

Silversmith Management, L.P.

Form ADV Part 2A

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Silversmith Management, L.P. (referred to herein as “Silversmith”). If you have any questions about the contents of this Brochure, please contact us at (617) 670-4300 or via email at info@silversmith.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.

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

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT SILVERSMITH OR ANY OF THE PRINCIPALS OR EMPLOYEES OF SILVERSMITH POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.

Item 2 - Material Changes

This Brochure, dated as of March 30, 2023, has been prepared in connection with Silversmith's annual amendment to the Brochure. This annual amendment reflects updates to the descriptions of certain of Silversmith's business practices, including with respect to the addition of certain Funds (as defined herein), as well as updates to various investment-related risk factors, conflicts of interest and other similar disclosures.

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Item 4 - Advisory Business

Silversmith Management, L.P. (“Silversmith”) is a growth equity firm that focuses on making investments in lower-middle market companies in two core industry verticals, (i) Software-as-a-Service and Information Services (“SaaS & Information Services”) and (ii) Healthcare Information Technology and Services (“Healthcare IT & Services”). Silversmith was founded in 2015. The principal owners of Silversmith are Jeffrey Crisan, Todd MacLean, Jim Quagliaroli and Lori Whelan.

Silversmith primarily provides investment advisory services to private investment funds that principally seek investment opportunities in private lower-middle market companies in the SaaS & Information Services and Healthcare IT & Services sectors. Transactions in these lower-middle market companies are expected to include growth equity investments, both minority and majority, as well as platform build-ups in situations where Silversmith believes that profitable growth can be most effectively achieved through a targeted M&A strategy. Silversmith seeks to make investments in profitable, high-growth companies poised for continued expansion with the potential to become market leaders.

Silversmith provides the services described above to its advisory clients, which are private investment funds (collectively, the “Funds” or “Silversmith Funds”). Generally, an affiliate of Silversmith acts as the general partner of (or other equivalent control position for) each Silversmith Fund, and Silversmith serves as investment adviser to each Silversmith Fund. References to Silversmith in this Brochure include, as the context requires, affiliates through which Silversmith provides investment advisory services or that act in any capacity referenced in the previous sentence.

Silversmith tailors its advisory services to the specific investment objectives and restrictions of each Silversmith Fund as set forth in such Silversmith Fund’s limited partnership agreement (or similar governing agreement) and investment management agreement, as applicable, and does not tailor its advisory services to investors in the Silversmith Funds. In certain circumstances, investors are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Silversmith and any investor. Investors and prospective investors of each Silversmith Fund should refer to the confidential private placement memorandum, limited partnership agreement (or similar governing agreement), investment management agreement and/or other governing documents, as applicable (collectively, the “Governing Documents”) of the applicable Silversmith Fund for complete information on the investment objectives and investment restrictions with respect to such Silversmith Fund. There is no assurance that any of the Silversmith Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Silversmith Funds and/or their general partners have entered into “side letters” or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors that are not made available to investors generally. Such “side letters” or similar agreements generally are disclosed only to investors in the applicable Silversmith Fund that have separately negotiated with Silversmith for the right to review such “side letters” or similar agreements.

Additionally, from time to time and as permitted by the Governing Documents, Silversmith expects to provide (or agree to provide) certain employees, consultants and advisors of Silversmith, and other persons with a strategic relationship with Silversmith, the opportunity to participate in investments made by the Silversmith Funds, including through one or more co-investment vehicles that are structured to facilitate such investments on a side-by-side basis with a Silversmith Fund (each, an “Employee Co-Investment Fund”). Silversmith generally intends for each Employee Co-Investment Fund to co-invest with a single corresponding Silversmith Fund. However, from time to time, for strategic and other reasons, a co-investor

or co-invest vehicle (including a co-investing Silversmith Fund) purchases a portion of an investment from one or more Silversmith Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through investor capital contributions and/or use of a Silversmith Fund credit facility. Any such purchase from a Silversmith Fund by a co-investor or co-invest vehicle generally occurs shortly after a Silversmith Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in Silversmith's sole discretion, Silversmith reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Silversmith Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Silversmith Fund.

Silversmith does not participate in any wrap fee programs.

Silversmith manages all assets on a discretionary basis in accordance with the terms and conditions of each Silversmith Fund's Governing Documents. As of December 31, 2022, the amount of assets Silversmith manages on a discretionary basis is \$ 4,762,056,353.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

All investors and prospective investors should review the Governing Documents of each Silversmith Fund in conjunction with this Brochure for complete information on the fees and compensation payable in connection with a particular Silversmith Fund. Different Silversmith Funds are subject to different management fees and performance-based compensation arrangements. In limited circumstances, an individual investor's portion of a Fund's management fees payable to Silversmith is negotiable and/or waived. Investors and prospective investors in each Silversmith Fund should note that similar advisory services are available from other investment advisers for similar or lower fees. All clients are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and therefore Silversmith has not included specific fee information in this Brochure.

Deduction of Fees; Timing of Payments; Termination

Management fees are generally paid to Silversmith by or on behalf of a Silversmith Fund by (i) requiring investors in such Silversmith Fund to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the investors of such Silversmith Fund.

Payments of management fees are generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Silversmith Funds for complete information on the timing of management fee payments.

To the extent management fees are assessed in advance, certain Silversmith Funds' Governing Documents require such fees to be returned to the limited partners of such Silversmith Funds should Silversmith's management services to the Silversmith Fund be terminated prior to the end of the period in respect of which the fees have been paid (including, for example, situations where the final distribution by a Silversmith Fund occurs prior to the end of a period for which management fees have already been paid). In general, the amount of such fees to be returned is calculated based on the number days remaining in the

applicable period. Management fees will generally be payable until the dissolution of the relevant Fund (as described in its Governing Documents).

A Fund's management fees will be charged on a basis that generally is not tied to the Fund's then-current net asset value. As specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (generally representing the end of the Fund's defined investment period) (the "Stepdown Date"), management fees generally will be charged based on a percentage of the relevant Fund's aggregate commitments. Further, after the Stepdown Date, management fees generally will be charged based on a percentage of investment contributions made by the relevant Fund that have not been realized or completely written off for U.S. federal income tax purposes.

The Governing Documents set forth the full list of terms under which management fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified management fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors.

Other Fees and Expenses

In addition to the fees payable to Silversmith and its affiliated entities, the Funds (and therefore, indirectly, the limited partners of such Funds) may incur certain charges imposed by third parties and other fees, costs, expenses, liabilities and obligations as set forth in the Governing Documents attributable to each Fund and/or its respective subsidiaries' and intermediate entities' activities, businesses, portfolio companies or actual or potential investments. Such expenses may include (but are not limited to), organizational and capital raising expenses; management fees; expenses incurred in connection with pursuing, seeking, structuring, organizing, investigating, studying (including preparing market studies), acquiring, bidding on, negotiating, diligencing, consummating, evaluating, financing, refinancing, syndicating, managing, owning, operating, holding, hedging, repositioning, monitoring, valuing, winding up, liquidating, dissolving, restructuring, recapitalizing, trading, taking public or private, selling, or otherwise disposing of, as applicable, portfolio companies and the Funds' actual and potential investments (including follow-on investments and other transactions involving the deployment of Fund capital) or seeking to do any of the foregoing (including any associated legal, financing, banking, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, financing sources, expert networks, third-party due diligence providers, software and service providers (including certain subscriptions to periodicals, databases and/or research services), advisors, consultants, data providers and similar professionals in connection therewith and any costs related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; expenses incurred in connection with the origination, identification and sourcing of investment opportunities for a Fund, as well as in connection with management, monitoring and development of portfolio companies, including attending and sponsoring industry conferences and events and portfolio company executive and senior advisor conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline and existing portfolio companies; the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto; brokerage and finders' fees, as well as underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banking fees and commissions and costs for other similar services; costs of legal, accounting, technology, administration (including costs associated with compliance with any anti-money laundering laws and regulations and any third-party administrator and administration, tracking or reporting software of a Fund), auditing, research, information, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services as well as costs related to the establishment or maintenance of such

other services), consulting (including expenses incurred in connection with hiring consultants, consulting, advisory and retainer fees, salary, expense reimbursement, consultants performing investment initiatives or providing services related to environmental, social and governance considerations and policies and other similar consultants), tax and other professional services; costs relating to the development of any portfolio investment, including the employment of third party consultants or engineers; all expenses incurred in connection with the securing of financing, indebtedness of, or guarantees made by, a Fund, Silversmith, the Fund's general partner or any affiliate on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including but not limited to expenses related to the negotiation and documentation of agreements with one or more lenders; all expenses related to investing a Fund's cash reserves; all costs and fees relating to the administrative and audit expenses of the Funds (including filing, printing, mailing, courier, title, transfer, survey, registration and other similar costs), and the preparation, printing, filing and distribution of financial and tax reports, Schedules K-1, portfolio valuations and tax returns of the Funds to the partners of the Funds, governmental authorities or self-regulatory organizations or other reporting or filings directly attributable to the Funds (including Form PF), including the costs of third party service providers and professionals incurred in connection with the foregoing, and other third party expenses incurred in connection with secure communications of the Funds; expenses incurred in connection with complying with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions, anti-terrorism or environmental, social or governance considerations), including any legal, administrative, consulting or other third-party service provider costs related thereto and any regulatory costs of a Fund's general partner or any of its affiliates incurred in connection with the operation of the Fund and/or any costs related to the validation or other confirmation of any payments made to (or payment-related instructions received by) the Fund or its general partner (including pursuant to or otherwise in connection with any anti-money laundering laws, rules or regulations); costs of compliance with the Foreign Account Tax Compliance Act ("FATCA") and any similar laws, rules and regulations, including the fees and expenses of the third party service providers related to such compliance, and (where applicable) environmental, social, governance and other standards to which the relevant general partner has committed in making investments on behalf of the Fund; expenses incurred in connection with compliance or regulatory matters related to the Funds (including compliance with this Governing Documents, side letters and similar agreements with Fund limited partners), except as otherwise set forth in the relevant Governing Documents; expenses incurred in connection with amendments to, and waivers, consents or approvals pursuant to side letters or similar agreements with Fund limited partners and "most favored nations" election processes in connection therewith; costs of developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative, valuation information gathering or reporting tools (including subscription-based services) for the benefit of the Funds or their limited partners; costs incurred with respect to filings with the U.S. Committee on Foreign Investment in the United States ("CFIUS") or any successor thereto or other matters related to CFIUS in connection with the Funds' investments or prospective investments, regardless of the reason that any such filing is made or other CFIUS matter arises; all legal, regulatory, administrative and compliance costs of the Funds and the Funds' general partners and/or manager, in each case with respect to the Funds and to the extent permitted by law, and except as otherwise set forth in the relevant Governing Documents; costs incurred in connection with actual, threatened or otherwise anticipated governmental inquiry, examination, investigation, proceeding, litigation, mediation, arbitration or other dispute resolution process solely involving (i) a Fund and/or its subsidiaries or portfolio companies and/or (ii) such Fund's general partner, manager or any of their respective affiliates relating to the affairs of such Fund, in each case, including the costs of any discovery related thereto and the amount of any judgment, fine, other award or settlement entered into and paid or payable in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the relevant Governing Documents; costs of establishing and operating entities related to the carried interest received by the general partner of the Fund; all indemnification obligations of the Funds (including costs incurred in connection with indemnifying any partner or other

person pursuant to provisions in the relevant Governing Documents or otherwise and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the relevant Governing Documents), in each case, including the costs of any discovery related thereto and the amount of any judgment, fine, other award or settlement entered into and paid or payable in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the relevant Governing Documents; principal and interest on, and fees and expenses arising out of, all permitted borrowings made by the Funds; all costs of insurance (including directors and officers liability, fidelity bond, cybersecurity, portfolio company management liability, errors and omissions liability, crime coverage and general partnership liability premiums or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Funds, including any costs related to any retention or deductibles and broker fees, costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance policies; extraordinary professional fees and expenses incurred in connection with the business or management of the Funds, including investment banking, commercial banking, legal, tax accounting, auditing, valuation and appraisal fees and expenses; costs of terminating, liquidating, winding up and dissolving the Funds and any legal entities owned directly or indirectly by the Funds, including portfolio companies; reverse breakup, termination and other similar fees; costs incurred in connection with defaults by partners in the payment of any capital contributions; any taxes, fees or other governmental charges levied against the Funds (except to the extent a Fund has been reimbursed therefor by a partner) and expenses of or related to a Fund representative and/or all expenses incurred in connection with any tax audit, investigation, settlement or review of the Funds, but excluding any such expenses directly and solely incurred as a result of any proposed or assessed adjustment or deficiency that arises in respect of any reduction to a Fund's management fee in connection with any waiver thereof by the Fund's general partner or its affiliates; any costs of restructuring or amendments, waivers, consents or approvals pursuant to the constituent documents of the Funds, any parallel funds and related entities thereof, including the Funds' general partners and/or manager (in the case of any related entities, solely to the extent such amendments, restructurings, waivers, consents or approvals are related to such Fund and/or its activities), including the preparation, distribution and implementation thereof; costs relating to the formation, maintenance and dissolution of special purpose investment vehicles, including any alternative investment vehicles and subsidiary holding vehicles (including any direct or indirect general partner (or equivalent) thereof) or such vehicle's activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such vehicle) that would be a Fund expense if it were incurred in connection with the Fund; and costs incurred in connection with any feeder entities related to a Fund to the extent not paid by the investors investing in such entities and any other costs related to any past or anticipated structuring or restructuring of a Fund and/or its subsidiaries or affiliated entities; costs of multimedia, analytical, database, news or other third party research services and related terminals for the delivery of such services; all expenses and costs incurred in connection any annual or other meetings of the limited partners of the Funds, whether individually or as a group (including travel); all expenses and costs related to the holding of meetings incurred by Fund advisory board members, permitted observers or other personnel attending or otherwise participating in the meetings or otherwise approved by the relevant Fund's general partner (including travel, lodging and meals), if any; costs relating to any transfer or proposed transfer of Fund interests or any limited partner's name change, internal restructuring or change in trustee, registered agent or custodian; costs of protecting the confidential or non-public nature of any information or data (including any costs incurred in connection with the EU Data Protection Law or FOIA); costs of communications, marketing and publicity, in each case to the extent incurred in connection with any investment or portfolio company; all fees charged, and reasonable out-of-pocket expenses incurred, by the administrator of the Funds in connection with the administration of the Funds; and expenses incurred in connection with the managed distribution of marketable securities; costs of legal counsel, consultants and/or other service providers engaged to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items; any travel relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; and any

other costs approved by the relevant Funds advisory board. Travel expenses shall include all travel-related costs and expenses, including, where appropriate, meal and entertainment expenses and the cost of chartering private aircraft or other private air travel, ground transportation (including car service) and lodging expenses.

As a general matter, broken deal expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund, regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

Certain Governing Documents permit Silversmith to waive or agree to reduce management fees. Certain waived portions of management fees are treated by the Governing Documents as a deemed capital contribution by the relevant general partner, which is effectively invested in the relevant Silversmith Fund on such general partner's behalf, and operates to reduce the amount of capital such general partner would otherwise be required to contribute to the Fund. The limited partners of the Silversmith Fund would, in such circumstances, be required to make a *pro rata* contribution according to their respective commitments to fund any contribution that would otherwise be required of Silversmith in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver can result in an acceleration (or delay) of investor capital contributions.

Silversmith is permitted to exempt certain "affiliated partner" investors in the Silversmith Funds from payment of all or a portion of management fees and/or carried interest. The relevant general partner reserves the right to make any such exemption from management fees and/or carried interest by a direct exemption, a rebate by Silversmith and/or its affiliates, or through other funds which co-invest with a Silversmith Fund. For example, in instances where a Silversmith professional (or an affiliated entity thereof) invests in a Silversmith Fund, such professional (or such affiliated entity) generally will be exempt from payment of the management fee and/or carried interest with respect to such Silversmith Fund. Additionally, to the extent permitted by the Governing Documents, certain general partners have the right to permit investors, affiliated with the general partner or otherwise, to invest through the relevant general partner or other vehicles that do not bear management fees and/or carried interest. Silversmith retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for management fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

Additionally, subject to the relevant Governing Documents, a Silversmith Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private funds, the Silversmith Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such additional expenses.

The types of other fees and expenses incurred may vary among Silversmith Funds. All investors and prospective investors in a Silversmith Fund should review the Governing Documents of such Silversmith Fund in conjunction with this Brochure for complete information on the charges and expenses payable with respect to an investment in such Silversmith Fund.

Certain expenses will be incurred that are attributable to more than one of the Silversmith Funds (including in connection with portfolio companies in which such Silversmith Funds have overlapping investments and in connection with the general operation or administration of such entities). Silversmith and its affiliates intend to allocate any such common expenses among the applicable Silversmith Funds in an equitable manner as determined by Silversmith and such affiliates in good faith.

To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in the section titled “Brokerage Practices”, which describes the factors Silversmith considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Timing of Payments

Please refer to the subsection entitled “*Deduction of Fees; Timing of Payments; Termination*” described above.

Transaction-Based Compensation

Silversmith does not receive any transaction-based compensation from the Silversmith Funds for the sale of securities or other investment products to any Silversmith Fund. Please refer to the subsection titled “*Economic Benefits Received from Third Parties*” below for information on other types of compensation that Silversmith may receive with respect to investments by the Silversmith Funds.

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

Performance-Based Fees

Distributions to investors in most Silversmith Funds will be subject to some form of carried interest or similar profit allocation for the benefit of Silversmith or an affiliate thereof. Generally, these profit allocations represent a share of a limited partner’s distributions in excess of its invested capital and allocable fees and expenses. Such “carried interest” allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended (together with all rules and regulations promulgated thereunder, the “Advisers Act”), to the extent required thereunder. Any share of profits allocated or distributed to an affiliate of Silversmith is separate and distinct from the management fees charged by Silversmith to such Silversmith Fund for investment advisory or management services.

Arrangements regarding performance-based allocations received by related persons of Silversmith create an incentive for Silversmith to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee or compensation arrangement.

Please refer to the Governing Documents of each Silversmith Fund for complete information on the specific “performance-based fee” arrangements of each Silversmith Fund.

Side-by-Side Management

Silversmith Funds may be subject to different performance-based compensation arrangements. If Silversmith or an affiliate is entitled to receive a higher percentage of the net profits of the account of one Silversmith Fund than the percentage that Silversmith or an affiliate receives from another Silversmith Fund, then Silversmith has an incentive to favor, or to allocate certain riskier or more speculative investments to, the Silversmith Fund that is subject to the higher percentage.

Silversmith may, from time to time, be presented with investment opportunities that fall within the investment objectives of more than one Silversmith Fund and, in such circumstances, subject to the terms of the Governing Documents of the applicable Silversmith Funds and other agreements governing such Silversmith Funds, Silversmith expects to allocate such opportunities among the Silversmith Funds on a basis that Silversmith determines in good faith is appropriate taking into consideration such factors as Silversmith determines, including but not limited to, (i) the amount of capital required for the applicable investment opportunity, (ii) the nature of the applicable security or transaction, (iii) capital available to

(including leverage), and remaining investment period of, the Silversmith Funds, (iv) differences with respect to investment objectives and or current investment strategies, (v) differences in risk profile, (vi) the sourcing of the transaction, (vii) whether the Silversmith Funds have an existing investment in the applicable portfolio company, (viii) current and anticipated market and economic conditions, (ix) the amount of potential follow-on investing that may be required for such investment, (x) reasons of portfolio balance, construction and diversification (including but not limited to stage, geography and/or sector), (xi) potential conflicts of interest, (xii) tax, legal or regulatory considerations, (xiii) other limitations or restrictions applicable to the Silversmith Funds and (xiv) such other considerations deemed relevant by Silversmith.

With respect to follow-on investment opportunities in a particular portfolio company, Silversmith's general policy is, in the first instance, to consider such opportunities on a priority basis for the Silversmith Fund(s) that have an existing investment in such portfolio company. If more than one Silversmith Fund has an existing investment in a portfolio company, follow-on investment opportunities for that company generally will be allocated in proportion to the aggregate amount invested by each such fund in the applicable portfolio company. Notwithstanding the foregoing, Silversmith and its affiliates may allocate such opportunities differently if they determine, in their discretion, that such different allocation is appropriate under the circumstances (including but not limited to, the amount of capital required for the applicable investment opportunity and other investment allocation considerations described in items (i) through (xiv) of the prior paragraph, each, as may be applicable).

After the applicable Silversmith Fund(s) have received their desired portion of a new investment or follow-on investment opportunity, Silversmith, in certain cases, is permitted to make additional amounts with respect to such investment opportunity (if any) available for co-investment to one or more investors in the Silversmith Funds or other third parties. If Silversmith expects to offer any such co-investment opportunity to one or more limited partners of a Silversmith Fund or other third parties, Silversmith will offer such opportunity to participate in such co-investment in accordance with the applicable provisions of the Silversmith Funds' Governing Documents and Silversmith's co-investment allocation policies in effect from time to time. Silversmith's procedures permit it to take into consideration a variety of factors in making such investment opportunities available, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Silversmith's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Silversmith's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; the size and/or timing of a commitment to a Fund; and whether Silversmith believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds or Silversmith. Although Silversmith reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Silversmith in identifying co-investors.

Co-investments by investors in the Silversmith Funds or third parties are permitted to be made directly in the applicable portfolio company or through "special purpose vehicles" or other entities formed by

Silversmith or its affiliates (each, a “Co-Investment SPV”). Silversmith or its affiliates are permitted (but are not obligated) to receive fees, carried interest or other compensation in connection with such co-investments (and the terms of any such fees, carried interest or other compensation may differ from the terms applicable to an investment in the Silversmith Funds with regard to such matters). Co-investors (including an entity formed and managed by Silversmith or an affiliate to facilitate a co-investment with the Silversmith Funds) may be granted or allowed certain rights to participate in follow-on investments with respect to the particular portfolio company but will not necessarily be granted or offered such rights or otherwise be required to participate in follow-on investments (whether or not such Silversmith Funds participate).

The Silversmith Funds reserve the right, as permitted under their respective Governing Documents, to cross-invest in portfolio companies in which other Silversmith Funds already hold an interest, provided that such investments are consistent with Silversmith’s fiduciary obligations to each Silversmith Fund participating in the cross-investments. To the extent that multiple Silversmith Funds hold an interest in the same portfolio company, it is Silversmith’s policy that disposition opportunities with respect to that investment will be determined by Silversmith and its affiliates on a case-by-case basis and will not necessarily be made at the same time or in proportion to dollars invested in that company or relative ownership percentages in that company. In such cases, Silversmith and its affiliates will allocate disposition opportunities among the applicable Silversmith Funds in their discretion, taking into account (without limitation): (i) the relevant provisions in agreements related to the applicable entities’ investment in the portfolio company (such as “tag-along” or “piggy-back” rights); (ii) the ownership percentage of, and the amount invested by, each applicable entity in the portfolio company; (iii) the amount of gain (or loss), realized and unrealized, on each applicable entity’s investment in the portfolio company at the time of such disposition opportunity; (iv) the type of securities held by each entity in the portfolio company; (v) liquidity needs for each applicable entity and the investment cycle of each applicable entity; (vi) respective holding periods for the investment of each applicable entity; (vii) the nature of the disposition opportunity, including the size of the opportunity; (viii) current and anticipated market conditions; (ix) tax, legal or regulatory considerations; and (x) such other factors that Silversmith and its affiliates may determine to be relevant.

Item 7 - Types of Clients

Types of Clients and Investment Vehicles

Silversmith provides advice to the Silversmith Funds and the Employee Co-Investment Funds, each of which are pooled investment vehicles. The limited partners of (or investors in) the Silversmith Funds may include high net worth individuals, operating companies and/or their pension plans, funds-of-funds, financial institutions, endowments, foundations, trusts, estates, sovereign wealth funds, governmental entities and public pension plans. Silversmith may also provide investment advice to Co-Investment SPVs.

Silversmith and/or its affiliates may establish alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, “AIVs”) for the purpose of addressing tax, regulatory and/or structural issues, and/or facilitating certain investments by one or more Silversmith Funds and/or investors. Prospective investors are requested to refer to the Governing Documents of the applicable Silversmith Fund for complete details on any feeder vehicle that may be established by such Silversmith Fund and such Silversmith Fund’s ability to make investments through AIVs. Certain investors in Silversmith Funds may participate directly or indirectly through AIVs structured as “blocker corporations” (and bear the burden of taxes and certain other expenses and, to the extent feasible, reductions in proceeds incurred in connection with the formation and operation of such “blocker corporation”) while other investors (including the general partner entities of such Silversmith Funds) participate through a tax transparent AIV without an intervening “blocker corporation.” This may create conflicts for Silversmith and its affiliates, particularly in structuring an exit from such investments given the varying tax implications to Silversmith and its affiliates and the

investors in the applicable Silversmith Funds resulting from different exit structures. Returns from such investments to Silversmith and its affiliates, including in respect of their carried interest, typically would not be reduced by any taxes, other expenses or reductions in proceeds borne by any investor in a Silversmith Fund participating in such investments directly or indirectly through a “blocker corporation.” In addition, the tax consequences to the general partner entities of the Silversmith Funds, and their beneficial owners, with respect to tax items realized by the applicable Silversmith Funds (including the tax rates applicable to income and gains and the extent to which tax items are deductible or otherwise result in a tax benefit) may be different than the tax consequences to the investors in the such Silversmith Funds, and their beneficial owners, from such tax items. Silversmith may also consider the tax objectives of the general partner entities of the Silversmith Funds and their respective beneficial owners and may elect to utilize AIVs to achieve such tax objectives (including in connection with the structure of investments made by the Silversmith Funds, the manner (and timing) in which investments are disposed of, and the form, nature and timing of distributions made by the Silversmith Funds to their partners).

Minimum Investment Requirements

The Silversmith Funds are generally offered to “accredited investors” within the meaning of the Securities Act and/or “qualified purchasers” within the meaning of the Investment Company Act and are therefore not required to register as investment companies under the Investment Company Act in reliance upon the exemptions available under Sections 3(c)(1) and 3(c)(7) thereof.

In general, the minimum investment commitment required of a limited partner to participate in a Silversmith Fund is \$5,000,000; however, the general partner of each Silversmith Fund has discretion to increase or reduce the minimum investment commitment.

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

Investment Strategies

As discussed in Item 4 above, Silversmith’s primary investment strategy is to make investments in private lower-middle market companies engaged in the SaaS & Information Services and Healthcare IT & Services sectors. These lower-middle market companies are high-growth companies Silversmith believes are poised for continued expansion with the potential to become market leaders.

Methods of Analysis

When evaluating a new investment opportunity, Silversmith engages in a due diligence process that is a rigorous exercise across multiple disciplines, including financial, legal, operational, information technology, intellectual property, tax, human resources/benefits, personnel/background checks and insurance. Silversmith also employs specific procedures in an effort to reduce risk during the diligence process, including: (1) multiple onsite visits to the target company over an extended period of time; (2) each managing partner of Silversmith meets the CEO of the target company prior to making an investment (independent of the managing partner leading the investment); (3) hiring of a reputable accounting firm to conduct a detailed quality of earnings analysis which ties company-reported financial performance to the underlying cash flows of the target company’s bank accounts; and (4) conducting a formal “bring down” diligence meeting (after the investment has been approved, but before funding capital). Silversmith utilizes numerous third party consultants as part of its standard due diligence process, as well as leverages current and historical senior executives within its network throughout the process.

Generally, for a Silversmith Fund, each potential investment is evaluated by a formal investment committee process where approval of investment decisions generally requires the unanimous consent of the members of the relevant investment committee. Investors in the Silversmith Funds are requested to refer to the Governing Documents of the applicable Silversmith Fund for complete information on investment strategies and processes employed by such Silversmith Fund.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Silversmith will be able to choose, and the Silversmith Funds will be able to make and/or realize, any particular investment or that the Silversmith Funds will be able to generate returns for their investors. In addition, there can be no assurance that any investor will receive any distribution from a Silversmith Fund. Investing in the Silversmith Funds involves a risk of loss that investors should be prepared to bear. The discussion below enumerates certain risk factors that apply generally to an investment in a Silversmith Fund. Investors in the Silversmith Funds are requested to refer to the Governing Documents of the applicable Silversmith Fund for complete information on investment strategies employed by such Silversmith Fund and the corresponding risks associated with such investment strategies. Investors in the Silversmith Funds should carefully consider, among other factors, the following material risks involved with Silversmith's investment strategies.

No Assurance of Investment Return. There can be no assurance that any Silversmith Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Silversmith Fund participates. Accordingly, an investment in a Silversmith Fund should only be considered by persons who can afford a loss of their entire investment.

Risks Inherent in Growth Equity Investments. The types of investments that the Silversmith Funds anticipate making involve a high degree of risk. In general, financial and business risks confronting portfolio companies can be significant. While targeted returns are generally expected to reflect the perceived level of risk in any investment situation, there can be no assurance that each Silversmith Fund will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Fund's term, while successes often require a long maturation.

The Silversmith Funds' portfolio companies generally will be developing companies in industry sectors that entail significant operating risk. Many of the Silversmith Funds' portfolio companies will be at an early stage of development which typically involve greater risks than are generally associated with investments in more established companies. Although such investments tend to be less risky than seed capital or early-stage venture, the Silversmith Funds' investments will involve significant financial and business risks. Such companies will have shorter operating histories on which to judge performance and, in many cases, will operate with limited profits, at breakeven or at a loss, or with substantial variations in operating results from period to period. The Silversmith Funds' portfolio companies will often have limited operating histories and products or services with undeveloped markets. Many of the Silversmith Funds' portfolio companies will need substantial additional capital (which may not be available) to support additional research and development activities, expansion, to develop new products, services and distribution capabilities or to achieve or maintain a competitive position. Such companies face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. The Silversmith Funds' portfolio companies are also likely to be more susceptible than more established businesses to the negative effects of downturns in general economic conditions or loss of a single or a small number of employees.

Disposing of Growth Equity Investments. The public market for growth companies (including companies in the SaaS & Information Services and Healthcare & IT Services sectors) can be extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Silversmith Funds to dispose of investments, and the value of investment securities on the date of sale or distribution by the Silversmith Funds. In particular, the receptiveness of potential acquirers to the Silversmith Funds' portfolio companies will vary over time and, even if a portfolio company investment is disposed of via a merger, consolidation or similar transaction, a Silversmith Fund's stock, security or other interests in the surviving entity may not be marketable. Similarly, the receptiveness of the public market to initial public offerings by the Silversmith Funds' portfolio companies may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a portfolio company effects a successful public offering, a Silversmith Fund's or the portfolio company's securities typically will be subject to contractual "lock-up," securities law or other restrictions, which may, for a material period of time, prevent the Silversmith Fund or the Silversmith's Fund's limited partners from disposing of such securities. There can be no guarantee that any portfolio company investment will result in a liquidity event via a merger, acquisition, initial public offering or otherwise, and there is a significant risk that the Silversmith Funds' investments will yield little or no return. Generally, the investments made by the Silversmith Funds will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. In most cases, investments will be long term in nature and will require many years from the date of initial investment before disposition. It is likely each Silversmith Fund will still hold some illiquid securities at the time it commences its dissolution, with the result that such securities may be distributed to investors in-kind or sold for a price that reflects their illiquid nature (i.e., at a discount to what their value might otherwise be).

Valuation of Silversmith Fund Investments. The Silversmith Funds' investments will consist primarily of investments in privately-held companies, and most of the Silversmith Funds' investments will be difficult to value. There will be no readily available market for most of the Silversmith Funds' investments. Valuations of such investments may vary from similar valuations performed by independent third parties for similar types of securities or assets. The value of the Silversmith Funds' investments may also be affected by changes in accounting standards, policies, or practices. Due to a wide variety of market factors and the nature of certain securities and assets to be held by the Silversmith Funds, there is no guarantee that the value determined by the general partner of each Silversmith Fund will represent the value that will be realized by the applicable Silversmith Fund on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Accordingly, the valuation decisions made by a general partner may cause it to ineffectively manage the relevant Fund's investment portfolio and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

Under the terms of the Governing Documents of each Silversmith Fund, the general partner of such Silversmith Fund determines the value of such Silversmith Fund's assets. Each general partner will determine the value of all the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant general partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. Limited partners of a Silversmith Fund required to withdraw capital may receive a valuation for their withdrawn capital interest that is less than a previously reported value and is not reflective of transactions which may be under active consideration (such as a public offering or a merger) that would increase substantially the value of the security in question. At the time a Silversmith Fund's limited partner is required to withdraw capital from such Silversmith Fund, the general partner of such Silversmith Fund may be in possession of material nonpublic information affecting the value of such Silversmith Fund's assets. The general partner of the Silversmith Fund may be prohibited by law, agreement, or otherwise from disclosing such information, and

accordingly, does not intend to disclose such information to the Silversmith Fund's limited partner proposing to withdraw capital.

Competition for Suitable Investments. The activity of identifying, completing and realizing attractive growth equity investments in general is competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. A Silversmith Fund may encounter competition from other similarly focused funds formed before or after the establishment of such Silversmith Fund. Potential competitors also include other investment partnerships and corporations, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. Some of these competitors may have more relevant experience, greater financial resources and more personnel than a Silversmith Fund, Silversmith or its affiliates. It is possible that competition for appropriate investment opportunities may increase, which could negatively impact a Silversmith Fund's ability to consummate investments and adversely affect the terms upon which investments can be made. There can be no assurance that Silversmith will be able to locate and consummate investments that satisfy a Silversmith Fund's rate of return objectives or realize their values or that it will be able to invest fully its aggregate capital commitments. To the extent that Silversmith encounters competition for investments, returns from Silversmith Funds to their limited partners may decrease.

Long-term Nature of Portfolio Investments. There may be a significant period of time before a Silversmith Fund has completed its investment program. Investments may take several years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there often will be no current return on the investments of a Silversmith Fund.

Uncertainty of Financial Projections. Financial and other information concerning the investments of a Silversmith Fund will generally only be available through certain sources, including the portfolio companies themselves, and are likely to include assumptions of fact and opinions as to future events which the general partner of such Silversmith Fund believes to be reasonable when made. It is not generally expected that there will be any consistent means, however, of confirming the accuracy of such information. It may also be impractical or undesirable to carry out full time due diligence before an investment is acquired. The portfolio companies may have little or no previous credit histories. The inaccuracy of certain assumptions and general economic conditions, which are unpredictable, can have a materially adverse impact on the reliability of such projections. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from such projections.

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

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses, as well as in the credit and capital markets.

Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the Funds' general partners and Silversmith may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

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

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Silversmith or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Silversmith's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Silversmith or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under a Fund's Governing Documents, the relevant general partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory committee rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow a Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Silversmith, any general partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Silversmith to manage the Funds and their investments, and on the ability of Silversmith, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay

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

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

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

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

Risks from the Provision of Managerial Assistance. A Silversmith Fund may designate directors (and non-executive chairmen) to serve on the boards of directors of its portfolio companies. A board member designated by a Silversmith Fund will likely have fiduciary duties to persons other than the Silversmith Funds. The designation of directors and other measures contemplated could expose the assets of the Silversmith Funds to claims by a portfolio company, its security holders and its creditors for breaches of fiduciary duties, securities claims and other director-related claims. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability for which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to occur, a

Silversmith Fund could suffer losses in its investments. While Silversmith and the general partner of each Silversmith Fund intend to maintain appropriate directors and officers insurance and manage each Silversmith Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Reliance on Portfolio Company Management; Lack of Control Rights. The day-to-day operations of each portfolio company in which a Silversmith Fund invests will be the responsibility of such portfolio company's management team. Although Silversmith and the general partner of each Silversmith Fund will be responsible for monitoring the performance of each portfolio company, will seek to negotiate appropriate rights and controls to influence key decisions, and generally intend to invest in portfolio companies operated by capable management teams, there can be no assurance that appropriate control and other rights will be secured in negotiations and/or that the existing management team or any successor management team will be able to operate any such portfolio company in accordance with the Silversmith Fund's expectations. Moreover, growth companies are often more dependent on a smaller group of key personnel than larger companies and thus are often more susceptible to risks associated with the departure of any such key personnel.

Minority Investments. A significant portion of the Silversmith Funds' investments may represent minority stakes in privately held companies (and/or hold positions in portfolio companies where disproportionate voting control (relative to economic ownership) remains with such portfolio companies' founders) and, therefore, will have a limited ability to control various strategic decisions for those portfolio companies. In addition, during the process of exiting investments, a Silversmith Fund is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that a Silversmith Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Silversmith Funds also invest in companies for which the Silversmith Funds have no right to appoint a director or otherwise exert significant influence. In such cases, such Silversmith Funds will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom such Silversmith Fund is not affiliated and whose interests may conflict with the interests of such Silversmith Fund. To the extent that the management of a portfolio company performs poorly, or if a key manager of a portfolio company terminates his or her employment with such company, the Silversmith Fund's investment in such company could be adversely affected. In addition, where a Silversmith Fund holds a minority position in a portfolio company, such Silversmith Fund may also have limited information rights with respect to such portfolio company and thus will receive less information regarding such portfolio company than some or all of its other equity holders.

Controlling Investments. A Silversmith Fund may own a significant portion of the securities of its portfolio companies, including ownership positions which represent a majority of a portfolio company's voting securities. These investments may entitle such Silversmith Fund to elect substantially all of a portfolio company's directors and exert significant influence over a portfolio company's business, operations, affairs and transactions. These capabilities could lead such Silversmith Fund to be viewed as controlling a portfolio company or being considered a controlling stockholder. As a result, such Silversmith Fund may be exposed to claims, lawsuits or investigations by minority stockholders, creditors, government or regulatory authorities or other persons. In the event any such claims were successful, such Silversmith Fund may be held liable for any damages that are awarded or be required to fund any settlement with such parties. Even if such claims, lawsuits or investigations prove to be without merit, such Silversmith Fund would be required to expend significant resources defending itself and its affiliates. In addition, such Silversmith Fund's reputation and goodwill may be harmed if it is considered a controlling stockholder of a portfolio company that is subject to negative publicity.

Limited Number of Investments. Silversmith may intend for a Silversmith Fund to participate in a limited number of investments and, as a consequence, a Silversmith Fund's portfolio may include a small number of large positions. Furthermore, to the extent that the capital raised for such Silversmith Fund is less than the targeted amount, such Silversmith Fund may invest in fewer portfolio companies and thus be less diversified. If a Silversmith Fund's investments are concentrated in a few portfolio companies, affiliated portfolio companies or industries, any adverse change in one or more portfolio companies or industries could have a material adverse effect on such Silversmith Fund's investments. Therefore, while such portfolio concentration might enhance total returns to such Silversmith Fund, if any large position incurs a material loss, returns to such Silversmith Fund may be lower than if it had invested in a more diversified portfolio.

In addition, the industry sectors in which the Silversmith Funds' investment activities will be focused may not perform as well on an industry-wide basis as is currently anticipated by the general partner. The potential underperformance of these industry sectors may be caused by any number of factors, some of which are beyond the control of the individual portfolio companies, including the impact of government regulation relating to these industry sectors and general financial market and economic conditions. The Silversmith Funds are, therefore, subject to more volatility and a greater risk of loss than a more broadly diversified fund that focuses on a broader array of investments.

Limited Access to Information. Investors' rights to information regarding a Silversmith Fund, the relevant general partner or Silversmith generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the general partner and its affiliates will obtain certain types of material information from or relating to a Silversmith Fund's investments that will not be disclosed to investors because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Silversmith's control. Decisions by Silversmith or its affiliates to withhold information may have adverse consequences for investors in a variety of circumstances. For example, as investor that seeks to transfer its interest in a Silversmith Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for an investor to monitor Silversmith and its performance. Additionally, it is anticipated that investors that designate representatives to participate on a Silversmith Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Silversmith Fund and its investments in certain circumstances than other investors. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Silversmith Fund succeeds in asserting confidentiality for requested documents and other materials, and Silversmith reserves the right to withhold certain information from investors subject to such laws for reasons relating to Silversmith's public reputation, business strategy or other reasons.

Leverage. Although the Silversmith Funds do not intend to borrow except on a short-term basis, certain portfolio companies in which the Silversmith Funds will invest, and special purpose vehicles through which the Silversmith Funds hold portfolio companies, could be significantly debt-financed by third parties. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve more risk. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. Because of the use of leverage, economic downturns, operating problems, and other general business and economic risk are likely to have a more pronounced effect on a company's profitability or survivability. Moreover, rising interest rates typically would increase (in some cases significantly) portfolio company interest expense, causing losses and/or the inability to service debt.

In addition, cash flow from operations or investment that could otherwise be available to a leveraged portfolio company to fund growth often would instead be diverted to repay the company's debt obligations. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Silversmith Funds could suffer a partial or total loss of their invested capital. A portfolio company's obligations to these lenders will likely be senior to a Silversmith Fund's investment in the company and may also be secured by the assets of the company. Such Silversmith Fund's junior status could result in a loss of investment by such Silversmith Fund in liquidations or sale transactions. It may also be necessary from time to time for a leveraged portfolio company to seek refinancing or restructuring of its debt financing, and there can be no assurance that any needed refinancing or restructuring may be available on terms that are favorable to such Silversmith Fund's investment in the portfolio company. The Silversmith Funds will, from time to time, guarantee the indebtedness of some portfolio companies. Consequently, if a portfolio company's cash flow is insufficient to cover its debt obligations, a Silversmith Fund could be called upon to fund all or a portion of a portfolio company's debt obligations to satisfy such guarantees. This would reduce the amount of capital such Silversmith Fund has available for other purposes and could adversely affect returns to the investors in such Silversmith Fund. In addition, reduced availability of third party leverage to finance acquisitions of portfolio companies could adversely affect such Silversmith Fund's investment strategy. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

Bridge Lending. From time to time, a Silversmith Fund will lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future equity investment or issuance, or long-term debt financing, syndication or issuance. Such bridge loans will typically be convertible into more permanent, long-term securities or investments; however, for reasons not always in a Silversmith Fund's control, such long-term securities' issuance or investment or other refinancing or syndication may not occur and such bridge loans and interim investment may remain outstanding. In such event, the interest rate on such loans or terms of such interim investment likely would not adequately reflect the risks associated with the unsecured position taken by such Silversmith Fund.

Follow-On Investments. Following its initial investment in a given portfolio company, Silversmith may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make add on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made), result in a lost opportunity for such Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

Reserves. In managing the Silversmith Funds, the general partners of the Silversmith Funds will establish reserves for follow-on investments in portfolio companies, operating expenses (including management fees payable to Silversmith), liabilities and other matters. Estimating the amount necessary for such reserves will be difficult, particularly because follow-on investment opportunities will be directly tied to the success and capital needs of portfolio companies. As set forth in the Governing Documents of each Silversmith Fund, the authority of a general partner of a Silversmith Fund to cause such Silversmith Fund to borrow will be strictly limited, which will further increase the difficulty of estimating the proper size of reserves. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the investors in a Silversmith Fund. For example, if reserves are inadequate, a Silversmith Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with a "pay-to-play" or similar investment

round where such Silversmith Fund does not exercise its preemptive rights. If reserves are excessive, a Silversmith Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Non-U.S. Investments. A significant portion of the Silversmith Funds' capital may from time to time be invested in portfolio companies operating and/or organized outside of the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. Such investments may be subject to certain additional risks not presented by investments in U.S. portfolio companies due to, among other things, the unpredictability of international trade patterns, the possibility of governmental actions adverse to business generally or to foreign investors in particular, potentially unsettled points of applicable governing law, the imposition or increase of withholding or other taxes on gross sales proceeds, income and gains, potential tax filing requirements in non-U.S. jurisdictions, the imposition of potentially confiscatory levels of taxation, price volatility, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, governmental influence on the national and local economies, fluctuations in currency exchange rates, different legal protections for investors, unusual regulatory burdens, political instability, capital repatriation regulations (as such regulations may be given effect during the term of such Silversmith Fund) and the application of complex tax rules to cross-border investments. In addition, investments of the Silversmith Funds in non-U.S. portfolio companies, if any, may be denominated in currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar. The Silversmith Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of securities. The rates of exchange between the U.S. dollar and other currencies are determined by forces of supply and demand in the foreign exchange markets. These rates are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The Silversmith Funds are not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that a Silversmith Fund may implement. Even those portfolio companies that nominally are U.S. portfolio companies by virtue of their jurisdiction of organization or management headquarters may be exposed to significant foreign risks due to the increasingly international nature of many growth stage companies (which may, for example: (i) rely upon international location or outsourcing of research, development, manufacturing or other operations; (ii) seek alliances with non-United States partners; or (iii) seek non-United States customers). Any adverse change to the political, economic, military or social environments in the host countries of a Silversmith Fund's portfolio companies could have a significant adverse effect upon the operations or financial performance of a Silversmith Fund. The foregoing factors may increase transaction costs, adversely impact the value of a Silversmith Fund's investments in non-U.S. portfolio companies and otherwise reduce returns to a Silversmith Fund's investors.

Investments with Third Parties. The Silversmith Funds are typically permitted to partner with third parties to make investments through joint ventures or other entities, including with private equity vehicles sponsored by others, strategic partners, and co-investments with limited partners of a Silversmith Fund. A Silversmith Fund's investments in portfolio companies alongside third parties may amount to a substantial percentage of such Silversmith Fund's total assets. Such investments often involve risks not present in investments where third parties are not involved, including the possibility that a partner alongside a Silversmith Fund in an investment experiences financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of such Silversmith Fund, may take a different view from the general partner of such Silversmith Fund as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to such Silversmith Fund's investment objectives. In addition, a Silversmith Fund may in certain circumstances be liable for the actions of its third party investment partner. In those circumstances where such third parties

involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties with whom the Silversmith Funds may partner with may have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments may differ from the terms upon which such Silversmith Funds invest in such portfolio companies. In addition, such arrangements are likely to involve additional restrictions on the resale of the Silversmith Funds' interests in any such portfolio company.

Litigation Risks. A Silversmith Fund will be subject to a variety of litigation risks, particularly if one or more of its portfolio companies face financial or other difficulties during the term of such Silversmith Fund. Legal disputes, involving any or all of the Silversmith Funds, their affiliates, or their portfolio companies, may arise from a Silversmith Fund's activities and investments and could have a significant adverse effect on such Silversmith Fund. Under most circumstances, the Fund will indemnify a general partner of a Silversmith Fund and its partners for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect such Silversmith Fund in a variety of ways, including by distracting such Silversmith Fund's general partner and harming relationships between such Silversmith Fund and its portfolio company investments or other investors in such portfolio company investments.

Changes in Environment. A Silversmith Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which such Silversmith Fund operates may undergo substantial changes, some of which may be adverse to such Silversmith Fund. A drawn-out recession, downturns in the economy, deteriorations in the condition of an industry sector in which a Silversmith Fund has invested or adverse developments in the securities or credit markets may have an adverse impact on some or all of a Silversmith Fund's investments. A sustained period of inactivity and/or low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by a Silversmith Fund. In addition, factors specific to a portfolio company may have an adverse effect on a Silversmith Fund's investment in such company. The economic environment for all companies may remain challenging. All portfolio companies may face intense competition, changing business and economic conditions, risks of technological acceptance and obsolescence or other developments that may adversely affect their performance. The investment sourcing, selection, management and liquidation strategies and procedures exercised by Silversmith in the past may not be successful, or even practicable, during a Silversmith Fund's term.

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

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Silversmith and the Silversmith Funds. 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, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Silversmith and its affiliates, the Silversmith Funds and/or

their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Silversmith Funds.

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

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

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Silversmith Fund, general partner, Silversmith or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Silversmith, the Silversmith Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Silversmith’s, the Silversmith Funds’, portfolio companies’ and/or service providers’ operations, including the ability to make distributions to investors, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Silversmith Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Silversmith or one of its service providers holding its financial or investor data, Silversmith, its affiliates or the Silversmith Funds may also be at risk of loss.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment in a portfolio company, a Silversmith Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. A Silversmith Fund may also be required to indemnify the purchasers of such company to the extent that any such representations or representations made by the portfolio company are inaccurate or with respect to certain potential liabilities or other liabilities. These arrangements may result in the incurrence of contingent liabilities, which might ultimately have to be funded by the investors in such Fund to the extent of their unpaid capital commitments to such Silversmith Fund or through the return of certain prior distributions.

Item 9 - Disciplinary Information

Silversmith and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

Neither Silversmith nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. In addition, Silversmith and its management persons are not affiliated with any broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

Neither Silversmith nor any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

Silversmith and its related persons engage in a broad range of activities, including investment activities for their own account. As a result, the interests of a Silversmith Fund will, from time to time, conflict with the interests of Silversmith or its related persons or one or more other Silversmith Funds. Certain of these conflicts of interest are described below (although the discussion below does not necessarily describe all of the conflicts that may potentially be faced by a Silversmith Fund). Please also refer to the subsection titled “*Participation or Interest in Client Transactions; Personal Trading*” and the Governing Documents of each Silversmith Fund for more information, including with respect to transactions that may be subject to specific consent rights.

Silversmith expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Silversmith Fund. When and to the extent that employees and related persons of Silversmith and its affiliates make capital investments in or alongside certain Silversmith Funds, Silversmith and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Silversmith Fund’s return from a transaction would be equal to and not less than another Silversmith Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Silversmith will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds

and their respective investments will place varying levels of demand on these over time. In the ordinary course of Silversmith conducting its activities, the interests of a Fund likely will conflict with the interests of Silversmith, one or more other Funds, portfolio companies or their respective affiliates.

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

Employees of Silversmith and its affiliates are permitted to serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Silversmith Funds invest, or provide other services to portfolio companies, and receive compensation in connection therewith. In connection with such activities, employees of Silversmith expect, from time to time, to be given access to confidential information relating to companies in which the Silversmith Funds invest or otherwise become subject to legal or contractual restrictions on their ability to effect transactions for the Silversmith Funds. As a result, the Silversmith Funds could, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies, which prohibition could have an adverse effect on the Silversmith Funds. The above individuals could spend a substantial portion of their time with these related management activities.

From time to time, certain Funds hold or acquire positions in portfolio companies in which other Funds invest or have invested. Such investments could be coincident with or precede one another. Follow-on investments in companies in which a Silversmith Fund and one or more other Funds have invested will not necessarily be *pro rata* based on existing ownership in such companies. Where investments by multiple Funds in the same company are made at different times or in different proportions, conflicts of interest with regard to valuation, exit timing and other matters can arise. In addition, conflicts are expected to arise in the event that the Funds have invested in securities of the same company with different rights. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Silversmith and its affiliates reserve the right from time to time to express to inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard,

actions taken for one or more Funds may adversely affect other Funds. Silversmith will use its good faith judgment in addressing any such conflicts.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Silversmith will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Silversmith expects to be faced with a variety of potential conflicts of interest. As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by Silversmith or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Silversmith. The Funds generally have different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

Investments by a Silversmith Fund could cause Silversmith and its related persons to become subject to legal or contractual restrictions on their ability to effect transactions for other Silversmith Funds, for example due to the receipt of non-public information or due to the existence of a control relationship between Silversmith and a portfolio company. In addition, it is possible that in a bankruptcy proceeding a Silversmith Fund's interest in a portfolio company could be adversely affected by another Silversmith Fund's involvement and such other Silversmith Fund's actions relating to its investment.

From time to time, a portfolio company of a Silversmith Fund will engage in commercial transactions or other transactions (such as a merger or acquisition) with a portfolio company of a different Silversmith Fund. Depending on the nature of the transaction, a transaction between portfolio companies of different Silversmith Funds can create potential conflicts of interest. Silversmith anticipates that material transactions between portfolio companies would generally be on arms'-length terms or on other terms considered equitable to both companies under the circumstances. However, such transactions could benefit the portfolio company of the other Silversmith Funds (and, therefore, indirectly such other Silversmith Fund) more than the portfolio company of another Silversmith Fund.

Silversmith will determine all matters relating to structuring transactions, including the amount and terms of securities, allocation of securities among the relevant Silversmith Funds and amounts potentially available for co-investment opportunities, using its best judgment considering all factors it deems relevant and subject to any specific consent or other requirements under the Governing Documents or "side letters" for the relevant Silversmith Funds.

Furthermore, Silversmith or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Silversmith expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to

management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Fund’s Governing Documents and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Fund’s Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the general partner’s interest in limiting the Fund’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

Silversmith’s allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Silversmith will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund’s actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Silversmith expects to be subject, discussed herein, did not exist.

Selection or Recommendation of Other Advisers

Silversmith does not recommend or select other investment advisers for its clients and does not receive compensation from such advisers in a manner that would create a material conflict of interest. Silversmith does not have other business relationships with other advisers that create a material conflict of interest.

Other Activities and Relationships

The employees of Silversmith and its affiliates are permitted to serve on the boards of directors of portfolio companies of the Silversmith Funds. Serving in such capacity will give rise to conflicts to the extent that an employee’s fiduciary duties to a portfolio company as a director conflict with the interests of a Silversmith Fund.

Silversmith generally exercises its discretion to recommend to a Silversmith Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Silversmith or a related person of Silversmith (which may include a portfolio company of such Silversmith Fund); (ii) an entity with which Silversmith or its affiliates or current or former members of their personnel has a relationship or from which Silversmith or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Silversmith personnel are seconded, or from which Silversmith receives secondees; or (iii) certain investors or their affiliates. For example, Silversmith expects to be presented with opportunities to receive financing and/or other services in connection with a Silversmith Fund’s investments

from certain investors or their affiliates that are engaged in lending or related business. This discretion subjects Silversmith to conflicts of interest, because, although Silversmith selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Silversmith Fund, Silversmith has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Silversmith, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Silversmith Funds or Silversmith), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Silversmith will not necessarily seek out the lowest cost options when incurring (or causing a Silversmith Fund or its portfolio companies to incur) such expenses. Although Silversmith generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, from time to time, Silversmith expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships these persons have the potential to have information advantages relative to other investors or co-investors. Whether or not Silversmith has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

As discussed above, Silversmith and/or its affiliates reserve the right to enter into side letters with certain investors in a Silversmith Fund providing such investors with different or preferential rights or terms, including, but not limited to, information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Silversmith Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Governing Documents.

Silversmith is likely to have its own economic and/or other business incentives to provide certain terms to certain investors (*e.g.*, based on commitment amount to a Silversmith Fund or the timing thereof, the ability of an investor to provide sourcing or other services to Silversmith, its affiliates and personnel or the Silversmith Funds), or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Silversmith, its affiliates and personnel, or the Silversmith Funds. Further, side letters will, from time to time, also relate to strategic relationships under which an investor agrees to make commitments to multiple Silversmith Funds. Except where required by Governing Documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Silversmith Fund, Silversmith, the relevant general partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side letters subject Silversmith to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Silversmith Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other side letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more investors being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating investors could be adversely

affected in a material manner by the unfavorable performance of particular investments. Although Silversmith believes it to be unlikely, other rights requested or received by one or more investors (or such regulatory, tax or other factors applicable to such investors) representing a substantial percentage of a Silversmith Fund have the potential to create significant variations in investor investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant Silversmith Fund as a whole. An investor's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more investors' voting rights generally will increase the voting rights percentage of other investors in the relevant Silversmith Fund. Further, investors with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Silversmith Fund.

In connection with its services to the Silversmith Funds and their investments, Silversmith, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Silversmith's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Silversmith and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Silversmith Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Silversmith Information"). In many cases, Silversmith Information will include tools, procedures and resources developed by Silversmith to organize or systematize Silversmith Information for ongoing or future use. Although Silversmith expects its Silversmith Funds and their portfolio companies generally to benefit from Silversmith's possession of Silversmith Information, it is possible that any benefits will be experienced solely by other or future Silversmith Funds or portfolio companies (or by Silversmith and its personnel) and not by the Silversmith Fund or portfolio company from which Silversmith Information was originally received or derived. Silversmith Information will be the sole intellectual property of Silversmith and solely for the use of Silversmith. Silversmith reserves the right to use, share, license, sell or monetize Silversmith Information, without offset to management fees, and the relevant Silversmith Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Silversmith Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Silversmith Funds or their respective investors; no such rewards will offset management fees.

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

Code of Ethics

Silversmith has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing Silversmith's commitment to ethical conduct. Silversmith's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth, among other things, Silversmith's policies and procedures for (i) identifying, escalating and addressing any potential conflicts of interest, (ii) monitoring and preventing Silversmith or its supervised persons from engaging in insider trading, (iii) pre-clearance requirements, trading restrictions and reporting requirements for Silversmith's supervised persons' personal securities transactions, (iv) the receipt of gifts by supervised persons and the making of political campaign contributions, and (v) pre-approval of the engagement by Silversmith's employees in certain outside

business activities. Under Silversmith's Code of Ethics, all supervised persons have a duty to act only in the best interests of the Silversmith Funds and potential conflicts and violations of the Code of Ethics must be promptly reported to Silversmith's Chief Compliance Officer ("CCO"). All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended. It is the expressed policy of Silversmith that no person employed by Silversmith shall prefer his or her own interest to that of a Silversmith Fund or make personal investment decisions based on the investment decisions of the Silversmith Funds.

To supervise compliance with its Code of Ethics, Silversmith requires that anyone associated with its advisory practices with access to advisory recommendations provide annual securities holdings reports and quarterly brokerage statements (or equivalent quarterly transaction reports) to the firm's CCO. Silversmith requires such "access persons" to also receive approval from the CCO prior to investing in any initial public offerings or private placements.

In an effort to prevent inappropriate securities transactions by Silversmith's personnel, the CCO will maintain and make available a list of restricted securities. Access persons are strictly prohibited from trading on their own behalf in restricted securities without obtaining the prior written approval of the CCO.

Silversmith requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. Silversmith also has a policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

Silversmith will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions; Personal Trading

As general partners, limited partners and/or managing members of the general partners (or equivalent control person) of each of the Silversmith Funds, Silversmith and its related persons generally have indirect beneficial interests in the securities owned by the Silversmith Funds and will share in any profits and losses generated by the Silversmith Funds' investments. Moreover, in certain situations, related persons of Silversmith will purchase interests in the same portfolio investments held by one or more Silversmith Funds. All such transactions are subject to compliance with Silversmith's Code of Ethics as described above. Any access person who has or acquires ownership of an issuer through a private placement (excluding any indirect investment in an issuer via a direct or indirect interest in a Silversmith Fund) must affirmatively disclose that interest to the CCO if such access person is involved in considering or determining any subsequent investment decision regarding an investment by a Silversmith Fund in any security of that issuer or an affiliate.

Silversmith and/or certain related persons of Silversmith will, from time to time, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Silversmith Funds in connection with certain "warehousing" transactions, provided that the sale is consistent with Silversmith's fiduciary obligations to the Silversmith Funds. Such transactions will be fully disclosed and the written consent of the appropriate Silversmith Fund (which, in certain circumstances, may be provided by the Silversmith Fund's advisory board) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute "principal transactions" under Section 206(3). In addition, investment guidelines and the Governing Documents of a Silversmith Fund could limit principal transactions on a more restrictive basis than the Advisers Act. Further, to the extent required by the Governing Documents or otherwise in the sole discretion of Silversmith, Silversmith reserves the right to seek to mitigate any conflicts related to the

foregoing by seeking an opinion or input from an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or “arm’s-length” nature of a purchase or sale price), whether or not part of a formal fairness opinion, “request for proposal” process, or proposal or quotation provided exclusively for the benefit of Silversmith). In certain circumstances, Silversmith 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 (including its value) to the Fund under then-current market conditions. Silversmith intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Moreover, Silversmith will, in certain cases, cause a Silversmith Fund to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Silversmith Fund, provided that the transfer is consistent with Silversmith’s fiduciary obligations to each Silversmith Fund participating in the cross transaction. Typically, the Governing Documents of a Silversmith Fund address permissible cross transactions and any applicable disclosure and/or Silversmith Fund consent requirements. Silversmith Funds that are formed as “parallel funds” to co-invest in all investments such Silversmith Funds make will typically engage in re-balancing “cross transactions” pursuant to the terms of their Governing Documents as the relative capital commitments between the parallel funds change during their respective fund-raising periods.

In certain instances, an investor in a Silversmith Fund (or an affiliate thereof) could directly or indirectly be a potential acquirer for a portfolio company of such Silversmith Fund or another Silversmith Fund. Silversmith and its affiliates will select the purchaser(s) of such investments considering factors that they determine in their sole discretion to be relevant under the circumstances. Silversmith anticipates that any such acquisition of a portfolio company by any such investor (or an affiliate thereof) would be on arm’s-length terms and that any such investor (or affiliate) would not receive preferable terms as a result of its status as an investor in a Silversmith Fund. There can be no assurance that any such transaction will ultimately prove to have been the most profitable or advantageous course of action for the selling Silversmith Fund.

While Silversmith endeavors at all times to act in the best interests of the Silversmith Funds, investors should be aware that such transactions create a conflict of interest.

Item 12 - Brokerage Practices

Discretionary Brokerage

The Silversmith Funds invest primarily in private investments, although they may acquire, sell or distribute public securities from time to time. Subject to the investment objectives, policies and restrictions of each Silversmith Fund, as set forth in such Silversmith Fund’s Governing Documents, Silversmith will generally have discretionary authority to select the broker or dealer to be used to execute transactions in securities on behalf of the Silversmith Funds and negotiate the commission cost to be paid.

In selecting brokers, Silversmith’s primary consideration will be to obtain the most favorable net result for the Silversmith Funds under the circumstances, which may involve considerations other than achieving the lowest possible commission cost. In selecting broker-dealers to effect securities transactions, Silversmith seeks to obtain best execution by considering factors including, but not limited to, the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker’s execution abilities, commission rates, and financial responsibility and responsiveness. Silversmith will not necessarily select the broker-dealer offering the lowest commission cost. The

applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers.

Research and Soft Dollar Benefits

Silversmith does not engage in soft dollar arrangements with respect to securities transactions for the Silversmith Funds.

Any research services and/or other products or services that are provided to Silversmith by brokers and dealers may be used for the benefit of all clients of Silversmith and do not necessarily benefit solely the Silversmith Fund from which the commissions were generated. The receipt of research and/or other products or services is not directly connected to the recommendation of brokerage services to the Silversmith Funds, but does create a potential conflict of interest of which investors should be aware in assessing Silversmith's choice of broker-dealers.

Brokerage for Client Referrals

In determining its selection of broker-dealers, Silversmith does not consider whether Silversmith receives referrals of potential investors from a broker-dealer or third party.

Directed Brokerage

Silversmith has discretionary authority to select the brokers or dealers in connection with securities transactions of the Silversmith Funds, and investors are not permitted to direct Silversmith to use a particular broker or dealer to execute portfolio transactions on behalf of a Silversmith Fund.

Trade Aggregation

In circumstances where Silversmith is trading in public securities, it will, to the extent possible, generally place a combined order for two or more Silversmith Funds engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating Silversmith Funds' Governing Documents, and otherwise in the best interest of the Silversmith Funds.

Item 13 - Review of Accounts

Review of Client Accounts

Silversmith will periodically monitor portfolio investments on behalf of the Silversmith Funds. Investments are reviewed in the context of each Silversmith Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Silversmith Fund. Members of Silversmith's investment committee meet regularly to determine and review overall investment objectives, risk tolerance and other information relevant to the Silversmith Funds.

Reports to Clients

The general partners of each Silversmith Fund (excluding co-investment vehicles) distribute quarterly and annual written reports to their respective limited partners. The general partners of Silversmith Funds that are co-investment vehicles only distribute annual written reports to their respective limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year, a listing of investments held by such Silversmith Fund and the audited financial statements of such

Silversmith Fund. The quarterly reports generally contain unaudited financial statements of the relevant Silversmith Fund for the fiscal quarter. Some limited partners may receive more frequent or additional reporting pursuant to side letter or other arrangements.

Investors are requested to refer to the Governing Documents of each Silversmith Fund for further information on the reports provided by a particular Silversmith Fund to its investors.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

In connection with investments made by certain Silversmith Funds, Silversmith or its affiliates or supervised persons are permitted to receive directors, consulting, monitoring, investment banking, transaction, break-up and/or similar fees or other remuneration paid in cash or in kind from portfolio companies in which one or more of the Silversmith Funds invests or proposes to invest.

These types of arrangements present potential conflicts of interest and provide Silversmith with an incentive to recommend investments based on compensation received rather than the best interests of a Silversmith Fund. To mitigate potential conflicts of interest, Silversmith will generally offset such benefits against management fees payable by the applicable Silversmith Fund or otherwise remit such benefits to the limited partners of such Silversmith Fund to the extent required by such Silversmith Fund's Governing Documents. Investors are requested to refer to the Governing Documents of each of the Silversmith Funds for complete information on the additional compensation received by Silversmith or its affiliates or supervised persons in connection with a particular Silversmith Fund's investments and the amount of the applicable management fee offset. Silversmith believes that the management fee offset provisions above, to the extent applicable to a particular Silversmith Fund, and the substantial equity commitment by Silversmith and its affiliates in the Silversmith Funds helps to mitigate conflicts of interest arising from the receipt by Silversmith and its affiliates and supervised persons of such compensation from portfolio companies.

Third Party Compensation for Client Referrals

Silversmith and related entities of Silversmith will, from time to time, enter into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing investors to a Silversmith Fund. Any sales charge associated therewith will ultimately be payable by Silversmith and/or its related entities, either directly or through an offset of the management fee payable by the relevant Silversmith Fund to Silversmith. An investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party. Moreover, as described above, Silversmith reserves the right to consider referrals of investors to the Silversmith Funds in determining its selection of third party service providers.

Silversmith endeavors at all times to put the interests of the Silversmith Funds first as part of Silversmith's fiduciary duty. Nevertheless, the receipt of compensation by the placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when making referrals to Silversmith and the Silversmith Funds.

Item 15 - Custody

Silversmith uses unaffiliated, qualified, third-party custodians to hold the assets of the Silversmith Funds in a manner that it believes complies with current SEC rules and guidance. Nevertheless, Silversmith will generally be deemed to have custody of the assets of the Silversmith Funds as a result of its position as an affiliate of the general partner of each Silversmith Fund.

It is Silversmith's general policy to cause each Silversmith Fund with assets over which Silversmith is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared, subject to any limitations in the relevant Governing Documents, in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Silversmith Fund, Silversmith will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Silversmith Fund to all investors in accordance with the relevant Governing Documents. For these Silversmith Funds, investors will not receive account statements from the bank or other qualified custodian holding physical custody of such Silversmith Fund's securities.

In the cases where a Silversmith Fund does not deliver audited financial statements to investors as provided above, a qualified custodian will send quarterly account statements to each investor in such Silversmith Fund. Investors should review these account statements carefully. If Silversmith, on behalf of the Silversmith Fund, also provides investors in such Silversmith Fund with a quarterly report detailing account holdings for such Silversmith Fund, investors are urged to compare the account statements received from the Silversmith Fund with account statements received from the qualified custodian.

Item 16 - Investment Discretion

Subject to the investment objectives, policies and restrictions of each Silversmith Fund as set forth in the Governing Documents of such Silversmith Fund, Silversmith and/or an affiliate of Silversmith, typically the general partner of the applicable Silversmith Fund, has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Silversmith Fund. Silversmith is provided with this authority pursuant to a limited power of attorney granted via the applicable Governing Documents.

The terms upon which Silversmith serves as an investment manager with respect to any Silversmith Fund are established at the time that such Fund is formed and generally are set forth in such Silversmith Fund's Governing Documents. Silversmith's investment advice is provided directly to the Funds and not to investors in the Silversmith Funds individually. Silversmith is not required to contact investors in the Silversmith Funds prior to transacting any business for the Silversmith Funds.

To invest in a Silversmith Fund, an investor must execute a subscription agreement (or similar agreement) with such Silversmith Fund. Investors in a Silversmith Fund may seek to impose limitations on Silversmith's authority with respect to such Fund through "side letter" or similar agreements, and Silversmith, in its discretion, may choose to accept limitations or restrictions that it considers to be reasonable and consistent with the general investment strategy described in such Silversmith Fund's Governing Documents.

Item 17 - Voting Client Securities

Because Silversmith has, or will accept, authority to vote securities held by a Silversmith Fund, it has adopted policies and procedures (the "Proxy Voting Policies and Procedures") that have been designed to ensure that Silversmith complies with the requirements of the Advisers Act and reflect Silversmith's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the Silversmith Funds.

When exercising its voting authority over client securities, Silversmith considers all relevant information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. Silversmith seeks to vote all proxies in a prudent manner, considering the

prevailing circumstances at such time, and in a manner consistent with the Proxy Voting Policies and Procedures and Silversmith's fiduciary duties to the Silversmith Funds.

Silversmith reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Silversmith Fund. As a result, depending on the Silversmith Fund's particular circumstances, Silversmith may vote one Silversmith Fund's securities differently than it votes those of another Silversmith Fund, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Silversmith may determine that it is in a Silversmith Fund's best interest for Silversmith to "abstain" from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, Silversmith, in consultation with its managing partner, the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest could arise due to business, personal or family relationships of Silversmith, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, Silversmith takes steps to ensure that its voting decision is based on the best interests of the applicable Silversmith Funds and is not a product of the conflict. Silversmith reserves the right, at its discretion, (A) seek the advice of the applicable advisory board in voting such security (if any); (B) disclose the conflict of interest to the limited partners of a Silversmith Fund and defer to such Silversmith Fund's voting recommendation; (C) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (D) take such other action in good faith (in consultation with Silversmith's outside counsel) which would serve the best interest of a Silversmith Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest could differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts are similar (or identical).

Silversmith will deliver to each limited partner of a Silversmith Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Silversmith Fund.

Item 18 - Financial Information

Silversmith has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.