

## Item 1: Cover Page



### **OceanSound Partners, LP**

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#### **Part 2A of Form ADV (the "Brochure")**

March 30, 2023

This Brochure provides information about the qualifications and business practices of OceanSound Partners, LP and its affiliates (collectively "OceanSound" or "Adviser"). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Ted Bumber, at 212-433-3050 or email (tbumber@oceansoundpartners.com).

Additional information about OceanSound is also available on the SEC's website at: <http://www.adviserinfo.sec.gov>.

OceanSound is registered as an investment adviser with the United States Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940 (the "Advisers Act"). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

**Item 2: Material Changes**

The Adviser is required to identify and discuss any material changes made to its Brochure since its last update. OceanSound's business activities have not changed materially since the time of the previous annual update of the Brochure on March 28, 2022. We encourage all recipients to read this Brochure carefully in its entirety.

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## Item 4: Advisory Business

OceanSound is a private equity firm organized as a limited partnership under the laws of the State of Delaware. Joe Benavides, Ted Coons, and Jeff Kelly are the Partners (collectively, “Partners”) of OceanSound, which was founded in 2018. The Partners are OceanSound’s controlling shareholders. The investment activities of OceanSound are led by the Partners who together comprise OceanSound’s Investment Committee. A number of other investment professionals work with the Partners to execute OceanSound’s investment strategy.

OceanSound serves as an investment manager and provides discretionary advisory services to collective investment vehicles, including private investment partnerships and coinvestment vehicles (together with their respective parallel funds, special purpose and/or subsidiary investment vehicles, each, a “Fund” or collectively the “Funds”). Each Fund structure is controlled by a general partner that is in turn controlled by the Partners (the “General Partner(s)”). Unless and only to the extent that the context otherwise requires, references to OceanSound or the Adviser include the General Partner(s).

The Funds make control-oriented private equity investments in US-based technology and tech-enabled services companies operating in commercial and government end-markets which OceanSound believes present multiple strategic and tactical value creation opportunities. This represents a continuation and evolution of the Partners’ decades of experience sourcing and investing in businesses in this sector. As of December 31, 2022, the Adviser managed approximately \$1.8 billion in regulatory assets under management on a discretionary basis on behalf of the Funds.

In providing services to the Funds, OceanSound formulates each Fund’s investment objectives, directs and manages the investment and reinvestment of each Fund’s assets, and provides reports to investors. Investment advice is provided directly to the Funds and not individually to the limited partners or shareholders of the Funds (the “Investors” or “Limited Partners”). OceanSound manages the assets of the Funds in accordance with the terms of each Fund’s confidential offering and/or private placement memoranda, limited partnership or shareholder agreements and other governing documents applicable to each Fund (the “Governing Fund Documents”). All terms are generally established at the time of the formation of a Fund and are only terminable once the applicable Fund is dissolved, wound up, and terminated. The Investors may not restrict investments by the Funds in any capacity, and except in limited circumstances, Limited Partners are not permitted to withdraw from a Fund prior to the Fund’s dissolution.

Shares or limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions within the United States.

For the avoidance of doubt, all information discussed above regarding the investment advisory services provided by OceanSound to the Funds is qualified in its entirety by reference to the relevant Fund’s Governing Fund Documents. Investors are encouraged to review the Governing Fund Documents for a more detailed description of OceanSound’s advisory business.

## Item 5: Fees and Compensation

### General

OceanSound provides investment advisory services to each of the Funds pursuant to separate investment advisory and/or letter agreements (the “Agreements”). The Agreements for each Fund, along with specific organizational documents of the Fund, set forth in detail the fee structure relevant to each such Fund. The terms of the Agreements are generally established at the time of the formation of the applicable Fund.

OceanSound typically receives compensation from fees based on a percentage of assets under management, performance-based income allocations (“carried interest”) and certain other fees or expenses related to transactions (see below). Investors should review all fees charged by OceanSound, its affiliates, and others, as more fully described in the Governing Fund Documents, to better understand the amount of fees to be paid by the Funds and, indirectly, the Investors.

### Management Fee

Generally, the Funds pay OceanSound an annual management fee (the “Management Fee”) for its provision of services. The Management Fee is payable quarterly in advance and typically based upon committed capital during the commitment period and on actively invested capital thereafter, in each case in accordance with the Governing Fund Documents, which typically provide for an annual rate of 2% of commitments during the Fund’s investment period and 2% of invested capital thereafter. Certain co-investment vehicles do not charge management fees and OceanSound and its affiliates reserve the right to waive, reduce or calculate differently Management Fees for certain co-investment vehicles, investors (including employees), a limited number of strategic partners, advisors, consultants, and others as may be determined in OceanSound’s sole discretion.

### Carried Interest Allocations

A portion of each Fund’s net investment profit is allocated to the capital account of its General Partner as “carried interest.” The manner of calculation of such carried interest is disclosed in the Governing Fund Document, and may vary by fund. Generally, however, 20% of the investment profits of the Funds are allocated as carried interest to such Fund’s General Partner after a preferred return of 8% per annum to the Limited Partners. Generally, the General Partner is required to return all or a portion of the carried interest it has received to the extent that it ultimately received more than 20% of the total net investment profits. Certain Funds may require that a portion of the carried interest be held in escrow to fund any such clawback obligations. Certain co-investment vehicles are not subject to a carried interest and OceanSound and its affiliates reserve the right to waive, reduce or calculate differently the carried interest applicable to certain investors, including employees, a limited number of strategic partners, advisors, consultants, executive partners and others as may be determined in OceanSound’s sole discretion.

Below is a summary of expenses and is not intended to be an all-inclusive list.

### Other Fees Earned by OceanSound

OceanSound receives transaction, consulting, advisory and other similar fees associated with investments or proposed investments or commitments made by each Fund, fees in connection with transactions that are not completed (i.e., break-up fees) and directors’ fees (which may include options and warrants) and/or monitoring fees from portfolio companies (“Other Fees”). While a portion of these Other Fees may be applied to reduce the Management Fee, Other Fees attributable to certain investments made by the Funds, certain types of Other Fees and Other Fees attributable to Funds that do not charge Management Fees will not reduce the Management Fee and will be retained by OceanSound, as more fully described in the Governing Fund Documents.

### Consultants and Senior Advisers

The Funds and/or the portfolio companies may retain consultants and advisors (including, without limitation, senior advisors and dedicated operating consultants and other specialty professionals (including, without limitation, information technology, human resources, ESG, restructuring, legal, accounting and insurance consultants, industry executives, subject matter experts or similar persons providing services to portfolio companies)) to conduct due diligence, provide industry analysis, and provide ongoing consulting services to the Funds and/or the portfolio companies. The costs and expenses of such dedicated consultants and advisors will be borne by the Funds and/or the portfolio companies. Such consultants and advisors may also provide services to OceanSound and/or multiple Funds, and their respective portfolio companies, in which case the costs and expenses of such services will be allocated in accordance with the services provided, and if more than one such entity benefits from a particular service, the costs and expenses of such service will be allocated among them in an equitable manner. Such compensation may take the form of grants of equity or other incentive compensation arrangements by portfolio companies.

### Executive Partners

In addition to OceanSound's full-time investment professionals ("Investment Professionals"), OceanSound also engages the services of executive partners ("Executive Partners"). The Executive Partners are industry executives, typically former CEOs, who are experts in OceanSound's focus sectors, have extensive networks of relationships, provide strategic insight, and have critical experience leading organizations and mentoring management teams. OceanSound's Executive Partners are actively involved in sourcing transactions and developing investment theses, performing due diligence, and developing and executing value creation plans. The Executive Partners are exclusive to OceanSound. Executive Partners are not partners or employees of OceanSound or any of its affiliates, but rather consultants engaged by certain Funds. If a Fund makes an investment in which the Executive Partner has been involved, the Executive Partner will generally invest through the applicable Fund, join the portfolio company's board of directors (or similar governing body) and receive long-term incentive compensation from the portfolio company and a nominal board fee. The Executive Partner may also receive performance-based compensation similar to carried interest. In certain circumstances, the Executive Partners will take more meaningful roles in OceanSound portfolio companies, such as an Executive Chairmanship, where they will work daily with the management team and the OceanSound Investment Professionals, managing the business and executing the value creation plan. In these instances, their compensation will be commensurate with their involvement in the organization, time allocated and value created.

### Organizational Expenses

Each Fund will bear all reasonable legal and other organizational and offering expenses incurred in the formation of each Fund and related entities ("Organizational Expenses") up to an agreed upon cap set forth in the Governing Fund Documents. Organizational Expenses in excess of that cap will reduce the Management Fees otherwise payable by the Limited Partners by an identical amount.

### Placement Fees

Fees due to placement agents will not be subject to the cap set forth in "Organizational Expenses" above but will reduce the Management Fee otherwise payable in accordance with the Governing Fund Documents.

### Operating Expenses

Each Fund will pay all other expenses attributable to its activities (collectively, "Operating Expenses"), including, without limitation: (i) expenses incurred in connection with the discovery,

evaluation, acquisition, holding, management, monitoring, or disposition of investments, including, without limitation, private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, travel expenses, and legal, accounting, investment banking, advisory, consulting, information services, and professional fees and senior advisors; (ii) expenses incurred in connection with the carrying or management of investments; (iii) fees, costs and expenses incurred in connection with the preparation and distribution of the Fund's financial statements, tax returns, Schedule K-1s or any other communications or materials prepared for the Limited Partners and the Limited Partner advisory board (the "Advisory Board"); (iv) attorneys' and accountants' fees and disbursements; (v) taxes and other governmental charges levied against the Fund; (vi) insurance; (vii) regulatory or litigation expenses; (viii) expenses incurred in connection with the winding up or liquidation of the Fund; (ix) expenses relating to defaults by Partners in the payment of any Capital Contributions; (x) expenses incurred in connection with any restructuring or amendments to, or waivers, approvals or consents under, the constituent documents of the Fund; (xi) expenses incurred in connection with any valuation of the assets of the Fund; (xii) expenses incurred in connection with the formation and maintenance of alternative investment vehicles or special purpose investment vehicles; (xiii) expenses incurred in connection with distributions to the Partners; (xiv) expenses incurred in connection with any meetings of the Partners or the Advisory Board; (xv) out-of-pocket expenses incurred by members of the Advisory Board and their designees in connection with the fulfillment of their duties pursuant to the Partnership Agreement; (xvi) expenses incurred in connection with any indemnification obligations of the Fund; (xvii) the Management Fees; (xviii) expenses incurred in connection with entering into and/or negotiating side letters and compliance with side letters and most favored nations processes; (xix) fees, costs and expenses of any third-party administrator hired to provide administration services to the Fund; (xx) any principal, interest on, and fees and expenses arising out of, the Fund's borrowings and indebtedness; (xxi) expenses incurred in connection with co-investments (whether or not consummated), including any portion of such expenses that is not borne by co-investors; (xxii) expenses of third party advisory committees; and (xxiii) unreimbursed costs and expenses incurred in connection with any transfer of Interests by a Limited Partner.

#### Investment Expenses / Broken Deal Expenses

The Fund's investments will require extensive due diligence, legal, and other costs prior to their consummation and may be subject to broken deal expenses if they are not consummated. Such costs may include payment to third parties for successfully sourcing deals or other services that could be in the form of cash or equity in the portfolio company, which may dilute the Fund's investment. The Fund will pay any fees, costs, and expenses incurred in discovering, developing, investigating, evaluating, negotiating, acquiring, or structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated, including investments pursued by the Firm prior to the Initial Closing that are intended to become the Fund investments. Additionally, the Fund may enter into agreements that involve payments, such as reverse break-up fees, by the Fund if it does not consummate the transaction. These expenses can be significant and may be material to the Fund. The Fund may incur, either directly or pursuant to its obligation to reimburse the Firm for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses. In addition, in most cases co-investors will not agree to pay or otherwise bear fees, costs or expenses related to unconsummated co-investments. In such event, such fees, costs and expenses will be borne by the Fund.

Certain types of costs that constitute operating expenses, organizational expenses, or other types of fees, expenses or costs that are borne directly or indirectly by a Fund can overlap with or include costs associated with regulatory compliance obligations of OceanSound. For example, the Governing Fund Documents of a Fund typically require the preparation and distribution of audited annual financial statements, the cost of which is borne by the Fund as an operating expense, even

though this contractual requirement also serves as a means for OceanSound to comply with requirements that are applicable to OceanSound under SEC rules relating to the custody of client assets. Similarly, a Fund can be expected to bear organizational expenses that include costs incurred by OceanSound to comply with regulatory standards relating to, among other things, “advertisements” and other communications with prospective investors under SEC rules. These and other direct or indirect operating expenses, organizational expenses, and other types of fees, expenses and costs generally will be allocated to a Fund to the extent permitted by the relevant Governing Fund Documents, even though the underlying requirement or activity associated with such fees, expenses or costs may relate, in whole or in part, to requirements that, from a legal or regulatory perspective, are applicable to OceanSound, rather than to a Fund or a portfolio investment.

The Manager may, in its discretion, consult with outside accounting, legal, and compliance professionals in making determinations with respect to the allocation of expenses and the General Partner will rely on such advice in allocating expenses. Fees, costs and expenses related to any such consultation will be borne by the Fund. The General Partner will review the selection of such outside advisors with the Advisory Board. Such determinations, if made in good faith by such outside advisors, will be binding on the General Partner, all Limited Partners and the Manager

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

As described above, OceanSound or its affiliates receive performance-based compensation in the form of “carried interest”, which calculation is based on the profits generated on the sale or disposition of Fund assets. A strategic investor and certain OceanSound employees involved in the Funds and associated management of portfolio companies will receive shares of that carried interest. The fact that a significant portion of the Adviser’s compensation (and its affiliates and investment professionals compensation) is directly computed on the basis of profits generated by the sale or disposition of Fund assets may create an incentive for OceanSound to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation.

## **Item 7: Types of Clients**

OceanSound provides discretionary management and advisory services to the Funds directly, subject to the direction and control of the General Partner of each Fund, and not individually to the Limited Partners. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

The minimum commitment for a Limited Partner is outlined in the Governing Fund Documents; however OceanSound maintains discretion to accept less than the minimum investment threshold. Investors will be required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act. Also, Investors will be required to make certain representations when investing in a Fund, including, but not limited to that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and that (iii) they have the ability to bear the economic risk of an investment in the Fund. Details concerning applicable Investor suitability criteria are set forth in the respective Governing Fund Documents and subscription materials, which are furnished to each Investor.

The Funds may enter into separate agreements, commonly referred to as “side letters”, or other

similar agreements with a particular Limited Partner in connection with its admission to one of OceanSound's private investment funds without the approval of any other Limited Partner, which would have the effect of establishing rights under or supplementing the terms of the applicable fund's Partnership Agreement with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners. Such rights or terms in any such side letter or other similar agreement may include, without limitation, terms relating to certain provisions of the investment terms, including excuse rights, management fees and performance based compensation, transfer restrictions, reporting, notice regarding the occurrence of certain regulatory or other specified events, sales commissions, portfolio transparency, minimum investment amounts, and other more favorable investment terms.

Furthermore, OceanSound may from time to time enter into strategic partnerships directly or indirectly with Investors that commit significant resources to a range of products and investment ideas sponsored by OceanSound. Such arrangements typically include granting certain preferential investment terms to such investors.

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

Each Fund's investment objective is to achieve significant, long-term capital appreciation primarily through middle-market investments in companies in which the Funds will generally have significant influence on the management, operations and strategic direction of the business. For certain transactions, the Funds may seek co-investment partners, who may be entitled to more favorable investment terms. The Funds' investments are primarily in the form of controlling positions in companies, achieved through leveraged acquisitions, build-ups, recapitalizations, restructurings and growth equity transactions.

### Associated Risks

All investing involves a risk of loss and the investment strategy offered by the Adviser could lose money over short or even long periods. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that Limited Partners will receive a return of their capital.

Identifying and participating in portfolio company investments and assisting in building successful enterprises is challenging. Many investment decisions made by OceanSound will be dependent upon the ability of its members to obtain relevant information predominantly from non-public sources, and reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the control of the Adviser.

Key risk areas inherent to investing in portfolio companies include operational, investment and market risks. OceanSound seeks to mitigate these risks through a variety of mechanisms, including operational due diligence, risk modeling, physical and financial hedging where possible and appropriate investment structuring.

The descriptions contained below are a brief overview of different market risks related to the Adviser's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds, and potential investors are encouraged to review each Fund's Governing Fund Documents and consult their own legal, tax and financial advisers about

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the risks off an investment in the Funds.

#### Control Position Risk

The Fund will generally make investments that allow the Fund to acquire control or exercise influence over management and the strategic direction of a portfolio investment as described in this Memorandum. The exercise of control over a company imposes additional risks of liability for a wide range of potential liabilities, including, without limitation, environmental damage, regulatory investigations, product defects, pension liabilities, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over a portfolio investment could expose the assets of the Fund to claims by the portfolio companies underlying such investment, their security holders, and their creditors. While the General Partner intends to manage the Fund to minimize exposure to these risks, the possibility of successful claims, either directly against the Fund or resulting from indemnification obligations, and loss of capital cannot be precluded. To the extent these liabilities are realized, they may materially adversely affect the value of a portfolio company and, in certain cases, the Fund itself. Additionally, the Fund will generally indemnify the General Partner and the Adviser from such claims and, as a result, will be indirectly exposed to any such liability incurred by the General Partner or the Adviser.

#### Lack of Liquidity of Investments

The investments to be made by the Fund will generally be illiquid. Any return of capital or realization of gains will generally require a disposition of some or all of an investment and there can be no assurance that the Fund will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Dispositions of investments may be subject to legal, contractual, and other limitations on transfer, the absence of an established market for the investments, or other restrictions that would interfere with sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Such restrictions may apply even after the term of the Fund has ended or the Fund has otherwise been dissolved. The Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of its dissolution. This risk may be especially present with respect to investments made in the final years or months of the Fund's Commitment Period and Follow-On Investments made thereafter.

Investments in publicly traded companies (including, without limitation, portfolio companies that have made initial public offerings) may also be subject to legal or contractual restrictions on resale, including, without limitation, the possibility that the General Partner or the Adviser will be in possession of material non-public information about the company. Public offering, merger and acquisition, and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory, or other factors. Such illiquidity may continue even if the underlying entities obtain listings on securities exchanges. Moreover, it is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio company at the time the Fund seeks a realization.

In view of these limitations on liquidity, which are illustrative only and not exhaustive, the Fund will generally not be able to realize an investment in a privately-held entity for a substantial number of years. There can be no assurance that the Fund will be able to dispose of its investments at the price and at the time it wishes to do so.

#### Highly Competitive Market for Investment Opportunities

The industries in which the Fund intends to invest are typically very competitive, and are characterized by a crowded field of competitors. Although there may not be high barriers to entry, long-term market success is subject to a number of factors, many of which lie outside the control of the Fund and its portfolio companies. Consumer and industry spending may be

disproportionately affected by adverse economic conditions, and consumer and industry spending patterns in the economies in which the Fund intends to invest may be difficult to predict. In addition, the Fund's portfolio companies may face competition from a number of other, more established market participants, including global companies with much greater financial, marketing, and other resources. Portfolio companies may ultimately be unsuccessful in gaining significant market position, or an anticipated market opportunity may not develop as expected. In either case, the Fund's investment results may be materially adversely affected.

#### Valuation and Changing Accounting Standards

The valuation of the assets of the Fund will likely affect the Fund's reported performance. The Fund's investments generally will have no, or a limited, liquid market, and the fair value of such investments may not be readily determinable. There is no assurance that the value assigned to an investment at a certain time will accurately reflect the value that will be realized by the Fund upon the eventual disposition of the investment and the performance of the Fund could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the investment.

Specifically, for purposes of financial reporting that is compliant with U.S. generally accepted accounting principles ("GAAP"), the Fund is required to follow the requirements for valuation set forth in Accounting Standards Codification 820 ("ASC 820"), "Fair Value Measurements and Disclosures" (formerly, Financial Accounting Standards No. 157, "Fair Value Measurements"), which defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Additional Financial Accounting Standards Board ("FASB") Statements and guidance and additional provisions of GAAP that may be adopted in the future may also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting. Except as described below, the Adviser applies ASC 820 and other relevant FASB statements and guidance to the valuation of the Fund's assets and liabilities.

Notwithstanding the foregoing, the Adviser may determine in certain instances to assign to a particular asset a different value under the terms of the Partnership Agreement than the value assigned to such asset for financial reporting purposes. In particular, the Adviser may not apply GAAP when determining whether an asset has declined in value for the purposes of determining distributions (including, without limitation, distributions of Carried Interest) and Management Fees payable by the Fund.

Accordingly, to the extent that GAAP would require any of the Fund's assets or liabilities to be valued in a manner that differs from the terms of the Partnership Agreement, such assets or liabilities will be valued (i) in accordance with GAAP, solely for purposes of preparing the Fund's GAAP-compliant audited financial statements, and (ii) in accordance with the Partnership Agreement (without regard to any GAAP requirements relating to the determination of fair value), for all other purposes (including, without limitation, for purposes of determining distributions and allocating gains and losses).

Finally, ASC 820 and other accounting rules applicable to investment funds and various assets in which they invest are subject to change. Such changes may adversely affect the Fund. For example, changes in the rules governing the determination of the fair market value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of fair market value. This may in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party determination of fair market value.

Notwithstanding the foregoing, the Adviser may change its valuation procedures and methods from

time to time (within the framework of GAAP) to reflect market practice, regulatory requirements, or other factors deemed appropriate by the Valuation Committee of the Fund. As a general matter, investors will not have access to the details of the Adviser's valuation methodologies or to the information utilized by the Adviser in applying such methodologies.

#### Limited Operating History

Although the Adviser's team has prior experience, both together and separately, relating to the acquisition and financing of public and private companies and in investments similar to those to be made by the Funds, the Funds have limited operating history and basis upon which an evaluation of its prospects can be made.

#### No Assurance of Returns

Nothing contained herein should be deemed to be a prediction or projection of the future performance of the Fund. The nature of, and risks associated with, the Fund's future investments may differ substantially from those investments and strategies undertaken historically by any other person or entity described herein. There can be no assurance that the Fund will achieve comparable results, be able to implement its investment strategy, or be able to avoid losses.

#### Equity Investments Risk

A substantial portion of the Fund's investments will be in equity or equity-related investments (including, without limitation, equity investments in private companies), which by their nature involve a high degree of business, financial, market, and/or legal risks that can result in partial or total losses. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the return on the Fund's investments.

#### Portfolio Concentration

Diversification is not an objective of the Fund. The Fund's portfolio may include a small number of large positions. If the Fund's investments are concentrated in a few portfolio companies or industries, any adverse change in one or more of such portfolio companies or industries could have a material adverse effect on the Fund.

#### Investments in Emerging Markets

While the Adviser intends to focus on investments in North America, the Fund will be permitted to make investments in emerging markets throughout the world. Investing in emerging markets involves risks and special considerations not typically associated with investing in more established economies or markets.

#### Investments Outside the United States and Canada

While the Adviser intends to focus on investments in North America, the Fund may invest in securities of companies domiciled, headquartered, or with significant operations elsewhere. Investing outside the United States and Canada may involve greater risks. The value of the Fund's investments in foreign securities may be significantly affected by changes in currency exchange rates, which may be volatile. The Adviser may attempt to hedge against foreign currency exchange rate risks and such hedges may cause significant risks of loss independent of the results of the underlying investments.

#### Cyber Security Breaches and Identity Theft.

The information and technology systems of OceanSound, the Funds, and their service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors. Although OceanSound and the Funds have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, OceanSound, one or more

Funds and their service providers may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in such parties' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of OceanSound, the Funds, their service providers subject any such entity and their respective affiliates to legal claims and/or otherwise affect their business and financial performance. Specifically, cyberattacks and the failure of information and technology systems may interfere with the processing of investor purchases or withdrawals, impact the Funds' ability to value its assets, cause the release of confidential information and/or subject OceanSound, the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Such parties also may incur substantial costs for cybersecurity risk management to prevent any cyber incidents in the future. The Funds and the investors could be negatively impacted as a result.

#### General Economic Conditions and Recent Events

The investments made by the Fund are expected to be sensitive to the performance of the overall global economy, interest rates and the availability of alternate sources of financing. General fluctuations in the market prices of securities and interest rates may adversely affect the value of portfolio investments and/or increase the risks associated with an investment in the Fund. The portfolio companies of the type targeted by the Fund may be adversely affected by changes in governmental policies, taxation, housing starts, petroleum prices, minimum wage laws, health insurance laws, other laws and regulations and currency fluctuations.

#### Force Majeure

OceanSound and the Funds may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemics or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Investment advisory activities and OceanSound's operations could be adversely affected by such events outside of OceanSound's control. OceanSound, its Funds, and their service providers may incur expenses, delays, or interruption of critical business functions relating to such events outside of their control, which could have adverse impacts on their respective investment advisory businesses. Such adverse impacts could, in turn, adversely affect the performance of the Funds.

#### Public Health Outbreaks and Pandemics

A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the recent outbreak of Coronavirus (or COVID-19) or other existing or new epidemic diseases, or the threat thereof, may materially and adversely impact the value and performance of the Funds' portfolio companies, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve their investment objectives, all of which could result in significant losses to a Fund. Such an outbreak can adversely impact global commercial activity and contribute to significant volatility in certain equity and debt markets. <sup>1</sup>[The global impact of the current COVID-19 outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to

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<sup>1</sup> Note to OceanSound: This Covid risk factor seems stale. Consider replacing the rest of this paragraph with the following paragraph.

assess. In addition, the operations of a Fund, its portfolio companies, the relevant general partner and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. //

COVID-19 was identified in 2019 and quickly spread to become a full scale pandemic across the world in early 2020. Since its discovery, COVID-19 has significantly and materially adversely impacted the global economy. The effect of the COVID-19 outbreak (including the occurrence of any variants of COVID-19) on the economy and on the public has been and will likely continue to be severe and could exacerbate other preexisting political, social, economic, market and financial risks. Further, while there have been enacted economic stimulus measures aimed at curbing the adverse economic impacts to the United States and other countries as a result of COVID-19, it cannot be determined at this time the long-term effect of such stimulus measures. There are no comparable recent events in the United States which provide guidance as to the effect of the spread of COVID-19 and a potential pandemic on the business, financial condition and results of operations of the Advisor and the Funds. Therefore, there is substantial uncertainty of the potential effect of the COVID-19 pandemic and it could have a material adverse effect on the business, financial condition and results of OceanSound and/or the Funds. A prolonged economic downturn could result in a reduction in the demand for the products and services provided by a Fund's portfolio companies, longer payment cycles, slower adoption of new technologies and/or increased price competition, each of which, in turn, could adversely affect the financial resources of a portfolio company, particularly if such portfolio company is already highly leveraged or distressed, and such portfolio company's ability to make principal and interest payments on, or refinance, outstanding debt when due. Additionally, suppliers of certain materials used by the businesses of certain portfolio companies may be located in regions impacted by continuing COVID-19 outbreaks. Although some of these materials may be obtained by more than one supplier, any future port closures and other restrictions resulting from the COVID-19 outbreak may still result in a limited supply of such materials, which will cause the price of such materials to increase. These and other disruptions, as well as poor economic conditions generally, could lead to a decline in the sales and operating results of the portfolio companies. The extent of the impact of the continuing COVID-19 pandemic on OceanSound and the Funds will depend on many factors, including the duration and scope of the pandemic (including the occurrence of any variants of COVID-19), the extent and duration of any implemented travel advisories and restrictions, consumer confidence and spending levels, levels of economic activity and the extent of its continuing disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.]

#### Use and Availability of Leverage

The Funds' investments will involve leveraged acquisitions which, by their nature, require companies to undertake a high ratio of fixed charges to available income. Utilization of leverage is a speculative investment technique and involves risks to investors, including, without limitation, increased exposure to adverse economic factors, such as rising interest rates, downturns in the economy, or deterioration in the condition of such portfolio company or its industry. If a portfolio company cannot generate adequate cash flow to meet its debt obligations, the Funds may suffer a partial or total loss of capital invested in such portfolio company. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of the Funds or when due for refinancing such that the Funds or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized. In addition, in the event the Funds engage a third party to provide debt financing in connection with the consummation of an investment and such third-party fails to fund, such failure could adversely impact the Funds and their ability to consummate such investment or would require the Funds to fund a larger cash investment at closing than was intended, which could result in over-commitment to such

investments and a less diversified portfolio.

#### Hedging

The Funds may hedge some or all of their portfolio exposure to certain risks, such as currency exchange rate fluctuations or commodity prices. While the transactions implementing such hedging strategies may reduce certain risks, such transactions themselves may entail certain other risks, such as the risk that counterparties to such transactions may default on their obligations and the risk that the prices and/or cash flows being hedged behave differently than expected. Hedging against a decline in currency exchange rates or commodity prices does not eliminate fluctuations in the values of related portfolio positions or prevent declines in the values of such positions. Such hedging transactions also limit the opportunity for gain if relevant currency exchange rates or commodity prices should increase. In the event of an imperfect correlation between hedging transactions and related portfolio positions, the Funds may be exposed to very significant risk of loss (including total loss), particularly with respect to uncapped hedges. In addition, it is not possible to hedge fully or perfectly against all foreign exchange risk or commodity price risk, and hedging entails its own costs. Thus, while the Funds and/or a portfolio company may benefit from the use of these hedging strategies, unanticipated changes in interest rates or currency exchange rates or other events related to hedging activities may result in a poorer overall performance for the Funds and/or their portfolio companies than if it or its portfolio companies had not implemented such hedging strategies. OceanSound may determine in its sole discretion not to hedge against certain foreign exchange risks, commodity price risks or other risks.

#### Bridge Financing

From time to time, the Funds may provide Bridge Financing to facilitate an investment organized by the Funds. There is a significant risk that such financings may not be repaid within 12 months and therefore become permanent investments. In some cases, a Bridge Financing that is believed to be likely to become a permanent investment may nonetheless be treated as a Bridge Financing to preserve optionality depending upon evolving market conditions.

#### Integration of Acquisitions

The Funds or any one of their portfolio companies may acquire one or more companies with the intent of integrating the business and operations of such company into such portfolio company. The integration activities associated with any such acquisition are complex, and such portfolio company may encounter unexpected difficulties or incur unexpected costs as a consequence, including, without limitation: (i) the diversion of the attention of such portfolio company's management to integration matters; (ii) difficulties in the integration of the operations and systems of such portfolio company and such acquired companies; (iii) difficulties in the assimilation of the employees of such portfolio company and such acquired companies; and (iv) challenges in attracting and retaining key personnel of such portfolio company and such acquired companies. As a result, the management teams of OceanSound and such portfolio company may be required to devote additional resources

to integration activities that would otherwise be spent on additional investment activities that could benefit the Funds.

#### Board Participation

It is expected that the Partners will serve as directors of certain of the portfolio companies and, as such, may have duties to persons other than the Funds. Such positions may have the effect of impairing OceanSound's ability to sell certain securities when, and upon the terms, it may otherwise desire, and may subject OceanSound and the Funds to claims they would not otherwise be subject to as an investor, including, without limitation, claims of breach of duty of loyalty, securities claims, and other director-related claims. The Funds will indemnify OceanSound and its employees from such claims and, as a result, will be indirectly exposed to any such liability.

#### Reliance on Portfolio Company Management

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The day-to-day operations of a portfolio company will be the responsibility of such company's management team. There can be no assurance that an existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with OceanSound's strategy for such company. Management teams, including CEOs, may underperform or commit bad acts, and the cost of replacing them could be high.

#### Dependence on Patents, Trademarks and Other Intellectual Property

Certain of the Funds' portfolio companies may depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product, which could materially and adversely affect such portfolio company.

#### Reliance on Personnel

The success of each Fund will be highly dependent on the financial and managerial expertise of the Partners. The Firm will be relying extensively on the experience, relationships and expertise of these persons. The loss of one or more of these individuals could have a material adverse effect on the performance of the Funds. Given the long lifespan of private equity funds, it is reasonable to expect that there may be changes in OceanSound's personnel over the life of each Fund. There can be no assurance that the Partners will continue to be associated with the Firm or its affiliates throughout the life of the Fund, as the Partners are under no contractual obligation to remain with OceanSound for all or any portion of the term of the Funds, or that OceanSound will be able to attract and retain replacements or additional persons when needed.

#### Third-Party and Limited Partner Co-Investors

OceanSound expects to provide, in its discretion, the opportunity to co-invest alongside the Funds to any Limited Partner or any other person (including, without limitation, the Fund or its affiliates, portfolio company management team members, consultants, or advisors) (collectively, "Co-Investors") and in allocating co-investment opportunities may consider any factors it deems relevant, including, without limitation, the sophistication, transaction speed, tenure as an Investor, commitment to making co-investment funds available, commitment to invest in future products, or strategic expertise of the prospective Co-Investor. Co-Investors may include, without limitation, prospective investors that OceanSound believes will be of benefit to the Funds or the portfolio company or who may provide a strategic, sourcing, or similar benefit to the Funds, the portfolio company, or one or more of their respective affiliates (including, without limitation, private equity funds sponsored by others in so-called "club deals," through joint ventures or other entities). No Limited Partner should have any expectation of receiving an investment opportunity.

The commitment of Co-Investors to a portfolio company may be substantial and such investments may involve risks not present in investments where such Co-Investors are not involved. Co-Investors will typically bear their pro rata share of fees, costs, and expenses related to the discovery, investigation, development, acquisition, consummation, ownership, maintenance, monitoring, hedging, and disposition of their co-investments. In most cases, Co-Investors will not agree to pay or otherwise bear fees, costs, or expenses related to unconsummated co-investments, such as break-up fees or broken deal expenses. Such fees, costs, and expenses that are not borne by Co-Investors will be considered operating expenses of and be borne by the Funds. Furthermore, it is possible that a Co-Investor may experience financial, legal, or regulatory difficulties, may at any time have economic, tax, or business interests or goals that are inconsistent with those of the Funds, may take a different view from the Funds as to the appropriate strategy for an investment, or may be in a position to take action contrary to the applicable Fund's investment objectives. Additionally, the Fund's position could also be diluted or subordinated by

subsequent investments of Co-Investors. Finally, the Fund may in certain circumstances be liable for the actions of its Co-Investors.

#### Continuation Fund

The Advisor could propose, to a Fund's Advisory Board or a Fund's investors, one or more transactions that enable investors to monetize or restructure all or a portion of their interests in a Fund, including through the use of a continuation vehicle (each such transaction, a "Liquidity Event"). The sale of an investment to a continuation vehicle could result in the applicable General Partner and/or related persons of the Advisor (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all of the investors in such Fund and otherwise taking actions with respect to such investment that are different from the actions taken by other investors. As such, the applicable General Partner and other related persons of the Advisor could ultimately receive a return on their share of the relevant investment that is higher than the return achieved by other investors in such Fund. The Advisor could be subject to other conflicts of interests in connection with a Liquidity Event, including with respect to investment valuations, allocation of fees and expenses, and the offering of investment opportunities to Funds and co-investors.

#### LP Transfers

In certain cases, the Adviser will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Fund Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Adviser will use its discretion to select such transferees based on eligibility and other factors, and unless required by the Governing Fund Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

#### Regulatory Risks

Certain industries in which a Fund may invest are heavily regulated. To the extent that a Fund makes investments in industries that are subject to greater amounts of regulation than other industries generally, such investments would pose additional risks relative to investments in other industries or companies. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures, and could make it more difficult (or prohibited) for a Fund to acquire or dispose of an investment. If a portfolio company fails to comply with regulatory approval requirements, it could also be subject to civil or criminal liability and the imposition of fines. Governments, and their agencies and instrumentalities, frequently have considerable discretion in implementing regulations or granting or denying approvals, and could be influenced by political considerations and could make decisions that adversely affect a portfolio company's business.

#### Banking Industry Disruption

As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions, as evidenced by the bank run on the Silicon Valley Bank (SVB) ("SVB") and on Signature Bank, causing them to be placed into receivership. As a result, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that the Adviser (with respect to clients), and/or the management and other personnel of the portfolio investments owned by clients, will not be able to manage this risk effectively. It is yet to be determined how the bank run on SVB will fully impact other financial instruments and broader economy, as well as the overall performance clients and their investments.

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The descriptions of risk factors contained above are a brief overview of different market risks related to OceanSound's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds. In addition, key risk areas inherent to investing also include risks related to the operations and investment activities of the Funds, risks related to specific investments, and risks related to non-U.S. and non-U.S. jurisdictions.

Investors are recommended to review the Governing Fund Documents for a more complete discussion of the risk factors associated with the Funds.

## **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither OceanSound nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

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

### Pooled Investment Vehicles

OceanSound organizes and sponsors the Funds, which are private investment companies. These pooled investment vehicles managed by OceanSound are controlled by affiliated General Partner entities ("GP Entities"). OceanSound or the GP Entities will be responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of the Funds' investment activities. While the GP Entities are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the GP Entities are subject to the supervision and control of OceanSound. Thus, the GP Entities, all of its employees and the persons acting on its behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the GP Entities.

### Portfolio Company Services

From time to time, OceanSound may engage portfolio companies to perform services for the Funds. Services provided by a Fund's portfolio companies may be preferred over unaffiliated third-party service providers so long as the terms of such services are on an arm's-length basis.

### Third-Party Service Providers

OceanSound and its employees, at times, utilize certain critical third-party service providers that are being utilized by the Funds (including, but not limited to outside counsel, accounting firms and

bank custodians) for personal services. Due to the Funds' relationships with such third-parties, OceanSound and its employees may be provided various products and services from these third-party service providers at rates that are significantly less than those paid by the Funds for similar or comparable services. Accordingly, OceanSound and its employees are obtaining a benefit as a result of their position at the Adviser and due in large part to the commercial relationship that the Funds maintain with such third-party service providers. These discounted service fees may not exist (or may be less) if these service providers did not also complete work on behalf of the Funds. Thus, OceanSound and its employees are faced with a conflict of interest related to the on-going evaluation of the services provided by such third-parties and may result in OceanSound and its employees recommending the Funds' on-going use of these service providers when it may not be appropriate to do so.

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

Pursuant to Rule 204A-1 of the Advisers Act, OceanSound has adopted a written Code of Ethics (the "Code"). The Code of Ethics is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of OceanSound (the "Employees"). The Adviser requires its Employees to act in the Funds' best interests, abide by all applicable regulations and its policies and procedures have been designed to identify and properly disclose, mitigate, and/or eliminate applicable conflicts of interest.

Certain Employees and other related persons of OceanSound do invest as Limited Partners in the Funds. While investments by investment professionals and related persons are intended to align interests of OceanSound and its related persons with those of the Funds, such investments create conflicts of interest. To address such conflicts, the investment arrangements are described and agreed upon in the Governing Fund Documents. Investments and disposals are made on the same economic terms for all Limited Partners of the Funds, including for OceanSound's related persons, and each investment is made pro rata among the Limited Partners of each Fund and OceanSound's related persons who are Limited Partners, so that OceanSound's related persons may not receive favorable terms or greater exposure to certain investments. As noted in the Fees and Compensation section above, however, certain Limited Partners have fees and carried interest that are waived or calculated differently, which create conflicts of interest.

The Adviser requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement); requires periodic reporting of Employees' personal securities transactions and all holdings; and requires prompt internal reporting of Code violations. OceanSound maintains current and accurate records of all personal securities accounts of its Employees in an effort to monitor all such activity. The Code also addresses outside activities of Employees, conflicts of interest, policies and procedures concerning the prevention of the improper disclosure or misuse of material non-public information that the Adviser, in the course of its operations, may come into possession of, restrictions on the acceptance or offer of significant gifts and the pre-clearance and reporting of political contributions. With respect to conflicts of any nature, OceanSound may consult the Advisory Board. Any decisions of the Advisory Board with respect to any material potential conflicts of interest between the General Partner and its affiliates, on the one hand, and the Funds or a portfolio company, on the other, are binding on the General Partner and Limited Partners.

Personnel of OceanSound can be expected to have friendships or other personal relationships with personnel and other individuals associated with entities with which OceanSound does or may seek to do business, including individuals who serve as directors, principals or employees of existing and prospective investors, portfolio investments, and/or service providers. Personal relationships may develop out of business-related or other professional interactions, or vice versa. The

existence of personal relationships may serve to benefit the Funds (for example, by providing networking opportunities through which Adviser personnel could be introduced to potential service providers for the Funds) but also create a potential conflict of interest, by giving rise to incentives for the parties to share business or other professional opportunities, including those relating to the business of the Adviser, investors, the Funds and portfolio companies, in order to enhance or otherwise further their personal relationship, even when doing so may not be in the best interest of the Funds. While the Adviser generally expects conflicts of interest of this nature to be mitigated by the Adviser's Code, it is unlikely that the potential for conflicts of interest relating to personal relationships can be fully mitigated.

A copy of OceanSound's Code is available upon request.

## **Item 12: Brokerage Practices**

The Adviser focuses on making investments in private securities, and does not ordinarily deal with any financial intermediary such as a broker-dealer; therefore commissions are not ordinarily payable in connection with such investments. To the limited extent OceanSound transacts in public securities, or other non-private equity investments (e.g., currency hedging), OceanSound will seek to obtain best execution. OceanSound intends to select brokers based upon the broker's ability to provide best execution for the Funds. OceanSound and/or the General Partner is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their Investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

The Adviser does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to OceanSound's own research effort. To the best of OceanSound's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. The Adviser does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

## **Item 13: Review of Accounts**

All investments are carefully reviewed and approved by OceanSound's investment team, which includes the Partners. The portfolio companies are reviewed on a continuous basis and the investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

OceanSound provides each Limited Partner with the following reports in accordance with the terms of the applicable Governing Fund Documents: (i) audited annual financial statements; (ii) unaudited quarterly financial statements; and (iii) tax information necessary to complete any applicable tax returns.

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

OceanSound may periodically engage third-party placement agents (i.e., solicitors) to introduce prospective investors to the Funds. The fees and expenses of any third-party placement agents will be paid by the Funds but will be offset against Management Fees paid by the Funds.

OceanSound or its affiliates may charge portfolio companies transaction fees, break-up fees, set-up fees, advisory fees, acquisition fees, financial fees, consulting fees, monitoring fees, commitment fees, and other similar fees, as described in the Fees and Compensation section above. Also, certain related persons of OceanSound who serve on the board of directors of portfolio companies may receive compensation (in the form of cash, stock options or other equity awards) in their capacity as directors. Such direct and indirect compensation received by such related person of OceanSound in his or her capacity as a member of the board of directors of a portfolio company may not be transferred for the benefit of the relevant Fund or applied as a reduction of the Fund's Management Fees.

## **Item 15: Custody**

All client assets are held in custody by unaffiliated broker-dealers or banks. OceanSound has access to client accounts (i.e., the Funds) since it or an affiliate serves as the General Partner of the Funds. Limited Partners will not receive statements from any custodians. The Adviser intends to comply with Rule 206(4)-2 under the Adviser's Act (the "Custody Rule") by meeting the conditions of the pooled vehicle annual audit provision. The Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Limited Partner. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles. In accordance with the terms and conditions of the Governing Fund Documents, OceanSound will prepare and distribute the audited financial statements within 90 to 120 days of each Fund's fiscal year end. Limited Partners in a Fund should carefully review these audited financial statements.

## **Item 16: Investment Discretion**

In accordance with the terms and conditions of the Governing Fund Documents, and subject to the direction and control of the General Partner of each Fund, the Adviser generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

## **Item 17: Voting Client Securities**

OceanSound's Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies. However, in the event proxies must be voted, OceanSound has adopted and implemented written policies and procedures governing the voting activities on behalf of its clients in accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act. Upon occasion, OceanSound may receive proxies in connection with its publicly traded portfolio companies, in which case it is the Adviser's policy to exercise the proxy vote in the best interest of its Funds, taking into consideration all relevant factors, including without limitation, acting in a manner that OceanSound believes will (i) maximize the economic benefits to the relevant Fund and (ii) promote sound corporate governance by the issuer. On rare occasion, OceanSound may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

OceanSound will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Funds on the other. However, as is typical with private equity investing, OceanSound seeks and accepts the election of an OceanSound representative to serve on the

board of directors on behalf of its Funds and will typically, but not always, vote in favor of board recommendations. In situations where OceanSound is required to vote the proxy for a company in which employees of OceanSound serve on the board of directors, OceanSound has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the Funds' investment in such portfolio company. Accordingly, while OceanSound is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the interests of OceanSound's Funds. In situations where OceanSound perceives a material conflict of interest, OceanSound may defer to the voting recommendation of an independent third party provider of proxy services, or take such other action in good faith which would protect the interests of OceanSound's Funds.

All proxies that OceanSound receives will be treated in accordance with these policies and procedures. A copy of OceanSound's written proxy voting policies and procedures, as well as a record of how OceanSound has voted in the past, will be maintained and available for review upon written request.

In the event that a class action arises regarding securities held in the Funds' portfolios, the CCO will determine whether clients will (a) participate in a recovery achieved through class actions, or (b) opt out of the class action and separately pursue their own remedy.

## **Item 18: Financial Information**

A balance sheet is not required to be provided as OceanSound (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.