolio company. There is no assurance that a Fund will make follow-on investments or that such Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow on investments or its inability to make such investments can have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments can result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company. Further, a Fund can decide to make a follow-on investment as a minority investor in a portfolio company in which it was previously a control investor.

Furthermore, investments to finance follow-on acquisitions present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by a Fund in a portfolio company in which another Fund has previously invested (or vice versa). In addition, the Funds participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest can arise, including determinations of whether existing limited partners are being cashed out at a price that is higher or lower than market value and whether new limited partners are paying too high or too low a price for



the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

*Co-Investment Vehicle Expenses.* In certain cases, a co-investment vehicle or other similar vehicle established to facilitate the investment by investors to invest alongside a Fund will be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will also generally bear its pro rata portion of expenses incurred in the making an investment. If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne by the Funds as a proposed investor for such proposed transaction. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise committed to invest in the proposed transactions), some or all of the Dead Deal Costs are borne solely by the Fund as a proposed investor for such proposed transaction, but not by the co-investment vehicle or other co-investor(s) to which the co-investment opportunity was offered, irrespective of whether co-investors have committed to participate in a transaction or the timing of such transaction. Similarly, co-investment vehicles (and co-investors) are not typically allocated any share of break-up fees received in connection with such an unconsummated transaction. Dead Deal Costs include, among other things, legal, accounting, advisory, consulting or other third-party expenses (including amounts payable to third party professionals and other third parties), any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investments, any break-up fees, reverse termination fees, topping, termination or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

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

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-

U.S. jurisdiction; (e) civil disturbances; (f) government instability; (g) foreign currency and (h) nationalization and expropriation of private assets. Moreover, non-U.S. companies are not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*Public Company Holdings.* The Funds' investment portfolios will, at times, contain securities and debt issued by publicly held companies. Such investments subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the principals, and increased costs associated with each of the aforementioned risks.

*General Economic Conditions; Dislocation.* Volatility and any future deterioration could have an adverse impact on the Funds. Disruptions in the financial markets can make it more difficult for the Funds to realize investments and impact the market prices of securities and adversely affect the valuation of the Funds' investments.

The success of the Funds' activities, and of the portfolio companies in which the Funds will invest, can be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, and political circumstances (including wars, cyber-attacks, terrorist acts or security operations).

It is unclear what changes the current or a subsequent U.S. presidential administration will enact and how they will impact the Firm, the General Partners, the Funds, their investments and limited partners. Uncertainty around future political, legislative or administrative developments will likely cause volatility in the U.S., as well as global economies and financial markets more generally, which in turn would have an adverse effect on the values of the Funds' investments and on their ability to execute on their investment strategies. While the Funds' and their investment programs stand to benefit from certain potential regulatory changes, other potential changes can adversely affect the Funds.

*Geopolitical Risks and Force Majeure.* An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. U.S. military actions around the globe; the threat or occurrence of terrorist attacks in the future; rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof); and the United States' military, economic and political responses to terrorism all can have material consequences on the U.S. and global economies. Wynnchurch Capital is not able to predict the extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events can have on investment objectives or the markets where an underlying Fund investment will be located. For

example, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for certain commodities and could affect certain portfolio companies' financial results. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence has the potential to increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund's returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Additionally, the Funds or portfolio investments can be affected by force majeure events such as events beyond the control of the party claiming that the event has occurred including, without limitation, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some force majeure events may adversely affect the ability of a party, including a Fund, portfolio company or a counterparty to a Fund or a portfolio company, to perform its obligations until it is able to remedy the force majeure event. In certain circumstances, a Fund or a portfolio company may be a party to a contract which does not provide a remedy in favor of the Fund or such portfolio company if a force majeure event occurs. In this event, the Fund or such portfolio company may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance can cause the Fund or such portfolio company to suffer economic loss, and such loss has the potential to be exaggerated if a force majeure event subsists for an extended period of time.

Certain force majeure events, such as war or an outbreak of an infectious disease, could have broader negative impact on the world economy and international business activity generally or in any of the countries in which a Fund has invested. A resulting negative impact on economic fundamentals and consumer confidence can increase the risk of default with respect to particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have an adverse effect on the performance of portfolio investments, the Funds' returns and the ability of a Fund to make and/or dispose of portfolio investments. No assurance can be given as to the effect of these events on the value of, or markets for, portfolio investments, or a Fund's or a portfolio investment's ability to recover therefrom.

*Inflation.* The U.S. economy is currently in a period of high inflation. Investments could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment could earn more revenue but could

incur higher expenses. As inflation declines, an investment might not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Accordingly, there can be no assurance that a higher rate of inflation will not have a material adverse effect on the Funds' investments.

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

Any Distress Event has a potentially adverse effect on the ability of Wynnchurch Capital to manage the Funds and their investments, and on the ability of Wynnchurch Capital, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of Wynnchurch Capital and/or the portfolio companies to make payroll, fulfill obligations and maintain operations. Although Wynnchurch Capital expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event Wynnchurch Capital determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the "Custody Rule"), even if performed in the Firm's best judgment of its efforts to fulfill

its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

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

*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. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds. Any such changes are expected to materially impact Wynnchurch Capital, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds’ activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

*Economic Disruptions Due to Public Health Emergencies.* Pandemics and other widespread public health emergencies, such as, and including but not limited to the recent global spread of COVID-19 (the “coronavirus”) have shown an ability to result in a broad-based economic decline and significant market volatility. In particular, the ongoing coronavirus outbreak has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. Pandemics represent economic threats that are subject to frequent and rapid change and therefore present material uncertainty and risk with respect to the Funds’ performance and financial results.

*Environmental, Social and Governance Matters.* Wynnchurch Capital recognizes that, for many investors, environmental, social or governance (“ESG”) concerns and the societal impact of their portfolios is an important consideration which cannot be viewed in isolation from overall investment performance. Therefore, the Firm will endeavor to take certain ESG considerations into account in its investment decision process (including the decision to buy, sell or hold an investment) and will, in appropriate circumstances, incorporate similar considerations into the Firm’s ongoing management decisions with respect to certain portfolio companies. However, ESG is only one of the many factors Wynnchurch Capital will consider in making investment decisions, and unless otherwise required pursuant to a Fund’s Governing Documents, the weight placed on any such ESG considerations will

be in Wynnchurch Capital's sole and absolute discretion. Further, applying ESG standards to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Wynnchurch Capital or any judgment exercised by Wynnchurch Capital will reflect the beliefs or values of any particular investor or group of investors. Finally, an assessment of ESG factors is not necessarily determinative and Wynnchurch Capital's investment decisions will always be subject to being made in a manner that is consistent with the Firm's fiduciary duty to act in the best interests of the Fund's investors.

In evaluating an investment and executing its ownership strategy, Wynnchurch Capital 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 Wynnchurch Capital to incorrectly assess a company's ESG practices and/or related risks and opportunities.

To the extent that Wynnchurch Capital engages with companies on ESG-related practices and potential enhancements thereto, there can be no guarantee that (i) such engagements will achieve either or both of the desired financial and social impact or results and/or (ii) the market or other stakeholders (community members, portfolio company employees, customers, etc.) will view any such changes as desirable (either socially or to a Fund's financial health).

There is a risk that the Funds will underperform other funds that do not take ESG-related factors into account or conversely, could underperform specialized funds that are largely or exclusively focused on sustainable investing principles.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Wynnchurch Capital's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Wynnchurch Capital's ESG policy and ESG practices could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

*Risk Upon Disposition of Certain Investments.* In connection with the disposition of an investment in a portfolio company, the Funds will be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business and would likely be responsible for the content of disclosure documents under applicable securities laws. A Fund would also likely be required to indemnify the purchasers of such investment to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements can result in contingent liabilities, which might ultimately have to be funded by the limited partners.

*Reliance on the General Partner and Portfolio Company Management.* The Funds are dependent on the respective Fund General Partner. Control over the operation of a Fund is vested with the respective General Partner, and each Fund's future profitability depends largely upon the business and investment acumen of the principals. The composition of the professionals making up particular industry sector investment teams can change over time, and there can be no guarantee that the professionals included in such teams and who have contributed to the past performance of any prior Funds continue to be members of the particular team or serve in the same or similar roles thereon (and in some cases, are no longer with Wynnchurch Capital, or will leave such team or Wynnchurch Capital during the life of the Fund). The loss or reduction of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the principals currently, and intend in the future to, manage other investment Funds and the principals are expected to devote substantial amounts of their time to the investment activities of such other Funds, which has the potential to pose conflicts of interest in the allocation of the time of the principals. Limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds depend on the actions of Wynnchurch Capital and the respective Fund General Partner. In addition, certain changes in Wynnchurch Capital or a General Partner or circumstances relating to Wynnchurch Capital or a General Partner can have an adverse effect on a Fund or one or more of its portfolio companies, including potential acceleration of debt facilities.

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

*Limited Transferability of Fund Interests.* There is no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of any Fund interest under each Fund's LPA and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

*Diverse Membership and Conflicting Limited Partner Interests.* The Funds limited partners include persons or entities resident in various jurisdictions, including the United States, Canada and other countries, who are expected to have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual limited partners can relate to or arise from, among other things, the nature of investments made by the respective Fund, the structuring of the acquisition of portfolio companies and the timing of disposition of investments. Such structuring of portfolio companies can result in different returns being realized by different limited partners. As a consequence, conflicts of interest will arise in connection with decisions made by Wynnchurch Capital that can be more beneficial for one limited partner than another limited partner, especially with respect to limited partners' individual tax situations. In selecting or

structuring investments appropriate for the Funds, Wynnchurch Capital considers the investment and tax objectives of the respective Fund as a whole, and not the individual investment, tax or other objectives of any particular limited partner.

*Time and Attention of the Principals.* The principals spend a portion of their business time and attention pursuing investment opportunities that do not fall within the objectives, strategy, scope and investment criteria of the Funds. Wynnchurch Capital believes that the investment of the principals in the Funds, as well as the principals' interest in the carried interest, operate to align, to some extent, the interest of the principals with the interest of the limited partners, although the principals have economic interests in other Funds as well and receive management fees and carried interest relating to those interests. At such time as Wynnchurch Capital is permitted to raise a successor investment fund, the principals will continue to manage the prior Fund's investments, but also will focus investment activities on other opportunities and possibly in areas unrelated to such Fund's investments. Unless restricted by the Governing Documents or Wynnchurch Capital's policies, Wynnchurch Capital personnel are permitted to serve on boards or act in other roles unaffiliated with Wynnchurch Capital, 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. Such companies are not portfolio companies of a Fund and, as a result, any compensation received by an employee is not subject to the management fee offset described above, or otherwise shared with the Funds and/or limited partners.

*Co-Investments.* Subject to any contractual requirements, in general, (i) no limited partner has a right to participate in any co-investment opportunity and investing in a Fund does not give a limited partner any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the applicable General Partner or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other limited partners, in the sole discretion of the relevant General Partner or its related persons and investors will potentially be offered a smaller amount of co-investment opportunities than originally requested and (iv) certain persons other than limited partners (*e.g.*, consultants, finders, joint venture partners, third party professionals, persons associated with a portfolio company and other third parties), rather than one or more limited partners will, from time to time be offered co-investment opportunities, in the sole discretion of Wynnchurch Capital. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not contractual obligations and do not require Wynnchurch Capital to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its sole discretion in connection with such co-investment opportunities, Wynnchurch Capital generally considers some or all of a wide range of factors, which include the likelihood that an investor will invest in a future fund sponsored by Wynnchurch Capital.



The Funds co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner will at times have economic or business interests or goals that are inconsistent with those of the Funds, or be in a position to take action contrary to the investment objectives of the Fund. In addition, the Funds can be (in certain circumstances) liable for actions of its third-party co-venturer or partner.

*Advisory Board.* Each Fund's General Partner has appointed one or more limited partner representatives to such Fund's advisory board. The LPA provides that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any other limited partner. In general, the limited partners will not be entitled to control the selection of members of the advisory board. A conflict of interest exists in that not all limited partners are asked to join a Fund's advisory board. In addition, the advisory board will not necessarily represent the interests of all the limited partners and the members of the advisory board would themselves be subject to various conflicts of interest. For instance, representatives of the advisory board have various business and other relationships with the Firm. These relationships have the potential to influence their decisions as members of the Advisory Board.

In addition, members of one Fund's advisory board are members of another Fund's advisory board. In such instances, a conflict of interest could be deemed to exist if an advisory board is requested to provide its consent with respect to transactions which involve a conflict of interest between two or more Funds on which such advisory board members serve, and such members would be unlikely to recuse themselves from any such vote.

*Use of Credit Facilities.* The Funds are permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate commitments available to be called. Utilizing the credit facility to borrow funds in advance or in lieu of calling capital affords the Firm flexibility to manage cash flows to and from a Fund's limited partners and ease the limited partners burden of responding to multiple capital calls. A Fund's use of such facilities will be determined by Wynnchurch Capital, and the performance of a Fund can be impacted by how Wynnchurch Capital causes a Fund to utilize such facilities. Although the use of such a facility has the potential to increase a Fund's ability to swiftly invest capital, it also will cause the Fund to incur interest expense and other costs. Potential conflicts of interest are expected to arise in that the use of such facilities likely would delay the need for limited partners to make certain contributions to the Fund, which has the potential to enhance the Fund's performance figures and thereby benefit Wynnchurch Capital.

In borrowing on behalf of a Fund, Wynnchurch Capital is subject to potential conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, Wynnchurch Capital is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred

return begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had Wynnchurch Capital called capital, and thus could result in Wynnchurch Capital receiving carried interest sooner than it would without borrowing. In addition, when the management fee is calculated as a percentage of invested capital, a limited partner would pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

*Fund Level Borrowing.* The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay Fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from limited partners), to cover any shortfall resulting from a limited partner's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing generally would be used for all limited partners in such Fund on a pro rata basis, including the General Partner. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds, as they would be for any other borrowing by the Fund for any other purpose.

Although borrowings by a Fund have the potential to enhance overall returns that exceed the Fund's cost of capital, such borrowings increase the potential exposure of a Fund to a particular investment above the level the Fund would have typically made had an investment been limited to equity. Any such borrowings would further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of funds. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through the Fund facility, the Fund's limited partners generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. Calling a large amount of capital at once to repay the then-current amount outstanding under the credit facility could cause liquidity concerns for limited partners that would not arise had the Firm called smaller amounts of capital incrementally over time as needed. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time.

In addition, a Fund's use of borrowed funds has the potential to impact the calculation of net performance metrics (to the extent that they measure limited partner cash flows) and has the potential to make net IRR calculations higher than they otherwise would be without Fund-level borrowing (especially where financing remains outstanding for longer durations) as these calculations generally depend on the amount and timing of capital contributions which timing is shortened by virtue of the use of the line of credit either (i) by purchasing an investment prior to a capital call or (ii) by facilitating a distribution in advance of the settlement of a transaction or in advance of when funds would otherwise have been available. The Funds typically pay interest on amounts borrowed under the credit facility and also pay a fee on the undrawn portion of the credit facility. Funds customarily pay a one-time fee for establishing the credit facility as well as certain other one-time and recurring fees and expenses. While a Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund limited partners in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner has the potential to receive disproportionate benefits from such borrowings and can be deemed to benefit during fundraising from the enhanced IRR.

Borrowing by a Fund will generally be secured by capital commitments made by limited partners to such Fund and/or by the Fund's assets, and documentation relating to such borrowing can provide that during the continuance of a default under such borrowing, the interests of the limited partners can be subordinated to such Fund-level borrowing, and the lenders have the ability to call capital directly from the limited partners. Moreover, tax-exempt limited partners should note that the use of borrowings by the Fund has the potential to cause the realization of UBTI.

Although Wynnchurch Capital generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances (i) a cross-guarantee would be more efficient and convenient for administrative purposes and/or (ii) lenders and other market parties negotiate for the right to face only select Fund entities, which would result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, Wynnchurch Capital intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or other similar reimbursement arrangement; provided, however, that the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

A Fund on occasion draws on its line of credit to bridge financing to a parallel investment vehicle, such as to a parallel fund. In such circumstances, the parallel fund is not a guarantor on the line of credit although it does receive the benefit of the loan. The parallel fund repays the loan and all interest and fees on the loan and the Fund does not incur any expenses associated with use of the Fund's line of credit. Additionally, in the event Wynnchurch Capital or a General Partner lends a Fund capital through a short-term loan facility to bridge an investment pending the receipt of capital

contributions from the Fund limited partners, subject to such Fund's Governing Documents, the General Partner is permitted to charge such Fund (including the Fund limited partners) interest costs incurred in connection with such loan for the time period between the receipt of capital from such loan to the date on which the loan is paid off by such Fund.

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

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

*Cybersecurity Risk.* Cybersecurity incidents, cyber-attacks, ransomware attacks, denial of service attacks and social engineering attempts (including business email compromise attacks), both generally and within the financial services industry, have been occurring globally at a more frequent and secure level and will likely continue to increase in frequency in the future. The Funds, their portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their portfolio companies, despite the efforts of service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their portfolio companies. For example, unauthorized third parties will possibly attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of the Funds, their portfolio companies, their service providers,

counterparties or data within these systems. The use of internet or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments. In addition, Wynnchurch Capital's systems could be vulnerable to supply-chain attacks, wherein attackers target third parties providing software or services in order to introduce vulnerabilities in Wynnchurch Capital's network or systems. Third parties will also possibly attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information to gain access to the confidential data. A successful penetration or circumvention of the security of such systems could result in the loss or theft of data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Data taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the limited partners directly as well as affect the value of assets in which a Fund invests. Such incidents could cause the Funds or their portfolio companies to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Firm would incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse limited partner reaction or litigation. Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies and cause the Funds' investments to lose value.

*Valuation.* There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the General Partners will apply a methodology they determine to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values are expected to differ from values that would have been determined had an active market existed for such securities and differ from the prices at which such securities ultimately are sold. Wynnchurch Capital has established a valuation policy which it will follow when performing portfolio company valuations. Each General Partner will determine the value of 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. Wynnchurch Capital does not intend to retain the services of a third party valuation consultant to assist in performing portfolio company valuations. There is a risk in that the valuations of Wynnchurch Capital are performed internally by its own team and such valuations are not reviewed by an independent third

party. The exercise of discretion in valuation by the Firm can give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. Generally, there will be no retroactive adjustment in the valuation of any investment, the offering price at which interests in a Fund were purchased by limited partners or by a Fund, as applicable, or the fees and/or performance-based compensation paid to the Firm to the extent any valuation proves to not accurately reflect the realizable value of an investment.

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

### **Conflicts of Interest**

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

*Conflicts Related to Management of Funds.* The principals currently, and will likely in the future, manage several other investment Funds and investment objectives and investments similar to those in which the Funds will be investing, and direct certain relevant investment opportunities to those investment funds and investments. Allocation of available investment opportunities between the Funds could give rise to conflicts of interest. The principals and the Firm's investment staff will continue to manage and monitor such investment Funds and investments. The principals give advice or take actions with respect to the investments of one Fund that will not necessarily be given or taken with

respect to another Fund or vice versa. As a result, the Funds will not hold the same securities or achieve the same performance. In addition, a Fund will sometimes not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

The Firm believes that the significant investment of the principals in the Funds, as well as the principals' interest in the carried interest, operate to align, to some extent, the interest of the principals with the interest of the limited partners, although the principals will sometimes have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. In allocating an investment opportunity among the Funds with differing fee, expense and compensation structures, the principals have an incentive to allocate investment opportunities to the Fund from which the relevant General Partner or its related persons derive, directly or indirectly, a higher fee, compensation or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. At such time as a General Partner is permitted to raise a successor investment fund, the principals will continue to manage the Funds' investments, but also likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments are allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Governing Documents.

*Resolution of Conflicts.* In the case of all conflicts of interest, Wynnchurch Capital's determination as to which factors are relevant, and the resolution of such conflicts, will be made using its best judgment, but in its sole discretion. In resolving conflicts, Wynnchurch Capital considers various factors, including the interests of the Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

1. A Fund will not make an investment unless the General Partner believes that such investment is an appropriate investment considered from the viewpoint of the Fund;
2. Each main Fund has established an advisory board, consisting of representatives of limited partners not affiliated with the General Partner. The advisory board meets as required to consult with Wynnchurch Capital as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the General Partner will be guided by its good faith discretion;
3. Where a General Partner deems appropriate, unaffiliated third parties can be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and

4. Wynnchurch Capital has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest.

*Investment Allocation.* Wynnchurch Capital manages multiple Funds with similar investment strategies on a side-by-side basis. As a result, Wynnchurch Capital has a conflict of interest in allocating investment opportunities. The Funds are subject to investment allocation requirements as set forth herein (“Investment Allocation Requirements”). During a period when a Fund is reaching the end of its investment period and Wynnchurch Capital is in the process of forming a new fund, considerations of fairness to existing limited partners dictate that Wynnchurch Capital considers allocating a specific investment between the Funds. These considerations include such factors as the overall mix of Fund investments and a Fund’s ability to draw additional capital. These circumstances could present a conflict of interest because Wynnchurch Capital can have an incentive to favor allocating the investment to the newer Fund.

Wynnchurch Capital will not allocate investment opportunities based, in whole or in part on (i) the relative fee structure or amount of fees paid by a Fund or (ii) the profitability of a Fund. The application of the Investment Allocation Requirements will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives.

In addition, principal executive officers and other personnel of Wynnchurch Capital invest indirectly in the Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and can create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

*Conflicts Related to Purchases and Sales.* Conflicts have the potential to arise when a Fund makes investments in conjunction with an investment being made by another Fund, or in a transaction where another Fund has already made an investment. Investment opportunities are, from time to time, appropriate for one or more Funds at the same, different or overlapping levels of a portfolio company’s capital structure. Conflicts can arise in determining the terms of investments, particularly where these Funds invest in different types of securities in a single portfolio company. Questions can arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest. In the event that a Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have



the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions can, at times, be in direct conflict with a Fund if it does not have the same level of control or influence over the portfolio company.

Certain Funds invest in bank debt and securities of companies in which other Funds hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of the Fund will at times conflict with the interest of another Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, a Fund can be prohibited from exercising voting or other rights, and has the potential to be subject to claims by other creditors with respect to the subordination of their interest.

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund will potentially provide such additional capital, and if provided, a Fund will supply such additional capital in such amounts, if any, as determined by Wynnchurch Capital. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund (or vice versa). Investments by more than one Fund in a portfolio company also raises the risk of using assets of a Fund to support positions taken by other Funds, or that a Fund will remain passive in a situation in which it is entitled to vote. In addition, it is possible that there will be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. These variations in timing can be detrimental to a Fund.

The application of Wynnchurch Capital's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by a Fund in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, it is possible that there will be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

Employees and related persons of Wynnchurch Capital have made capital investments in or alongside the Funds, and therefore have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

*Allocation of Secondary Transfers.* To the extent Wynnchurch Capital has discretion over a secondary transfer of interests in a Fund pursuant to the Governing Documents, or is asked to identify potential purchasers in a secondary transfer, Wynnchurch Capital will do so in its sole discretion, generally taking into account the following factors:

- Wynnchurch Capital's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;

- Wynnchurch Capital's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that provide indirectly longer-term benefits to current or future related Funds and/or Wynnchurch Capital and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject Wynnchurch Capital, the Funds, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another related Fund (including any commitment into a future fund); and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Pursuant to the Funds, the General Partners have, on occasion, purchased the interest of a Fund limited partner.

*Conflicts Related to Management of Multiple Funds.* Wynnchurch Capital will sometimes consider and reject an investment opportunity on behalf of one Fund and subsequently determine to have another Fund make an investment in the same company. A conflict of interest can arise because the purchasing Fund can benefit from the initial evaluation, investigation and due diligence undertaken by Wynnchurch Capital on behalf of the initial Fund. In such circumstances, the benefitting related Fund will not always be required to reimburse the initial Fund for expenses incurred in connection with researching such investment.

In addition, Wynnchurch Capital receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. While not likely, this information can, in certain instances, include material non-public information received or generated in connection with efforts on behalf of a Fund's investment (or prospective investment) in a portfolio company. As a result, Wynnchurch Capital is better able to anticipate macroeconomic and other trends, and otherwise develop investment strategies. In an effort to mitigate the potential effects from the receipt of material non-public information, Wynnchurch Capital typically enters into information sharing and confidentiality arrangements with portfolio companies and other sources of information that limit the internal distribution and use of such data.

*Certain Risks and Conflicts of Interest Related to Public Company Holdings.* In certain cases, the Funds will hold an interest in a public company. The acquisition and/or holding of public company securities creates certain risks and conflicts of interest that differ in type or degree from those involved with investments in privately held companies, including but not limited to: (i) volatility in the valuation of investments (which will be dictated based on market volatility, the public markets and the investment decisions of people and entities unaffiliated with the Firm); (ii) limitations on and risks

associated with the company's or a Fund's use of 10b5-1 plans and fund trading in general; (iii) limitations on the ability of a Fund to dispose of such securities at certain times or to add to its position of such securities at certain times; (iv) the ability to dispose of interests in such investment (and the price effected for a disposition), including the fact that such dispositions will likely be effected at a different price or valuation than it would have been when such company was private; (v) increased exposure of the Firm or its personnel to material nonpublic information regarding such company (or its competitors, suppliers or others) which can in turn limit the ability of Wynnchurch Capital to be able to purchase (or dispose) of securities of such companies which if it had otherwise been inclined to do so, may have resulted in the applicable Fund avoiding losses or losing out on potential gains; (vi) the allocation of time and resources of the Firm and/or its personnel; (vii) service by Wynnchurch Capital personnel on the boards of such companies (including, if applicable, compensation of such board members and fiduciary obligations to shareholders other than the Fund and approval of board compensation from such public company to Wynnchurch Capital); (viii) disclosure of Fund interests in such public company including the imposition of new, more frequent and more detailed filing obligations; (ix) increased scrutiny; (x) increased likelihood of shareholder litigation and insider trading allegations against such company, its executives and board members (which as noted above, can include members or representatives of Wynnchurch Capital); and (xi) increased costs associated with any of the foregoing.

*Material Non-Public Information.* From time to time, Wynnchurch Capital and its personnel or affiliates may come into possession of confidential or material, non-public information concerning specific companies, including as a result of certain personnel serving on the boards of directors of portfolio companies or other similar touchpoints with portfolio companies or publicly traded competitors, suppliers or vendors of such portfolio companies or prospective portfolio companies. Under applicable securities laws, this may limit the relevant Wynnchurch Capital's flexibility to buy or sell securities issued by such companies. A Fund's investment flexibility may be constrained as a consequence of Wynnchurch Capital's inability to use such information for investment purposes, and a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Wynnchurch Capital's internal policies and procedures. 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. Wynnchurch Capital anticipates that, to avoid such restriction, it may elect not to receive such non-public information. As a result, a Fund, at times, may receive less information regarding such portfolio company than is available to the other investors in such portfolio company, which may result in the Fund taking actions or refusing to take actions in a manner different than had it received such non-public information.

*Conflicts Relating to Wynnchurch Capital and the General Partners.* On occasion, Funds and/or its portfolio companies have ongoing business dealings, arrangements or agreements with persons who are former employees or executives of Wynnchurch Capital. In such circumstances, a Fund and/or its portfolio companies are expected to bear, directly or indirectly, the costs of such dealings, arrangements or agreements, which can result in a conflict of interest between Wynnchurch Capital

and such Fund or its portfolio companies in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that Wynnchurch Capital favors the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

In addition, a General Partner is permitted to cause a Fund to distribute the General Partner's share of securities resulting from an investment disposition by the Fund to the General Partner or its affiliates (including managing directors and employees) in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability can create conflicts of interest between the General Partner and the limited partners, because a General Partner can have an incentive to cause a Fund to exit an investment at a time that would result in limited partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, a General Partner, or its affiliates, can receive distributions in kind from an investment disposition. In the event a General Partner, or its affiliates, receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and determine to sell the distributed securities (which can include selling its securities prior to the time at which the limited partners sell their distributed securities), or hold on to the distributed securities for such time as the General Partner shall determine. The ability of a General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to a Fund, and the Fund.

*Business with and Among Portfolio Companies and Limited Partners.* Given the collaborative nature of Wynnchurch Capital's business and the portfolio companies in which the Funds have invested, there can be situations where Wynnchurch Capital is in the position of recommending the services of a portfolio company to other portfolio companies of Wynnchurch Capital or a related Fund, which at times is expected to involve fees, commissions, servicing payments and/or discounts to Wynnchurch Capital, an affiliate, or a portfolio company. Wynnchurch Capital can have a conflict of interest in making such recommendations in that Wynnchurch Capital has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended will not necessarily be the best available to the Fund. The benefits received by a portfolio company providing a service can sometimes be greater than those received by the Fund and its portfolio companies receiving the service.

Portfolio companies controlled by a Fund can provide services to certain Fund limited partners. It is possible that Wynnchurch Capital will have an incentive to cause the portfolio company to favor those limited partners relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to a Fund.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, a related Fund's portfolio company (and vice versa). In providing advice to a portfolio

company's business, Wynnchurch Capital considers the interests of one portfolio company or a related Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Wynnchurch Capital. As a result, a conflict of interest can be deemed to arise in these instances because advice and recommendations provided by Wynnchurch Capital to a portfolio company will sometimes have adverse consequences to a separate portfolio company owned by another Fund. For instance, a portfolio company would seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company.

It is possible a Fund's portfolio company will be a counterparty or participant in agreements, transactions or other arrangements with a portfolio company of another Fund that, although Wynnchurch Capital determines to be consistent with the requirements of the Governing Documents, would not have otherwise been entered into but for the affiliation with Wynnchurch Capital, and which provide economic or other benefits to affiliates of Wynnchurch Capital that are not subject to the management fee offset provisions described herein. For example, Wynnchurch Capital has caused portfolio companies to enter into agreements regarding group procurement (which depend on the volume of services purchased under these agreements and which are pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which are pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that result in fees, better pricing, rebates, servicing payments, commissions or similar payments and/or discounts being paid to Wynnchurch Capital, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While Wynnchurch Capital has a conflict of interest because its economic benefit can incentivize it to maintain such arrangements, the Firm believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and Wynnchurch Capital's benefits from such arrangements are reduced because Wynnchurch Capital only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with, Wynnchurch Capital will only take actions that are beneficial, or not opposed, to the interests of the Funds and their portfolio companies.

Wynnchurch Capital and its affiliates have, from time to time, hired part-time or full-time employees (including interns) who are relatives of, or are otherwise associated, with a limited partner, portfolio company, former portfolio company, investment target or service provider. Although Wynnchurch Capital uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee Wynnchurch Capital can control all such conflicts of interest and there would be a continuing appearance of a conflict of interest.

*Portfolio Company Board Service.* Employees of Wynnchurch Capital and third parties appointed by the Firm serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest arise in the event that such employee's fiduciary duties as a director conflicts with those of the Funds, it is expected that the interests will be aligned. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciaries duties among the two portfolio companies can create a conflict of interest.

From time to time, portfolio company board members approve compensation and other amounts payable to Wynnchurch Capital in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the LPA's offset provision, are in addition to the management fee or carried interest. Wynnchurch Capital's authority to appoint or influence the appointment of portfolio company board members who will potentially be involved in approving compensation payable to the Firm subjects Wynnchurch Capital and any such portfolio company board appointees to potential conflicts of interest.

Decisions made by a director subject a General Partner, its affiliate or a Fund to claims they would not otherwise be subject to as a limited partner, including claims of breach of duty of loyalty, securities claims and other director-related claims.

From time to time employees of Wynnchurch Capital will also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such employee's employment with Wynnchurch Capital. In such circumstances, as described in Item 5 above, any compensation or fees received by such former employee is not subject to the management fee offset described above, or otherwise shared with a Fund and/or limited partners.

*Conflicts Relating to the General Partner.* It is possible that Wynnchurch Capital will, from time to time, employ personnel with pre-existing ownership interests in, or who were previously employed by, portfolio companies. Conversely, it is possible that former personnel or executives of Wynnchurch Capital or its affiliates will serve in significant management roles at portfolio companies or at service providers recommended by the General Partners. Over the life of a Fund, the relevant General Partner generally expects to exercise its discretion to recommend to a Fund or to a portfolio contractor that it contracts for services with various service providers, including, among others: (i) Wynnchurch Capital (or an affiliate, which includes other portfolio companies or related Funds) and at rates determined or substantively influenced by Wynnchurch Capital; (ii) an entity with which Wynnchurch Capital or its affiliates or current or former members of their personnel has a relationship or from which such person derives a financial or other benefit; or (iii) a limited partner or its affiliates. This subjects Wynnchurch Capital to a conflict of interest because although it intends to select service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance, Wynnchurch Capital can have an incentive to recommend the service provider because of its business or financial interest.

*Transactions with Fund Limited Partners.* On occasion, Wynnchurch Capital enters into transactions (such as co-investment opportunities or directed debt purchases) with certain Fund limited partners such as, for example, limited partners who are also business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services (including mezzanine and/or other lending arrangements) to the Firm, Funds and portfolio companies. Wynnchurch Capital pursues debt financing on terms it believes are advantageous for a Fund when weighing all the factors relevant to the transaction, including the prevailing financing rates and any original issue discount, scope of positive and negative debt financing covenants, prior experience with the applicable counterparty, and such counterparty's execution capability, reputation and expertise within the industry. On such occasions, the Firm receives competitive bids from other debt providers and ensures that the transaction is in the portfolio company's best interest. Notwithstanding the foregoing, Wynnchurch Capital is subject to potential conflicts of interest when determining such terms because it is possible that the Firm will benefit from retaining such limited partners' investment in the Funds.

*Side Letters.* Wynnchurch Capital has entered into individual agreements with limited partners regarding subscriptions in the Funds. These agreements are referred to as side letters, and encompass a broad range of agreed-upon terms including restrictions on types of investments, confidentiality and use of a limited partner's name, defining the tax status of a specific partner, the requirement to periodically provide certain additional certifications, reporting provisions, notification provisions, co-investment preferences and most favored nation provisions, among others. Except as otherwise agreed with a limited partner or as specified in the LPA of a Fund, Wynnchurch Capital is not required to disclose all of the terms of side letter arrangements with other limited partners.

*Service Providers.* Services required by a Fund (including some services historically provided by a General Partner or its affiliates to a Fund) will, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties in the discretion of Wynnchurch Capital. Wynnchurch Capital has an incentive to outsource such services at the expense of a Fund to, among other things, leverage the use of Wynnchurch Capital personnel. Such services include, without limitation, deal sourcing, information technology, license software, depository, data processing, client relations, administration, custodial, accounting, legal and tax support and other similar services. Outsourcing will not occur universally for all Funds and accordingly, certain costs can be incurred by a Fund for a third-party service provider that are not incurred for comparable services by other related Funds. The decision by Wynnchurch Capital to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future.

Wynnchurch Capital engages certain service providers to provide services to a General Partner, a Fund and/or the portfolio companies, including services during the due diligence and acquisition process. Some service providers are expected to be limited partners in a Fund or affiliates of such limited partners and include, for example, investment or commercial bankers, outside legal counsel,

pension consultants and/or other limited partners who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider can be concurrent with a limited partner's admission to a Fund, or during the term of such limited partner's investment in a Fund. This creates a conflict of interest, as Wynnchurch Capital has an incentive to give such limited partner preferred economics or other terms with respect to its investment in a Fund or an incentive to offer such limited partner co-investment opportunities that it would not otherwise offer to such limited partner.

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

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

*Common Service Providers.* A Fund and its General Partner will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent a Fund may be limited partners in a Fund, and also represent one or more portfolio companies or limited partners in a Fund. In the event of a significant dispute or divergence of interest between a Fund, a General Partner and/or its affiliates, the parties can decide to engage separate counsel in the sole discretion of the General Partner and its affiliates, and in litigation and other circumstances separate representation is often required. Additionally, a Fund, its General Partner and a Fund's portfolio companies will, from time to time engage other common service providers. In certain circumstances, the service provider can



charge varying rates or engage in different arrangements for services provided to a General Partner, a Fund, and/or the portfolio companies. This results in a General Partner receiving a more favorable rate on services provided to it by such a common service provider than those payable by a Fund and/or the portfolio company, or a General Partner receiving a discount on services even though a Fund and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between a General Partner, on the one hand, and a Fund and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that a General Partner will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by a Fund and/or the portfolio companies.

*Third Party Professionals.* Although the use of third party professionals, including Operations Group members, and the allocation of consulting fees and expenses paid to them subject Wynnchurch Capital to potential conflicts of interest, the General Partners believe any such potential conflicts of interest are mitigated by the expected savings to the portfolio companies (and, in turn, the Funds) that will be applied if the cost of the third party professional is lower than market rates for the services provided, or if the services provided by the third party professionals are consistent with the business strategy the General Partners have for the relevant portfolio company. Relying on the Operations Group creates potential conflicts of interest. For example, Wynnchurch Capital typically determines the amount of compensation that will be paid to Operations Group members and portfolio companies or a Fund ultimately pay or reimburse Wynnchurch Capital for such compensation. The appropriate level of compensation for Operations Group members can be difficult to determine, especially if the expertise and services he/she provides are unique and/or tailored to the specific engagement. In addition, given that Wynnchurch Capital (and not a Fund) otherwise pays the salaries of Wynnchurch Capital employees, Wynnchurch Capital has incentives to retain individuals as members of the Operations Group instead of hiring them as employees, or to convert existing employees to Operations Group members.

*Fees and Expenses.* Subject to any relevant restrictions or other limitations contained in the Governing Documents of each Fund, Wynnchurch Capital will allocate fees and expenses in a manner that it believes in good faith is fair and equitable under the circumstances and considering such factors as it, in its sole discretion, deems relevant. In exercising such discretion, Wynnchurch Capital can be faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple Funds will be allocated among such Funds. The allocations of such expenses are not always proportional. Limited partners in a Fund are typically allocated (or otherwise bear) their pro rata share of such fees and expenses, which are calculated based on capital commitments, invested capital, available capital, or other metrics as determined by Wynnchurch Capital in its sole discretion and in accordance with its policies and procedures regarding expense allocation. The Funds have different expense reimbursement terms, including with respect to management fee offsets, which can result in the Funds bearing different levels of expenses with respect to the same investment.

Wynnchurch Capital and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such fees, costs, and expenses in proportion to the size of its actual or proposed investment, or in such other manner as Wynnchurch Capital considers, in good faith, to be fair and equitable.

There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision.

A conflict of interest could arise in Wynnchurch Capital’s determination whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, or whether such expenses should be borne by Wynnchurch Capital or the manner in which Wynnchurch Capital allocates expenses among the Funds. The Funds will be reliant on the determinations of Wynnchurch Capital in this regard. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by Wynnchurch Capital to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in Wynnchurch Capital’s good faith judgment.

Additionally, a portfolio company typically will reimburse Wynnchurch Capital or service providers retained at Wynnchurch Capital’s discretion for expenses (including without limitation travel expenses) incurred by Wynnchurch Capital or such service providers in connection with its performance of services for such portfolio company. This subjects Wynnchurch Capital and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements can be substantial. Wynnchurch Capital determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. The amount of individual reimbursements is typically disclosed to limited partners in a supplemental financial schedule and their effect is reflected in each Fund’s audited financial statements, and any fee paid or expense reimbursed to Wynnchurch Capital or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies;

and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Wynnchurch Capital will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

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

*Conflicts Related to the Withholding of Certain Information.* The Governing Documents of the Funds generally permit the applicable Fund's General Partner to withhold information from designated limited partners in such Fund under specified circumstances. For instance, information will at times be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The relevant General Partner may also from time to time elect to withhold certain information from limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

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

*Employee Limited Partners.* It is expected that certain of Wynnchurch Capital's employees and personnel will invest in a Fund directly or as part of a General Partner's commitment to a Fund. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external Fund limited partner. For example, employee limited partners generally will not be subject to a management fee and/or carried interest with respect to their investment, receive information regarding investments at different times than other limited partners and can benefit from different credit facility arrangements than a Fund.

## **Item 9 – Disciplinary Information**

Like other registered investment advisers, Wynnchurch Capital is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a limited partner's evaluation of Wynnchurch Capital or the integrity of Wynnchurch Capital's management team. No events have occurred at Wynnchurch Capital that are applicable to this Item.

On occasion, in the ordinary course of its business, Wynnchurch Capital is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, Wynnchurch Capital does not believe that any current legal proceeding or claim to which Wynnchurch Capital is a party, if any, would individually or in the aggregate materially affect the Firm or the Funds' results of operations, financial position or cash flows.

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

Neither Wynnchurch Capital nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing, and Wynnchurch Capital does not anticipate such affiliations in the future.

Wynnchurch Capital has no arrangements with a related person who is a broker-dealer, investment company, financial planning firm, commodity pool operator, commodity trading advisor or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business, the Funds or underlying limited partners. Wynnchurch Capital has and will continue to develop relationships with professionals who provide services it does not provide, including: legal, accounting, banking, investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to the principals, the Funds or their portfolio companies. Additionally, some of these professionals are limited partners in Wynnchurch Capital Funds, either personally or through their company. Further, Wynnchurch Capital principals and other employees personally invest in companies that provide services to Wynnchurch Capital and/or its portfolio companies. To address any conflicts of interest which arise as a result of such an arrangement, Wynnchurch Capital has implemented stringent approval mechanisms prior to hiring any outside vendor. See Item 8, *Conflicts of Interest*, for further disclosure.

Wynnchurch Capital has entered into a sub-advisory agreement with a registered investment adviser to provide investment advisory services to one Fund with regard to distressed debt opportunities. Wynnchurch Capital does not receive compensation from the investment adviser or have a business relationship with the adviser that creates a material conflict of interest.

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

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

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

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

### **Code of Ethics**

Pursuant to Rule 204A-1 of the Advisers Act, Wynnchurch Capital has adopted a written code of ethics ("Code of Ethics" or the "Code") that sets forth standards of conduct expected of supervised persons and addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. As fiduciaries, Wynnchurch Capital and its supervised persons have certain legal obligations to put its Funds' interests ahead of its own. Wynnchurch Capital's Code of Ethics is based on principles of openness, honesty, integrity and trust. Upon hire and at least once a year, each Wynnchurch Capital supervised person is required to acknowledge this Code in writing and agree to be bound by it. Supervised persons of Wynnchurch Capital who violate the Code are subject to remedial actions, including, but not limited

to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of which they become aware.

With respect to third parties that are not subject to the trading restrictions under Wynnchurch Capital's Code of Ethics and that may otherwise obtain sensitive and nonpublic information relating to a Fund deal (*e.g.*, co-investors, legal, financial, diligence, public relations and other similar service providers), such persons typically are subject to contractual provisions in confidentiality agreements or professional obligations that prohibit the misuse of any such information.

Wynnchurch Capital will provide a copy of its Code of Ethics to any existing or prospective limited partner upon request to its Chief Compliance Officer, Roy Sroka, at (847) 604-6100.

### **Interests in Client Transactions**

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

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This can also apply to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between Funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either Fund. In the context of Wynnchurch Capital's business, a principal transaction would most likely refer to the practice of the General Partners or its members warehousing an investment for the formation of a future Fund or Wynnchurch Capital or a Fund General Partner purchasing the interest of an existing limited partner.

Cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more funds or accounts that are managed by the same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3). In the context of Wynnchurch Capital's business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer and is not applicable to Wynnchurch Capital.

In the event Wynnchurch Capital were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating Funds; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, limited partners or advisory board, as

appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Principals and supervised persons of Wynnchurch Capital and its affiliates own interests in the Funds directly or indirectly, including through the General Partner and/or as Fund limited partners. As mentioned in Item 5 and Item 6 above, Wynnchurch Capital generally reduces all or a portion of the management fee and carried interest related to investments held by such persons. Wynnchurch Capital does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of limited partners in such Funds.

### **Conflicts of Interest**

The Governing Documents of each Fund include a description of what Wynnchurch Capital believes to be the most significant conflicts of interest associated with an investment in each respective Fund. Some of these conflicts are summarized below and in Item 8 above; however, this summary does not attempt to describe all of the conflicts of interest associated with an investment in the Funds.

Limited partners should note that there could be occasions when Wynnchurch Capital and its affiliates encounter potential conflicts of interest in connection with a Fund. If any matter arises that Wynnchurch Capital determines in its good faith constitutes an actual conflict of interest, Wynnchurch Capital will take such actions as necessary or appropriate, within the context of the Fund's Governing Documents, to ameliorate the conflict.

Certain Wynnchurch Capital principals and employees are limited partners in the Funds. As mentioned in Item 5 and Item 6 above, Wynnchurch Capital generally reduces all or a portion of the management fee and carried interest related to investments held by such persons. Wynnchurch Capital does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of limited partners in such Funds. Employee limited partners share in the same deals as other limited partners of the Fund and share costs with other limited partners proportionally.

Furthermore, as mentioned in Item 10 above, Wynnchurch Capital principals and other employees personally invest in companies that provide services to Wynnchurch Capital and/or to Wynnchurch Capital portfolio companies. These investments can give rise to a conflict of interest because such Wynnchurch Capital principals and employees often have the ability to select or influence which company is selected to provide services to Wynnchurch Capital and its portfolio companies and thereby receive a pecuniary benefit from this choice of vendor. To address this potential conflict, Wynnchurch Capital employees wishing to personally invest in a company which offers or could potentially offer services to Wynnchurch Capital or its portfolio companies are required to receive written permission from Wynnchurch Capital's Chief Compliance Officer prior to making such an investment. If approval for investment is granted, the investing employee will be recused from any selection process involving such company. Additionally, Wynnchurch Capital will fully document

any selection decision that has the potential to award business to a company in which an employee has invested. Finally, Wynnchurch Capital has implemented guidelines regarding the hiring of any new outside vendor.

## **Personal Trading**

The personal trading policy for Wynnchurch Capital supervised persons is set forth in Wynnchurch Capital's Code of Ethics and is acknowledged as received and understood by each supervised person. Wynnchurch Capital's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by a supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Fund. In rare cases, Wynnchurch Capital's business will provide Wynnchurch Capital and its supervised persons with access to material nonpublic ("inside") information. The Code of Ethics includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Because Wynnchurch Capital's business focuses primarily on private market investments, Wynnchurch Capital expects that instances of supervised persons having access to material nonpublic information regarding publicly-traded securities will be relatively infrequent. Capital's supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of inside information or communicating inside information to others. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Wynnchurch Capital maintains a restricted list regarding issuers where Wynnchurch Capital has or may have material nonpublic information. Supervised persons are permitted to make securities transactions in their personal accounts, subject to certain limitations. Pre-clearance is required by supervised persons and their covered family members for certain personal securities transactions, including trading in restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to link certain brokerage accounts for their own accounts or any account in which they have a direct or indirect beneficial interest or submit annual reports of security transactions to Wynnchurch Capital's compliance software, in each case to enable monitoring of personal trading by the Chief Compliance Officer or his designee.

The principals and supervised persons of Wynnchurch Capital carry on investment activities for their own account and for family members, friends or others, and in connection therewith, can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives are the same or similar. In addition, principals, supervised persons and affiliates are permitted to buy securities in transactions offered to but rejected by the Funds or that are outside of the investment mandate of the Funds. For example, in an effort to build relationships with founders and companies, supervised persons at times are expected to make personal investments that are not at that time appropriate for a Fund, such as those that are too small and/or too early stage, in order to form deeper connections with such companies, get insight into their industries and ecosystems over time, and further develop



their networks and relationships with the founders, CEOs and boards of such endeavors. All such employee private investments are subject to pre-approval and/or review by the Chief Compliance Officer.

## **Item 12 – Brokerage Practices**

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

Whether for private or public securities transactions, Wynnchurch Capital selects a broker-dealer or investment banker with the overall aim of maximizing returns for the Fund. Such broker-dealers or investment bankers are selected based upon Wynnchurch Capital's judgment regarding a variety of factors, including but not limited to: Wynnchurch Capital's past experience with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise in the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services provided; and commission rates, among other factors in the Firm's sole discretion.

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

Wynnchurch Capital does not pay or receive soft dollars, does not pay or receive fees for limited partner referrals and does not direct brokerage or advise limited partners on doing so. In the event

Wynnchurch Capital were to aggregate the purchase and sale of securities for Fund accounts, it would do so on a pro rata basis.

### **Item 13 – Review of Accounts**

The investment portfolios of the Funds are generally private, illiquid and long-term in nature and accordingly Wynnchurch Capital's review of them is not directed toward a short-term decision to dispose of securities. Decisions as to when to purchase or sell a portfolio company are made by the relevant investment committee. Wynnchurch Capital closely monitors the portfolio companies of its Funds and maintains an ongoing oversight position in such portfolio companies. Wynnchurch Capital holds board seats for most of the investments it makes. It is not uncommon for the relevant investment professionals for an investment to be in regular, as often as weekly, contact with the portfolio company's senior management team. A Fund's portfolio is reviewed by a team of investment professionals on an on-going basis which includes those investment professionals assigned to individual portfolio companies. Moreover, partners of Wynnchurch Capital monitor portfolio company performance through regular management meetings, as well as detailed reviews of specific portfolio companies that occur as needed.

Roy Sroka, Wynnchurch Capital's Chief Financial Officer and Chief Compliance Officer, reviews the activity of the Funds on a quarterly basis. Mr. Sroka, in his role as Chief Financial Officer and Chief Compliance Officer, also reviews a Fund's account whenever a determination is made as to a distribution.

Wynnchurch Capital furnishes to limited partners in its Funds the following written reports: (i) unaudited financial statements for the first three quarters of each fiscal year within 60 days of each quarter's close; (ii) annual audited financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of the independent certified public accountant within 120 days of fiscal year end (or earlier as agreed to in the relevant Fund Governing Documents); (iii) quarterly individual capital account statements; (iv) annual tax information necessary for the completion of tax returns (K-1); and (v) annually a statement of the determination of the value of each investment as of the end of the preceding calendar year. The Firm also has contact with limited partners (*e.g.*, personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence or otherwise, limited partners periodically request information pertaining Wynnchurch Capital's investments. Wynnchurch Capital responds to these requests, and in answering these requests provides information that is not generally made available to other limited partners who have not requested such information. Additionally, as it pertains to existing limited partners, upon request or pursuant to contractual obligations (such as agreed to in a side letter), certain limited partners receive additional information and reporting that other limited partners do not receive. The fact that Wynnchurch Capital provides such information upon request to one or more limited partners does not obligate Wynnchurch Capital to affirmatively provide such

information to all limited partners. As a result, certain limited partners will have more information about a Fund than other limited partners, and Wynnchurch Capital has no duty, and does not intend, to ensure all limited partners seek, obtain or possess the same information regarding a Fund and its investments and/or portfolio companies.

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

As described in Item 5 above, Wynnchurch Capital receives compensation in the form of fees paid by the limited partners. In connection with investments made by the Funds, Wynnchurch Capital also receives commitment, structuring, monitoring and/or other transaction fees from portfolio companies in which the Funds invest or propose to invest. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that Wynnchurch Capital believes will ultimately enhance the value of the companies and benefit the Funds and their limited partners.

These types of fee arrangements present potential conflicts of interest and provide Wynnchurch Capital with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by Wynnchurch Capital or its employees (excluding Operations Group members) in connection with services rendered to portfolio companies or transactions of the Fund are offset in whole or in part against management fees payable by the Funds, to the extent described in Item 5 above and as detailed in each Fund's Governing Documents.

When raising capital for a new Fund, Wynnchurch Capital will typically enter into solicitation agreements pursuant to which it compensates one or more third parties for limited partner referrals that result in the provision of investment advisory services by Wynnchurch Capital. Placement agents introducing limited partners to Wynnchurch Capital receive compensation from Wynnchurch Capital, such as a retainer and/or a percentage of introduced capital with respect to capital raised from specified limited partners. Such compensation is paid pursuant to a written agreement with the placement agent and typically can be terminated by either party from time to time. Any placement agent retained by Wynnchurch Capital is registered as a broker-dealer to the extent required by law or regulation. Additionally, the cost of any such placement fees is borne entirely by Wynnchurch Capital (through an offset to the relevant Fund management fees) and not by any affected limited partner, although related expenses incurred pursuant to the relevant placement agent agreement, including but not limited to placement agent travel, meals and entertainment expenses, are borne by the relevant Fund as part of its organizational costs.

In connection with fundraising for each of its Funds, Wynnchurch Capital retained the services of a placement agent to solicit limited partners on its behalf. These fees were paid by the relevant Wynnchurch Capital entity as an offset to management fees for Funds II, III, IV and V, and not directly by any limited partner.

## **Item 15 – Custody**

Advisers Act Rule 206(4)-2 (the “Custody Rule”) requires that pooled investment vehicles advised by Wynnchurch Capital either undergo an annual audit pursuant to GAAP by an auditing firm registered with and subject to inspection by the Public Company Accounting Oversight Board (“PCAOB”) or be subject to a surprise custody examination, also by a PCAOB-registered auditing firm. Wynnchurch Capital is deemed to have custody of the Funds’ assets because the General Partners are not operationally independent from Wynnchurch Capital: each Fund’s General Partner generally has full discretion and control over Fund investments and cash, including the ability of the General Partners to deduct fees from the applicable Funds’ accounts. In order to comply with the Custody Rule, the Firm has elected to undergo an annual GAAP financial statement audit for each of its Funds over which it is deemed to maintain custody. The Wynnchurch Capital Funds are audited annually by an audit firm registered with and subject to inspection by the PCAOB and Wynnchurch Capital delivers to the Funds and their limited partners a copy of the annual audited financial statements within 120 days of the fiscal year end (or earlier as agreed to in the relevant Fund Governing Documents). In addition, upon the final liquidation of a Fund, Wynnchurch Capital will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying limited partners promptly upon completion of the audit. Limited partners should carefully review such financial statements.

Wynnchurch Capital does not accept physical possession of client funds (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the respective Fund’s bank account. Wynnchurch Capital receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds’ qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

## **Item 16 – Investment Discretion**

Wynnchurch Capital and the General Partners have discretionary authority based on each Fund’s Governing Documents to buy and sell securities or other investments on behalf of the Funds and to determine the amount of such investments to be bought and sold. The terms upon which Wynnchurch Capital serves as an investment manager of the Funds are established at the time the Funds are established and are generally set out in the Governing Document entered into with Wynnchurch Capital. Investment advice is provided directly to the Funds, subject to the discretion and control of the relevant General Partner, and not to limited partners in the Funds individually.

To become a limited partner in a Wynnchurch Capital Fund, a prospective limited partner must execute a subscription agreement and an LPA with the Fund. Such Governing Documents generally contain a power of attorney that grants Wynnchurch Capital or the applicable Fund’s General Partner certain powers related to the orderly administration of the affairs of the Funds. Once a limited partner executes these documents, with limited exceptions, such as certain conflicts of interest as discussed elsewhere in this Brochure, Wynnchurch Capital is not required to contact a limited partner prior to transacting business in a Fund.

Generally, Wynnchurch Capital's only restrictions with respect to managing a Fund, such as, but not limited to, the type of securities in which a Fund invests, will be contained in the relevant Fund's Governing Documents. However, a limited partner can seek to impose limitations on Wynnchurch Capital's investment authority with respect to such limited partner's investment through a side letter agreement and Wynnchurch Capital and/or the relevant Fund General Partner can choose to accept reasonable limitations or restrictions at its discretion. Other limited partners meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights over such agreements. Side letter terms to date potentially restrict Wynnchurch Capital's advice concerning investments in certain securities or types of securities, diversification, geographies and leverage. Wynnchurch Capital's authority to trade securities can also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

### **Item 17 – Voting Client Securities**

By virtue of the Funds' Governing Documents, Wynnchurch Capital acts on behalf of the General Partner of its Funds and has discretionary authority to vote client securities on any matter requiring a vote of the members or shareholders or to give consent on any matter requiring the consent of members or shareholders. While the majority of "proxies" are predominantly written member or shareholder consents or similar instruments for private companies, Wynnchurch Capital may from time to time vote public proxies on behalf of the Funds. With regard to the votes for private companies, from time to time, portfolio companies request Wynnchurch Capital (usually through the General Partner of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, Wynnchurch Capital considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies. Wynnchurch votes public proxies in what it believes are the best interests of the Funds.

Wynnchurch Capital has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. Wynnchurch Capital's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value. Wynnchurch Capital generally believe its interests are aligned with those of the Fund's limited partners through the principals' beneficial ownership interests in the Funds. As authorized in the Governing Documents, Wynnchurch Capital will not seek limited partner approval or direction when voting client securities on any matter requiring a vote of the members or shareholders, or when giving consent on any matter requiring the consent of members or shareholders. In the event that there is a conflict of interest in such votes or consents, the Funds' Governing Documents and proxy voting policy provide that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory board on the proposed vote or consent, or through other alternatives set forth in the respective Fund's Governing Documents and Wynnchurch Capital's proxy voting policy.

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

Wynnchurch Capital will provide a copy of its proxy voting policy to any existing or prospective limited partner upon request to its Chief Compliance Officer, Roy Sroka, at (847) 604-6100. Limited partners can also obtain information from the Firm, free of charge, about how Wynnchurch Capital voted any previous proxies, if any.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. Wynnchurch Capital does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to limited partners, and has not been the subject of a bankruptcy petition; therefore, no additional disclosure is required in this Item.

Form ADV Part 2B: Brochure Supplement



WYNNCHURCH | CAPITAL

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**March 31, 2023**

This Brochure Supplement provides information about Wynnchurch Capital, L.P. (“Wynnchurch Capital” or the “Firm”) that supplements the Wynnchurch Capital, L.P. Brochure. Please contact Roy Sroka at (847) 604-6100 or [rsroka@wynnchurch.com](mailto:rsroka@wynnchurch.com) if you did not receive Wynnchurch Capital’s Brochure or if you have any questions about the contents of this Brochure Supplement.



### **John A. Hatherly**

Year of Birth: 1959

Managing Partner

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(847) 604-6100

### **Item 2 – Educational Background and Business Experience**

Mr. Hatherly is Chief Executive Officer of Wynnchurch Capital, L.P. and co-founded its predecessor firms, Wynnchurch Capital, Ltd. in 1999 and Wynnchurch Capital, LLC in 2014 (collectively, Wynnchurch Capital L.P., Wynnchurch Capital, Ltd. and Wynnchurch Capital, LLC referred to herein as “Wynnchurch Capital” unless the context otherwise requires). Prior to co-founding Wynnchurch Capital, Mr. Hatherly served in various roles for General Electric Capital Corporation (“GE Capital”) from 1987 to 1999, including leading GE Capital’s successful Merchant Banking Group from 1996 to 1999, and managing the group’s leverage buyout lending activities from 1994 to 1996. Before joining GE Capital, Mr. Hatherly spent three years with the First National Bank of Chicago and BankOne Corporation. Mr. Hatherly serves on the board of several Wynnchurch Capital portfolio companies, as well as on the University of Wisconsin’s Business Innovation Council.

Mr. Hatherly holds a B.A. degree from the University of Notre Dame and an M.B.A. from the University of Wisconsin.

### **Item 3 – Disciplinary Information**

Mr. Hatherly has never been the object of any legal or disciplinary event, proceeding or action.

### **Item 4 – Other Business Activities**

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



#### **Item 5 – Additional Compensation**

Mr. Hatherly does not receive an economic benefit for providing advisory services other than compensation received from Wynnchurch Capital and carried interest received from the Funds' General Partners.

#### **Item 6 – Supervision**

Mr. Hatherly is supervised for compliance matters by Wynnchurch Capital's Chief Compliance Officer, Roy Sroka, (847) 604-6100. For investment matters, the investment committee is responsible for approving and monitoring all investments.

**Frank G. Hayes**

Year of Birth: 1962

Managing Partner

Wynnchurch Capital, L.P.

6250 North River Road

Suite 10-100

Rosemont, IL 60018

(847) 604-6100

**Item 2 – Educational Background and Business Experience**

Mr. Hayes is an Executive Vice President of Wynnchurch Capital and has been with Wynnchurch Capital since 2001. Prior to joining Wynnchurch Capital, from 1999 to 2001 Mr. Hayes was a Managing Director of Catalyst Equity Partners, LLC, a private equity fund focused on turnaround investment situations. Before joining Catalyst, Mr. Hayes was a Managing Director of GKH Partners, L.P., a leveraged buyout fund, where he began his private equity career in 1991. From 1987 to 1990, Mr. Hayes was a Transactor with Citicorp Leveraged Finance in Chicago, responsible for portfolio management and the origination of leveraged buyout loans. He began his professional career in 1984 at PricewaterhouseCoopers LLP as a Certified Public Accountant. Mr. Hayes serves on the board of several Wynnchurch Capital portfolio companies.

Mr. Hayes received his B.B.A. from the University of Michigan and is a former Certified Public Accountant.

**Item 3 – Disciplinary Information**

Mr. Hayes has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

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

#### **Item 5 – Additional Compensation**

Mr. Hayes does not receive an economic benefit for providing advisory services other than the compensation received from Wynnchurch Capital and carried interest received from the Funds' General Partners.

#### **Item 6 – Supervision**

Mr. Hayes is supervised for compliance matters by Wynnchurch Capital's Chief Compliance Officer, Roy Sroka, (847) 604-6100. For investment matters, the investment committee is responsible for approving and monitoring all investments.

**Christopher P. O'Brien**

Year of Birth: 1974

Managing Partner

Wynnchurch Capital, L.P.

6250 North River Road

Suite 10-100

Rosemont, IL 60018

(847) 604-6100

**Item 2 – Educational Background and Business Experience**

Mr. O'Brien is President of Wynnchurch Capital and joined Wynnchurch Capital in 2000 and rejoined in 2005 after earning his MBA. Prior to joining Wynnchurch Capital, Mr. O'Brien was a consultant at Deloitte and IPC Group (CRA). Mr. O'Brien serves on the board of several Wynnchurch Capital portfolio companies.

Mr. O'Brien received his B.B.A from the University of Notre Dame and his M.B.A. from the University of Chicago Graduate School of Business and is a Chartered Financial Analyst ("CFA®"). The CFA® designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations. To become a CFA® charterholder, candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have forty-eight months of qualified, professional work experience. CFA® charterholders are also obligated to adhere to a Code of Ethics and Standards governing their professional conduct.

**Item 3 – Disciplinary Information**

Mr. O'Brien has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

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

#### **Item 5 – Additional Compensation**

Mr. O'Brien does not receive an economic benefit for providing advisory services other than the compensation paid by Wynnchurch Capital and carried interest received from the Funds' General Partners.

#### **Item 6 – Supervision**

Mr. O'Brien is supervised for compliance matters by Wynnchurch Capital's Chief Compliance Officer, Roy Sroka, (847) 604-6100. For investment matters, the investment committee is responsible for approving and monitoring all investments.

**Greg B. Gleason**

Year of Birth: 1981

Managing Partner

Wynnchurch Capital, L.P.

6250 North River Road

Suite 10-100

Rosemont, IL 60018

(847) 604-6100

**Item 2 – Educational Background and Business Experience**

Mr. Gleason is a Managing Partner of Wynnchurch Capital, which he joined in 2008. Prior to Wynnchurch Capital, Mr. Gleason worked at Houlihan Lokey in Chicago, where he specialized in mergers and acquisitions, restructurings and other corporate advisory assignments. Mr. Gleason began his career in Bank of America's Global Portfolio Management group, where he worked on debt financings for general industrial clients. Mr. Gleason serves on the board of several Wynnchurch Capital portfolio companies.

Mr. Gleason holds a B.S. degree in Finance, with a minor in the Hoeft Technology & Management Program, from the University of Illinois and an M.B.A. from the University of Chicago Booth School of Business; Chartered Financial Analyst (CFA).

The CFA® designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations. To become a CFA® charterholder, candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have forty-eight months of qualified, professional work experience. CFA® charterholders are also obligated to adhere to a Code of Ethics and Standards governing their professional conduct.

**Item 3 – Disciplinary Information**

Mr. Gleason has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

As stated above, Mr. Gleason serves on the board of several Wynnchurch Capital portfolio companies. Mr. Gleason's appointment on such boards has been designated to be in the best interest of the Funds and their respective limited partners. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interest can arise between Mr. Gleason's fiduciary duties to the portfolio company on which he serves and his duty to the Firm, as there can be no guarantee that decisions that are in the portfolio companies' best interest will necessarily be in the Firm's best interests. As the Funds are generally significant shareholders of such companies, it is expected that these interests will generally be aligned; however, in the event of

a conflict or potential conflict, Mr. Gleason intends to recuse himself from the decision-making process.

#### **Item 5 – Additional Compensation**

Mr. Gleason does not receive an economic benefit for providing advisory services other than the compensation paid by Wynnchurch Capital and carried interest received from the Funds' General Partners.

#### **Item 6 – Supervision**

Mr. Gleason is supervised for compliance matters by Wynnchurch Capital's Chief Compliance Officer, Roy Sroka, (847) 604-6100. For investment matters, the investment committee is responsible for approving and monitoring all investments.

**Roy E. Sroka**

Year of Birth: 1971

Chief Financial Officer, Secretary, AML Officer, Chief Compliance Officer

Wynnchurch Capital, L.P.

6250 North River Road

Suite 10-100

Rosemont, IL 60018

(847) 604-6100

**Item 2 – Educational Background and Business Experience**

Mr. Sroka serves as the Chief Financial Officer and Chief Compliance Officer of Wynnchurch Capital. Prior to joining Wynnchurch Capital in 2006, Mr. Sroka was the Director of Operations of Chicago Administration & Corporate Services, LLC, a third-party administration office of internationally based hedge funds. He began his career in public accounting at a regional firm, then took a position in a private equity organization as the controller and spent the next seven years working with private equity investments and overseeing the accounting of several organizations.

Mr. Sroka received a B.S. degree in Accounting from DeVry University and an M.B.A. from DePaul University. Mr. Sroka is a Certified Public Accountant (“CPA”) and is licensed in the State of Illinois. In order to become a CPA in the United States, the candidate must sit for and pass the Uniform Certified Public Accountant Examination established by the American Institute of Certified Public Accountants (AICPA). Eligibility to sit for the Uniform CPA Exam is determined by individual State Boards of Accountancy and typically includes a minimum number of qualifying credit hours in accounting and business administration plus one additional year of study. Specific licensing and certification requirements beyond the uniform CPA examination are set by each state’s laws and vary from state to state. Typical state requirements include an experience component, an ethics component and a continuing professional education component, which must be fulfilled to maintain the CPA license.

**Item 3 – Disciplinary Information**

Mr. Sroka has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

Mr. Sroka is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.



#### **Item 5 – Additional Compensation**

Mr. Sroka does not receive an economic benefit for providing advisory services other than the compensation received from Wynnchurch Capital and carried interest received from the Funds' General Partners.

#### **Item 6 – Supervision**

Mr. Sroka is supervised for compliance matters by Wynnchurch Capital's Managing Partner, John Hatherly, (847) 604-6100. For investment matters, the investment committee is responsible for approving and monitoring all investments.