

Item 1: Cover Page



Form ADV Part 2A: FIRM BROCHURE

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This “**Brochure**” provides information about the qualifications and business practices of Axial Reade Capital, LP (hereinafter “**Axial Reade**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact the Firm at jennie@axialreade.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Axial Reade is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Axial Reade or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Axial Reade is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Axial Reade is amending this Brochure as part of its Form ADV Annual Amendment for fiscal year ending December 31, 2022. Since the Firm's last Annual Amendment filed on March 31, 2022, there have been the following material changes:

- Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – Expanded disclosures.

Other amendments have been made to this brochure that are not deemed material, and therefore, Axial Reade encourages Investors in its Funds to review this updated brochure in its entirety.

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Item 4: Advisory Business

Axial Reade Capital, LP (hereinafter “**Axial Reade**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business in New York, New York.

Axial Reade provides discretionary investment management services to qualified investors through its general partner entities related to its private funds. These general partner entities may also herein be referred to as “**Axial Reade**”, “**we**”, “**us**”, “**our**” or the “**Firm**”.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through offering documentation to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

As mentioned above, Axial Reade provides investment supervisory services on a discretionary basis to affiliated private equity investment funds herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”. For more information about the Funds currently advised by the Firm, please see Axial Reade’s Form ADV Part 1 Section 7.B.(1). The qualified investors that agree to be limited partners in our Funds are herein referred to as “**Investor**”, “**Partner**” or “**Limited Partner**”, or collectively as “**Investors**”, “**Partners**” or “**Limited Partners**”. Any direct and indirect subsidiaries of a Fund are referred to herein as a “**Portfolio Company**”, or collectively as “**Portfolio Companies**.” “**Investments**” herein refers to a Fund’s direct or indirect investments in the securities and/or assets of a Portfolio Company or Portfolio Companies.

Axial Reade seeks to achieve long-term capital appreciation for its Funds by making privately negotiated Investments in growth-oriented companies and investment opportunities. Investment advisory services provided to a Fund include but may not be limited to: buying, managing and selling Investments on behalf of the Fund; and periodically reporting to each of the Fund’s Investors in accordance with the Fund’s subscription agreement, agreement of limited partnership and other governing documents (collectively, the “**Governing Documents**”).

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective Governing Documents.

Tailored Advisory Services:

For each Fund, the Firm tailors its advisory services to the investment strategies, specific terms and conditions described in its Governing Documents. The Firm, and its Investment Committee, will strictly adhere to the investment strategies and restrictions set forth in each Fund’s Governing Documents. Investors in a Fund are generally expected to participate in the overall investment program for the Fund, although they may be excused from a particular investment due to legal, regulatory or other applicable constraints.

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2022, our Regulatory Assets under Management were \$591,449,726.

Item 5: Fees and Compensation

The Firm typically receives compensation from Clients based on a percentage of assets managed, and compensation based on performance, referred to below as “carried interest.”

Investors in the Firm’s Funds may pay a management fee to the Firm or its designated affiliate, payable on a quarterly basis in advance. Management fees are paid by the Fund from its available assets and from capital contributions made by its Investors, and such fees are deducted directly from each Investor’s capital account.

Our compensation is subject to waiver and reduction. Affiliates and professionals of the Firm may invest in a Fund and other investment vehicles advised by us. Generally, our principals, employees and affiliates are not subject to management fees, transaction fees or carried interest on their direct or indirect investment in our Funds.

This Brochure will be delivered only to “qualified purchasers” as defined in the Investment Company Act. Accordingly, no fee table is included in this Brochure.

Other Fees and Expenses

In addition to management fees and performance allocations (which are discussed above), a Fund may pay additional amounts to the Firm and/or its affiliates (e.g., the Fund’s general partner) in connection with the Firm’s advisory services. The enumerated list below is detailed but does not encompass all possible expenses of the Funds or additional Funds advised in the future. The expenses summarized below are set forth in more detail in each Fund’s Governing Documents.

Organizational and offering expenses of a Fund, which may be subject to maximum amounts stated in the applicable Governing Documents and particular terms as to the payment of expenses in excess of these maximums;

- (i) all out-of-pocket expenses that are not reimbursed by Portfolio Companies incurred in connection with the sourcing, investigation, identification, analysis, development, pursuit, negotiation, structuring, making, monitoring, holding, management, sale or proposed sale of any actual or proposed Fund investment (including, without limitation, due diligence expenses, fees and expenses of lawyers, accountants, consultants, administrators, custodians, advisors and other professionals, private placement fees, brokerage fees, commissions, custody expenses and other similar expenses), and including any such expenses associated with proposed investments that are ultimately not made by the Fund;

Additional expenses that may be borne by a Fund, as outlined in more detail in each Fund’s Governing Documents and further described in the “Fees and Expenses” section of Item 8 below, include but are not limited to:

- (i) routine expenses of the Fund, including legal, auditing, consulting and financing fees, insurance, out-of-pocket expenses associated with preparing the Fund's financial statements, valuation, tax returns and Schedule K-1s (including the audit and certification fees and the costs of printing and distributing reports to Investors), any taxes imposed on the Fund, fees or other governmental charges levied against the Fund, out-of-pocket and legal and other advisory expenses of the advisory committee members and expenses of holding annual meetings of Investors;
- (ii) all litigation-related and indemnification expenses;
- (iii) fees and expenses of placement agents; and
- (iv) transaction or monitoring fees

Given the nature of the Funds' investment programs, the Firm has not historically transacted through broker-dealers. Therefore, Investors in a Fund do not generally incur brokerage costs, although depending on investment opportunities this may change. A discussion of the Firm's brokerage practices may be found below under Brokerage Practices.

Refunds

Investors in each Fund pay their management fees at the beginning of each quarter to the Firm. Thus, if the Firm's investment advisory services were terminated prior to the completion of a period, the Firm would return to the Fund any paid but unearned portion of the management fee, pro-rated from the date of termination to the end of the period to which the advanced fee applied.

Compensation for Sale of Securities

Neither the Firm nor its supervised persons receive any transaction-based compensation for the sale of securities or other investment products.

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

In some situations, the Firm will charge a performance allocation or similar compensation mechanism (e.g., carried interest subject to a clawback obligation). All such performance allocation arrangements are intended to comply with Rule 205-3 under the Advisers Act. This compensation is paid by a Fund as a distribution of available assets.

Performance allocation arrangements may create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities, or to make riskier or more speculative investments on behalf of a Fund than would be the case in the absence of such compensation arrangement.

Certain affiliated Investors in a Fund may be charged discounted fees. The Firm does not favor higher paying Investors over those paying lower or different fees. Under no circumstances may we or any of our affiliates allocate investment opportunities based on anticipated compensation or profits to the Firm or any of its affiliates or employees.

Investment opportunities which satisfy the investment parameters of more than one Fund will be allocated in accordance with the Firm's policies and procedures and in accordance with the applicable Governing Documents. The Firm's policies and procedures for the allocation of Investments are determined by its Investment Committee and monitored by the Firm's Chief Compliance Officer (the "CCO"), Jennie Adam.

Item 7: Types of Clients

Our Clients are our Funds, as described in Item 4 above, and the Funds are generally open to Investors that are institutions, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

The following are some of the material risks associated with an investment in the Funds. The following is not intended to be an exhaustive list of such risks and it is critical that Investors refer to the Governing Documents and disclosure documents of the applicable Fund for a complete overview of Axial Reade's investment strategies and the material risks associated therewith. The information contained herein is qualified in its entirety by such documents. In addition, prospective investors should also consult their own legal, investment, tax, regulatory and other advisors as to whether an investment in a Fund is appropriate for them. Certain risks of the Funds include the following:

Business Risks. The Funds' investment portfolios are highly concentrated, and the performance of a particular industry may substantially affect their aggregate returns. The operating results for any given Portfolio Company in a specified period will be difficult to predict. The Investments may involve a high degree of business and financial risk that can result in substantial losses for their related Funds.

Concentration of Investments Risks; Lack of Diversification. The Governing Documents for a Fund may require the General Partner to invest all of the Fund's assets in a particular Portfolio Company or industry. In such case, changes in the value of that company or industry would cause greater volatility in the Investments than those same changes would cause in the portfolio of a more diversified fund. Prospective investors would be made aware if the Firm intends for a Fund to hold only one investment during the duration of the Fund and, as a consequence, Investors would not have the risk-spreading benefits associated with a Fund holding a diversified portfolio of Investments in multiple Portfolio Companies. Accordingly, the aggregate returns realized by the Investors would be substantially adversely affected in the event of the unfavorable performance of said Portfolio Company. Even if more than one, the Funds may participate in a limited number of investments and reserve the right to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less

than the targeted amount, the Funds may invest in fewer Portfolio Companies and thus be less diversified.

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

Future and Past Performance; Loss of Principal. The Funds consist of newly organized entities that have no prior operating history or track record. Accordingly, the Funds do not have performance history for a prospective investor to consider. In considering the prior performance information of the other investment funds managed or advised by Axial Reade, prospective investors should understand that an investment in a Fund does not represent an interest in any investment or investment portfolio of any other Axial Reade-advised fund. Information about the prior performance of any Fund is not necessarily indicative, or a guarantee, of the Fund's future results, and there can be no assurance that any Fund will achieve comparable results. An Investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in the Funds will resemble that of the prior Axial Reade-advised funds. An Investor should only invest in the Funds as part of an overall investment strategy, and only if the Investor is able to withstand a total loss of its investment in the Funds. While the General Partner intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. With respect to any of the Funds' investments, loss of principal will be possible.

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

Unspecified Investments. Limited Partners will be relying on the ability of the General Partner to locate and evaluate the investments to be made by the applicable Fund using the offering proceeds. The activity of identifying, structuring, completing and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the General Partner will be able to identify, or the applicable Fund will be able to complete, portfolio investments that satisfy the applicable Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the applicable Fund will be able fully to invest its committed capital.

Competition. The business of identifying, structuring and completing private equity investments in attractive opportunities is highly competitive and involves a high degree of uncertainty. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, publicly-traded special purpose acquisition companies ("SPACs") and other private equity funds, investing directly or through affiliates. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size

of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds likely will be formed in the future by other unrelated parties. Some of the Funds' competitors for investment opportunities may have significantly more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the General Partners, the Funds and their respective affiliates.

The General Partners of the Funds expect that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which portfolio investments can be made.

To the extent that the Funds encounter significant competition for investments, returns to Limited Partners may be negatively affected. In addition, it is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified and consummated. However, regardless of the extent to which the commitments of the Limited Partners are invested (or drawn down to be invested), the Limited Partners will be required to bear Management Fees through the Funds during the Investment Period based on the entire amount of the Limited Partners' commitments, as well as other expenses as set forth in the applicable Partnership Agreement.

Dynamic Investment Strategy. Unless otherwise provided in the respective Partnership Agreement, the Funds are not restricted in terms of the percentage of its capital that can be invested in a particular industry. While the Funds' respective offering documents contain a description of the types of investments that Axial Reade-led funds have historically made and information about the General Partner's expectations with respect to a Fund, many factors have the potential to contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation applicable to particular industries and changes in the political or social situations in particular countries. As a result, the General Partner reserves the right to pursue additional investment strategies and modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner reserves the right to pursue investments outside of the industries and sectors in which the Founding Partner has previously made investments or have internal operational experience. There can be no assurance that the investment portfolio of any one Fund will resemble the portfolio of any other Axial Reade-led fund.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19, have resulted and are resulting in market volatility and disruption, and COVID-19 and any 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. Currently, there is an ongoing outbreak of COVID-19, which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and

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

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

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds and their respective 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 fulfil 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 respective Portfolio Companies, the respective General Partner and the Management Company may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

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

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the Funds generally will not be able to return capital or realize gains, if any, on an investment in a privately-held entity until the partial or complete disposition of such entity. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee payable to the Management Company or its designated affiliate) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded commitments.

Leveraged Investments; Borrowing. The Funds are generally permitted to make use of leverage by incurring or having a Portfolio Company incur debt to finance a portion of its investment in such Portfolio Company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Funds' opportunity for higher returns and its risk of loss from a particular investment, and the magnification of the risk of loss has the potential to be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets (which may be impacted by regulatory restrictions and guidelines), which state is

difficult to accurately forecast, especially in light of the uncertainty in connection with the ongoing COVID-19 pandemic. As a result, at times it may be difficult for Portfolio Companies to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System (the “Federal Reserve”), the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt. The use of leverage by a Portfolio Company also imposes restrictive financial and operating covenants on a Portfolio Company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of a Portfolio Company will increase the exposure of a Fund’s investments to any deterioration in a Portfolio Company’s condition or its industry, competitive pressures, an adverse economic environment or rising interest rates (which in recent years have been at or near historic lows) and could accelerate or magnify any decline in the value of a Fund’s investment in a leveraged Portfolio Company in a market downturn. In the event any Portfolio Company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in such Portfolio Company, which could adversely affect a Fund’s returns. Additionally, in such a situation, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such Portfolio Company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a portion of a Portfolio Company, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts for such Portfolio Company. If a Portfolio Company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal level of financial leverage, the Funds may hold a larger than expected equity investment in such Portfolio Company and may realize lower than expected returns from such Portfolio Company, which would likely adversely affect the Funds’ ability to generate attractive investment returns for a Fund as a whole. Any failure by lenders to provide previously committed financing could also expose the Funds to potential claims by sellers of prospective Portfolio Companies that the Funds may have contracted to purchase.

The Funds are also permitted to borrow money or guaranty indebtedness (such as a guaranty of a Portfolio Company’s debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. Any use of leverage by the Funds generally also will result in fees, interest expense and other costs to the Funds that may exceed, or otherwise not be covered by distributions made to the Funds or appreciation of their respective investments. The Funds are permitted to incur leverage on a joint and several basis with one or more other investment funds and/or other entities managed by or otherwise affiliated with its General Partner or any of its affiliates and, in connection with incurring such indebtedness, the General Partner reserves the right, in its sole discretion, to cause the respective Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when the Funds were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent the Funds incur leverage or provides any guaranty, such amounts are permitted to be secured by the capital commitments of the Funds’ Investors and other assets of the Funds. The inability of the Funds to repay any

leverage secured by the capital commitments of the respective Fund's Investors could enable a lender to issue a capital call directly to the respective Fund's limited partners which would require such Investors' contributions to be made directly to the lenders instead of the respective Fund.

Use of Credit Facility. The Funds will be permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate commitments available to be called. A Fund's use of such facilities will be determined by the respective General Partner, and the performance of a Fund may be impacted by how the respective General Partner causes a Fund to utilize such facilities. Although the use of such a facility may increase the Funds' ability to swiftly invest capital, it also will cause the Funds to incur interest expense and other costs and subject Limited Partners to certain risks. Fund-level borrowing will result in incremental expenses that will be borne by the Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one- time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the Limited Partners and the terms of the Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. Conflicts of interest have the potential to arise in that the use of such facilities generally will delay the need for Limited Partners to make certain contributions to a Fund, which generally would enhance a Fund's internal rate of return calculations and thereby benefit the marketing efforts of the General Partner and its affiliates. To the extent a particular Limited Partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases a Fund's reported net returns in certain methods of calculation. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Funds nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay Fund expenses without calling capital, potentially for extended periods of time. To the extent provided in the Partnership Agreement, any such borrowing is permitted to remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such

investment, and the interest expense and other costs of any such borrowings will be Fund expenses that decrease net returns of a Fund. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed to the Limited Partners. Accordingly, borrowings by the Fund or Portfolio Companies might support the distribution of proceeds to Limited Partners and increase the potential carried interest for the General Partner; however, the interest incurred due to such borrowing would reduce the carried interest received by the General Partner. Subject to the limitations in the Partnership Agreement, if any, this conflict of interest incentivizes the General Partner to permanently fund the acquisition and ongoing capital needs of investments of the Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

No Market for Interests; Restrictions on Transfer; No Right of Withdrawal. Limited Partner interests in the Funds generally are not permitted to be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of the General Partner, which is permitted to be withheld pursuant to the respective Partnership Agreement, and the General Partner reserves the right to restrict the volume of transfers permitted in any calendar year in order to comply with certain safe harbors under the tax regulations promulgated under the Internal Revenue Code. Voluntary withdrawals from the Funds will not be permitted except in very limited circumstances generally involving situations where retaining an interest in the Funds would violate certain laws or regulations. In addition, interests in the Funds are not redeemable. There will be no public market for interests in the Funds, and none is expected to develop. Interests in the Funds have not been registered under the Securities Act of 1933, as amended (“Securities Act”), the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Funds will ever be effected. Limited Partners may not be able to liquidate their investments prior to the end of the respective Fund’s term and must be prepared to bear the risks of an investment in the respective Fund for an extended period of time.

Investments Longer than Term. The Funds may make investments that may not be advantageously disposed of prior to the date the Funds are dissolved, either by expiration of a Fund’s term or otherwise, or a Fund’s term may be extended to facilitate the wind-down of a Fund. Although the General Partner generally expects that investments will be disposed of prior to dissolution

or be suitable for in-kind distribution at dissolution, the General Partner has a limited ability to extend the term of the Funds, and the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. To the extent that such investments are held in trust, the trust may incur operating and formation expenses. In addition, there can be no assurances with respect to the timeframe in which the winding-up and the final distribution of proceeds to the Limited Partners will occur.

Distributions in Kind. Although, under normal circumstances, prior to the termination of the respective Fund, the Funds intend to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the winding-up of the Funds) distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer may be made in-kind. It may be difficult for Limited Partners to liquidate the investments received at a price or within a time period that is determined thereby to be ideal, and significant administrative burden may be involved. After a distribution of investments is made, the recipients may decide to liquidate such investments within a short period of time, which could have an adverse impact on the price of such investments. Limited Partners in receipt of a distributed investment will have no guidance from the Funds or the General Partner with respect to disposition of such investment (including timing of such disposition). The price at which such investments may be sold by such Limited Partners may be lower than the value of such investments determined pursuant to the respective Partnership Agreement, including the value used to determine the amount of carried interest accruing to the General Partner with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Funds, including decisions with respect to structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Funds, will be vested with the General Partner. Consequently, a Fund's future profitability and investment performance will depend largely upon the business and investment acumen of the Founding Partner. The loss or reduction of service of the Founding Partner could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the Founding Partner currently, and expects in the future to, manage or advise other investments and/or investment funds besides the Funds and the Founding Partner expects that he will need to devote substantial amounts of his time to the investment activities of such other investments and/or funds, which will pose potential conflicts of interest in the allocation of the time of the Founding Partner. Limited Partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the respective General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Funds or one or more of their Portfolio Companies, including potential acceleration of debt facilities. Furthermore, there can be no assurance that the Funds' investments will achieve results similar to those attained by previous investments of the Founding Partner. The Funds' investments may differ from previous investments made by the Founding Partner in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular

company, types of companies within a particular industry sector, amount of leverage used, structure and holding period.

The success of many of the Funds' respective Portfolio Companies is heavily dependent on the management of such companies. Each Portfolio Company's day-to-day operations will be the responsibility of such company's management team. Additionally, the General Partner will generally establish the capital structure of companies in which the Funds invest on the basis of financial projections for such companies, which will contain significant judgment and input from the Portfolio Company management team. Although the General Partner will be responsible for monitoring the performance of each portfolio investment and the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management team, or any successor, will be able or willing to successfully operate a company in accordance with the respective Fund's objectives. Portfolio Companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive. There can be no assurance that the management team of a Portfolio Company on the date a portfolio investment is made will remain the same or continue to be affiliated with the company throughout the period the Portfolio Company is held by the respective Fund. There can be no assurance that Portfolio Companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Funds may be adversely affected thereby.

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

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

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

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

Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities.

Numerous jurisdictions have enacted, or have committed to enact, legislation and administrative guidance requiring the collection and sharing of certain information in order to combat tax avoidance. The United States, pursuant to the Foreign Account Tax Compliance Act (“FATCA”), has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion by U.S. tax residents using foreign accounts. It includes certain provisions on withholding taxes and requires financial institutions outside the United States to collect and share information about their U.S. customers. In addition, the Organization for Economic Co-operation and Development (“OECD”) has published a global Common Reporting Standard for the exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to the Funds and/or alternative investment vehicles, and may require the General Partner to collect and share with applicable taxing authorities information concerning Limited Partners (including identifying information and amounts of certain income allocable or distributable to them). A Limited Partner’s failure to provide required information may result in withholding taxes, government-imposed penalties, expulsion from the Fund and/or alternative investment vehicles or other potential remedies.

Tax Liability Considerations. The Funds may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by a taxing authority, a Limited Partner might be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority’s review of the Funds may result in a review of the returns of some or all of the Limited Partners, which examination could result in adjustments to the tax consequences initially reported by the Funds and affect items not related to a Limited Partner’s investment in the Funds. If such adjustments result in an increase in tax liability for any year, the Funds or one or more of the Limited Partners may also be liable for interest and penalties with respect to the amount due. The legal and accounting costs incurred in connection with any taxing authority’s review of the Funds’ tax returns will be borne by the respective Fund. The cost of any review of a Limited Partner’s tax return will be borne solely by the Limited Partner.

Conflicting Investor Interests. Limited Partners are expected, from time to time, to have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring and timing of investment acquisitions and

dispositions. As a consequence, potential conflicts of interest will arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment, tax and other relevant objectives of the Funds and its Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

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

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have. In light of the heightened regulatory environment in which the Firm operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for Axial Reade and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or the Funds, the General Partner or the Management Company in particular may result in increased expenses associated with the Funds' activities and additional resources of Axial Reade being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for Investors in the Funds or have an adverse effect on the ability of the Funds to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of the General Partner, and may furthermore place the Funds at a competitive disadvantage to the extent that Axial Reade is required to disclose sensitive business information.

As private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has recently been subject to criticism by some politicians, regulators and market commentators. Elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with Portfolio Companies. There can be no assurance that the foregoing will not have an adverse impact on Axial Reade or the Funds or otherwise impede the Funds, activities.

Privacy, Data Protection and Information Security Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations (“Privacy Laws”) in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security- related practices, the collection, use, sharing, retention, destruction and safeguarding of personal data and some of the Funds’ current and planned business activities and, as such, could increase compliance costs for the General Partner, the Funds and/or its Portfolio Companies and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business of the General Partner, the Funds and/or its Portfolio Companies, as well as have a negative impact on the reputation of the Funds and/or its Portfolio Companies.

As Privacy Laws are implemented, interpreted and applied, compliance costs for the General Partner, the Funds and/or its Portfolio Companies are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

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

Other jurisdictions, including the U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws 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 the General Partner, the Funds and/or its Portfolio Companies.

European Union Alternative Investment Fund Managers Directive. The AIFMD regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (the “EEA”). To the extent that the Funds are actively marketed to investors domiciled or having their registered office in the EEA: (i) the Funds, the respective General Partner and/or the Management Company will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Funds incurring additional costs and expenses; (ii) the Funds, the respective General Partner and/or the Management Company may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Funds incurring additional costs and expenses or may otherwise affect the management and operation of the Funds; (iii) the Funds, the respective General Partner and/or the Management Company will be required to make detailed information relating to the Funds and its investments available to regulators and third parties; and (iv) the AIFMD will restrict certain activities of the Funds in relation to EEA Portfolio Companies (including, in some circumstances, the Funds’ ability to recapitalize, refinance or potentially restructure an EEA Portfolio Company within the first two years of ownership), which may in turn affect operations

of the Funds generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Funds to raise its target amount of commitments.

United Kingdom Exit from the European Union. On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU (“Brexit”). The United Kingdom formally left the EU on January 31, 2020 at 11:00 pm after which it entered the transition period, which ended on December 31, 2020. During the transition period, the majority of the existing EU rules applied in the United Kingdom.

On December 24, 2020, the United Kingdom government and the EU Commission provisionally agreed to a trade and cooperation agreement governing their future relationship, which has been ratified by the United Kingdom Parliament and the EU Parliament.

Although the terms of the United Kingdom’s future relationship with the EU have been agreed, the terms of the trade and cooperation agreement are silent on financial services and there is still uncertainty as to the extent to which United Kingdom businesses will have access to the EU single market, and the extent to which EU businesses have access to the United Kingdom market. There is also a risk of significant disruption to trade between the United Kingdom and the EU, particularly in the initial period following the end of the transitional period and the implementation of the new trade arrangements. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on the Funds and its investments, including the ability of the Funds to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the United Kingdom’s exit from the EU may adversely affect both EU and United Kingdom-based businesses. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the United Kingdom and in one or more EU member states.

Registration under the U.S. Commodity Exchange Act. Registration with the U.S. Commodity Futures Trading Commission (“CFTC”) as a “commodity pool operator” or as a “commodity trading advisor” or any change in a Fund’s operations necessary to maintain the General Partner’s ability to rely upon the exemptions from registration could adversely affect the Fund’s ability to implement its investment program, conduct its operations and/or achieve its objectives and subject the Fund to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the General Partner to cease or to limit investing in interests which may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on the Funds’ ability to implement its investment objectives and to hedge risks associated with its operations.

Sanctions Compliance Considerations. Economic sanction laws in the United States and other jurisdictions prohibit or otherwise restrict the General Partner, a Fund, its Portfolio Companies and their respective officers, directors and employees from engaging in transactions in or relating to certain countries and relating to certain individuals and entities. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and U.S. Department of State administer and enforce laws, executive orders and regulations establishing U.S. economic

and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These persons and entities include specially designated nationals and other persons and entities targeted by OFAC sanctions programs. The lists of OFAC restricted countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions and similar laws and regulations in non-U.S. jurisdictions may significantly restrict the Fund's direct or indirect investment activities in certain countries. The economic sanctions and related laws of different jurisdictions in which a Fund makes investments also may conflict with one another, such that compliance with all applicable laws may be difficult. Failure by the General Partner, a Fund or any of a Fund's Portfolio Companies to comply with OFAC or other relevant sanctions could have serious legal and reputational consequences, including civil and criminal penalties.

Anti-Corruption and Anti-Boycott Considerations. The U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act ("UKBA") and other anti-corruption and anti-bribery laws, as well as U.S. anti-boycott regulations may impact the respective General Partner, the Funds and the Funds' Portfolio Companies. The Funds may be adversely affected or miss out on opportunities because of the General Partner's unwillingness to participate in transactions that potentially violate such laws and regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities or to obtain or retain business. In recent years, U.S. regulators have been increasingly focused on private equity sponsors' compliance with the FCPA. Any determination that the respective General Partner, the Funds, the Funds' Portfolio Companies or any of their respective officers, directors or employees has violated the FCPA, the UKBA or other applicable anti-corruption laws, anti-bribery laws or U.S. anti-boycott regulations, could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of Investor confidence, any one of which could adversely affect the Funds' business prospects and/or financial position, as well as its ability to achieve its investment objectives and/or conduct its operations.

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

Over-Commitment. In order to facilitate the acquisition of a Portfolio Company, the Funds reserve the right to make (or commit to make) an investment in such company with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after the closing of the acquisition. In such event, the Funds 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 and that, as a consequence, the Funds may bear the entire portion of any break-up fee or topping or other fees, costs and expenses related to such investment, hold a larger than expected investment in such Portfolio Company or may realize lower than expected returns from such investment.

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

Hedging Arrangements; Related Regulations. The General Partner is permitted (but is not obligated) to endeavour to manage a Fund's or any Portfolio Company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging

arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the CFTC or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the Fund or a Portfolio Company to hedge its exposures becomes limited by such requirements.

Significant Adverse Consequences for Default. The Funds' respective Partnership Agreements provide for significant adverse consequences in the event a Limited Partner defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting Limited Partner may be forced to transfer its interest in a Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. Whether and how to exercise the General Partner's remedies against a defaulting Limited Partner will be in the sole discretion of the General Partner, and the General Partner reserves the right to require the non-defaulting Limited Partners to contribute capital to make up for the shortfall created by such defaulting Limited Partner.

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

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

Failure to Make Capital Contributions. If a Limited Partner fails to pay when due installments of its Commitment to a Fund, and the contributions made by non-defaulting Limited Partners and borrowings by a Fund are inadequate to cover the defaulted amount, a Fund may be unable to pay

its obligations when due. As a result, the Funds may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners).

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

Minority Investors. In addition to the McChrystal Group participation as described below, it is possible that a third-party could acquire a minority ownership interest in the General Partner, the Management Company and/or an affiliate thereof. The existence of a minority investor could raise certain potential conflicts of interest. Specifically, a minority investor may be an Investor, or subsequently invest, in the Funds or another Axial Reade-advised fund and have minority economic interests in the General Partner and/or the Management Company and, in such capacity, would be entitled to receive a portion of the carried interest and/or a portion of the net income to which Axial Reade would otherwise be entitled. Axial Reade does not expect that any minority investor would be involved in the management of a Fund, the General Partner or the Management Company. The existence of these minority economic interests could diminish the alignment of a minority investor's interests with the other Fund Investors. Additionally, a minority investor may have relationships with other investment vehicles and accounts that could give rise to potential conflicts of interest. For example, a minority investor and/or its affiliates may sponsor, advise, underwrite, manage or invest in other investment vehicles and accounts that pursue investment strategies similar to those of the Funds. Such activities could adversely affect the Funds; for example, a minority investor and/or its affiliates may compete with the Funds for investment opportunities, and Axial Reade expects that a minority investor would be under no obligation to share any investment opportunity, idea or strategy with the Funds, the General Partner or the Management Company. Such considerations also generally apply to the McChrystal Group participation as described below.

Recycling; Reinvestment. The General Partner generally has the right to recall certain capital returned or distributed to the Partners. Accordingly, during the term of a Fund, a Partner may be required to make capital contributions in excess of its commitment (subject to certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, a Partner will remain subject to investment and other risks associated with such investments.

Fees and Expenses. The Funds will pay and bear all expenses related to its operations, including Management Fees and the costs of holding, monitoring, maintaining and disposing of Portfolio Companies, including investment banking fees and consulting fees, whether or not the Funds make any profits. While it is difficult to predict the future expenses of the Funds, such expenses are expected to be substantial and may surpass the Funds' operating income. The amount of a Fund's expenses will reduce the actual returns realized by Limited Partners on their respective investments in a Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by a Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of Fund expenses ultimately called or called at any one time may exceed expectations.

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

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

Distressed Investments. The respective General Partner reserves the right to cause the Funds to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a Portfolio Company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Funds may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Funds invested.

Non-Controlling Investments. The Funds may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if the Portfolio Companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling

stakes. Where the Funds holds a minority stake, it may be more difficult for the Funds to liquidate its interests than it would be had the Funds owned a controlling interest in such company. Even if the Funds have contractual rights to seek liquidity of the Funds' minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Funds, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

To the extent the Funds invest alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant Portfolio Companies may be controlled or influenced by persons and/or entities who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or the Limited Partners. Such third parties may be in a position to take action contrary to the Funds' business, tax or other interests, and the Funds may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, the Funds generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that the Funds will be able to control the timing or occurrence of an exit strategy for such Portfolio Companies in a manner that maximizes or protects value.

Director Liability. The respective General Partner expects that the Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests (each, a "Board Representative"). In those instances where the Funds are not the sole shareholder of the applicable Portfolio Company, a Board Representative may have duties to persons and/or entities other than the Funds. Serving on the board of directors (or similar governing body) of a Portfolio Company will expose a Board Representative, and ultimately the Funds, to potential liability. Not all Portfolio Companies may obtain insurance with respect to such liability, and the insurance that Portfolio Companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

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

Litigation. The transactional nature of the business of the Funds exposes the Funds, the respective General Partner and their respective affiliates generally to the risk of third-party litigation. In the ordinary course of its business, the Funds may be subject to litigation from time to time. Additional regulation could also increase the risks of third-party litigation. The outcome of such proceedings may materially adversely affect the value of the Funds and may

continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Founding Partner's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

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

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Fund as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. Additionally, Congress has considered proposed legislation that (among other carried interest proposals) would increase from three to five years the holding period for carried interest to qualify for capital gains treatment and make other changes intended to prevent avoidance of the holding period rules. Such existing rules, as well as any such legislation that may be enacted in the future, could reduce the after-tax returns of individuals associated with the Fund, the Management Company, or the General Partner who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. This could also create an incentive for the Founding Partner to cause the Fund to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

Changes in Tax Laws. All statements contained herein concerning the U.S. federal income tax (or other tax) consequences of an investment in the Fund are based on existing law and interpretations thereof. Changes in U.S. federal income (or other) tax laws could materially affect the tax consequences of a Limited Partner's investment in a Fund, and the tax treatment of the Funds' Portfolio Companies. While some of these changes could be beneficial, others could negatively affect the after-tax returns of the Funds and the Limited Partners. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in the Fund, or of investments made by the Fund, will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the Limited Partners.

Tax and Distributions; Phantom Income. The Funds are expected to be treated as a partnership for U.S. federal income tax purposes. As a partnership, a Fund will not itself be subject to U.S. federal income tax, and each Limited Partner will be taxed on its share of taxable income from a Fund, regardless of whether it has received any distributions from a Fund. Such taxable income (i.e., taxable income without an accompanying cash distribution) is commonly referred to as "phantom" or "dry" income. Due to possible differences between the allocation of gain or income for any tax purposes and distribution of cash relating to gain or income (including possible timing differences), there can be no assurance that Investors who are subject to tax on

the allocated gain or income will receive distributions sufficient to satisfy their tax liabilities fully. Further, there can be no assurance that the Funds will have sufficient cash flow to enable it to make distributions in the amount necessary for payment of all tax liability resulting from that Investor's ownership of an interest in the Funds. Accordingly, each Limited Partner should ensure that it has sufficient reserves or cash flow from other sources to pay all tax liabilities resulting from such Limited Partner's ownership of interests in the Funds. Prospective investors are urged to consult their own tax advisors with specific reference to their own situations concerning an investment in the Funds.

U.S. Federal Income Tax Liability Resulting from IRS Audits. U.S. federal income taxes arising from a U.S. Internal Revenue Service ("IRS") audit of a Fund will be paid by the respective Fund absent an election to the contrary. In addition, a "partnership representative" will have the power to act on behalf of the Funds and the Partners in all IRS audits and other proceedings involving the Funds' U.S. federal income, loss, deductions and credits. The partnership representative has considerable authority to make decisions affecting the tax treatment and procedural rights of all Partners.

Delayed Tax Information. The Funds may not be able to provide final tax filing information to Limited Partners for any given fiscal year until after the initial tax filing deadlines for Limited Partner tax returns. Accordingly, Limited Partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own advisors as to the advisability and tax consequences of an investment in the Funds.

State, Local and Non-U.S. Taxes. Limited Partners may be subject to state, local, and non-U.S. taxes in jurisdictions in which Funds directly or indirectly invest or operate or in which their Portfolio Companies operate. Limited Partners may also be required to file tax returns in such jurisdictions.

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

General Economic and Market Conditions. The private equity industry generally and the success of the Funds' investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and

international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the Funds' Portfolio Companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007, the downgrading of the credit rating of the U.S. in 2011 or the recent downturn in the U.S. and global financial markets, which, among other things, can impact the public market comparable earnings multiples used to value privately held Portfolio Companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in Portfolio Companies and the Funds' performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Funds to sell and/or partially dispose of its Portfolio Company investments. Such adverse effects may include the requirement of the Funds to pay break-up, topping, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the respective General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support its investment objective.

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

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

SPAC Investments. Axial Reade and/or one or more of its affiliates (including, potentially, the Funds) is permitted to participate in one or more entities (each such entity, a “SPAC Sponsor”) that is formed for the primary purpose of forming, sponsoring, controlling and/or managing a publicly-traded special purpose acquisition company (a “SPAC”). Each SPAC will register its shares with the SEC in an initial public offering and seek to use the funds raised in such offering to effect a business combination and, thereafter, operate as a public company. To the extent a SPAC is sponsored by a SPAC Sponsor owned by a Fund (either entirely or in part), a Fund will be required to contribute significant capital to the SPAC, including in respect of underwriting fees, deal expenses and working capital (collectively, the “at-risk capital”). If, following a SPAC’s initial public offering, the funds held in a SPAC’s trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans from its SPAC Sponsor or its management team (which management team could include employees (including the Founding Partner), advisors and/or consultants of Axial Reade and/or its affiliates to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If a Fund does not control the SPAC Sponsor, there can be no assurance that the other owners of the SPAC Sponsor will loan the SPAC sufficient capital to fund the SPAC’s continued search for a suitable target. If a SPAC Sponsor (including any SPAC Sponsor owned, entirely or in part, by a Fund) loans any amounts to its applicable SPAC, a Fund (if applicable) may bear a significant amount of the risk of any such loan and any related expenses. There can be no assurance or guarantee that any SPAC will be able to identify a suitable target business and consummate an initial business combination within the limited completion window of 18-24 months established in connection with the SPAC’s initial public offering, and in such case, the SPAC will be forced to cease operations and liquidate, any loans it received (including indirectly from a Fund) will not be repaid and the SPAC Sponsor (including any SPAC Sponsor owned, entirely or in part, by a Fund) will lose the at-risk capital it contributed, which may be substantial. Moreover, following the initial public offering of a SPAC, the trading price of its securities may materially increase or decrease, whether before or after the initial business combination, and none of Axial Reade, a Fund, the General Partner, the applicable SPAC Sponsor or any of their respective affiliates will be able to control or predict the movement of such price. The Funds could also make a direct investment in connection with the initial business combination transaction of a SPAC (including a SPAC sponsored by Axial Reade, its Founding Partner or their respective affiliates).

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

Conflict of Interest. Investors should be aware that various actual and potential conflicts will arise from the overall investment activities of the Funds, the respective General Partner and their

respective affiliates. The following discussion identifies certain potential conflicts of interest that should be carefully considered before making an investment in a Fund. In addition, investors should be aware that the respective General Partner, the Management Company and their respective personnel might in the future engage in further activities that result in additional conflicts of interest not addressed in the offering documents. There can be no assurance that the respective General Partner or the Management Company will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds.

In connection with managing multiple investment vehicles and/or funds, the Founding Partner and the respective General Partner's investment staff expect to spend a portion of their business time and attention pursuing investment opportunities for each of its investment vehicles and/or funds. The Founding Partner and the respective General Partner's investment staff will continue to manage and monitor such other investment vehicles, funds and/or investments. The respective General Partner believes that the significant investment of the Founding Partner in each of the Funds, as well as the Founding Partner's interest in the carried interest, operate to align, to some extent, the interest of the Founding Partner with the interest of the Partners of each Fund, although the Founding Partner currently has, and in the future could obtain, economic interests in other investment vehicles, funds and/or investments as well and receive management and other fees and carried interests relating to such investment vehicles, funds and/or investments. At such time as the General Partner is permitted to commence the operations of a new investment Fund, the Founding Partner will continue to manage the Funds' investments, but also will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments are permitted to be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the respective Partnership Agreement.

Until such time as the General Partner is permitted under the Partnership Agreement to commence operations of a new investment Fund, the Founding Partner generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of a Fund principally for the benefit of a Fund, subject to certain exceptions set forth in the Partnership Agreement. However, the Founding Partner currently, and in the future expects to, manage several other investment vehicles, funds and/or investments besides the Funds and investments similar to those in which the Funds will be investing and, in certain instances, will be authorized to direct certain relevant investment opportunities to those investment funds and investments. Over time, certain investment opportunities suitable for the Funds are likely also to be suitable for other investment funds sponsored by the General Partner or its affiliates. In determining which investment funds should participate in such investment opportunities, subject to the Partnership Agreement, the General Partner, the Founding Partner and their affiliates are subject to potential conflicts of interest between the Funds. To determine whether a Fund will participate in the relevant investment opportunity, the General Partner generally assesses whether an investment opportunity is appropriate for each relevant fund based on the terms of such fund's limited partnership agreement or similar governing document, as well as factors including, but not limited to: the respective fund's available capital, each fund's investment restrictions and objectives (including those set forth in the relevant fund's partnership agreement or similar governing document (including side letters), if any), strategy, risk profile, sourcing, structural and operational considerations of the relevant fund, investment limitations, target rate of return,

composition of each fund's portfolio, target investment size, suitability as a follow-on investment for current Investors, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification considerations, cash level (if any), tax and regulatory considerations, life cycle, structure size and nature of investment, anticipated duration/hold period and other relevant factors (including agreements with co-sponsors). The Funds are authorized to invest together in the manner set forth in the relevant partnership agreements or similar governing documents. The General Partners will determine the allocation of investment opportunities among Funds in a manner that they believes is fair and equitable under the circumstances over time consistent with the General Partners' obligations and, in connection with such determination, the General Partners are permitted to take into consideration factors such as those set forth above. In the event that the General Partner determines that the available amount of an investment opportunity in which the Funds will invest exceeds an amount appropriate for a Fund, such excess is permitted to be offered to one or more potential co-investors.

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

Additionally, conflicts of interest can arise if a Fund makes an investment in a Portfolio Company in conjunction with an investment made by another Axial Reade-advised fund. For instance, it is possible that a Fund will not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This has the potential to result in differences in price, investment terms, leverage and associated costs between the Funds. The Funds and the other investing fund(s) generally will not be required to exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to each Fund.

The General Partners will be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. The General Partners, in their sole discretion, will allocate fees and expenses in accordance with the respective Partnership Agreements and in a manner that they believe in good faith is fair and equitable to the Funds under the circumstances over time and considering such factors as it deems relevant. The allocations of such expenses will not always be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on the number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size.

The Funds intend to make controlling investments in Portfolio Companies. As a result of these significant investments, the Funds anticipate that they will have the right to appoint Portfolio Company board members (including current or former General Partner personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, Portfolio Company board members approve compensation and other amounts payable to the General Partner in connection with services provided by the General Partner and its affiliates to such Portfolio Company and, except to the extent such amounts are subject to the respective Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. The General Partner's authority to appoint or influence the appointment of Portfolio Company board members who are likely to be involved in approving compensation payable to the General Partner subjects the General Partner and any such Portfolio Company board appointees to potential conflicts of interest.

Additionally, a Portfolio Company typically will reimburse the General Partner or service providers retained at the General Partner's discretion for expenses (including travel expenses) incurred by the General Partner or such service providers in connection with the performance of services for such Portfolio Company. This subjects the General Partner to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the respective Partnership Agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion.

The General Partner is also permitted to employ personnel with pre-existing ownership interests in or who were employed by Portfolio Companies owned by the Funds or other funds or investment vehicles advised by the General Partner or an affiliate; conversely, former personnel or executives of the General Partner could potentially serve in significant management roles at Portfolio Companies or service providers recommended by the General Partner. Similarly, the General Partner and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, and their respective affiliates and personnel, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees and current and former Portfolio Company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the General Partner and/or the Funds, other funds or other investment vehicles the General Partner or an affiliate advises. The General Partner will have a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to the Fund or a Portfolio Company owned by a Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds the General Partner or an affiliate advises, will provide the General Partner information about markets and industries in which the General Partner operates (or is contemplating operations) or will provide other services that are beneficial to the General Partner. The General Partner will have a potential conflict of interest in making such recommendations, in that the General Partner

has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds and other funds and investment vehicles that the General Partner or an affiliate advises, while the products or services recommended may not necessarily be the best available to the Portfolio Companies held by the Funds.

Over the life of the Funds, the respective General Partner generally expects to exercise its discretion to recommend to the Funds or to a Portfolio Company thereof that it contract for services with various service providers, potentially including, among others: (i) the General Partner (or an affiliate, including other Portfolio Companies of the Funds or another Fund) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates. This subjects the General Partner to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance Portfolio Company performance, the General Partner will have an incentive to recommend the related or other person or entity because of its financial or business interest. Additionally, there is a possibility that a General Partner, because of such incentive or for other reasons (including whether the use of such persons or entities could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner or the Funds, will favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person or entity. Whether or not the General Partner has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The fact that the General Partner's carried interest is based on a percentage of net profits creates an incentive for the General Partner to cause the Funds to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because each Fund has a fixed investment period after which capital from Limited Partners generally can only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of a Fund, calculated based upon the amount of capital invested by the Fund, the Management Fee structure creates an incentive for the General Partner to deploy capital when it might not otherwise have done so. Additionally, current U.S. federal income tax law extends the minimum holding period to obtain long-term capital gains treatment with respect to carried interest from one year to three years. Such tax laws may create a further incentive for the General Partner to hold an investment for a longer period.

Special Purpose Acquisition Companies. Axial Reade, its Founding Partner, partners, employees and/or one or more of their respective affiliates may sponsor and/or provide other services and capital to SPACs and the companies they acquire in the future. While Axial Reade does not generally believe that any such SPAC and a Fund will pursue the same investment opportunities, it is possible that the market conditions or the companies' priorities could change and that certain opportunities that could be viewed as appropriate for the Funds could be appropriate for or pursued by a SPAC. As such, any SPAC formed by Axial Reade, its Founding Partner, partners, employees and/or one or more of their respective affiliates has the potential

to compete with the Funds' Portfolio Companies for investments (e.g., add-on investments). While the organizational documents of SPACs typically contain waivers of provisions requiring their sponsors to present to them investment opportunities, Axial Reade and/or its affiliates and personnel are likely to have obligations to pursue certain acquisitions through any SPACs they sponsor. In the event an investment opportunity is suitable for a SPAC and a Fund, Axial Reade will make an allocation decision as described above. In addition, a Fund could co-sponsor a SPAC together and/or participate in an initial business combination alongside a SPAC sponsored by certain other Axial Reade Funds and/or Axial Reade, its employees (including the Founding Partner), advisors and/or consultants, members of the Operations Group and each of their respective affiliates. Axial Reade will be subject to conflicts of interests in determining whether to cause a Fund to participate in an investment alongside any SPAC sponsored by such other Axial Reade Funds and/or Axial Reade, its Founding Partner, partners, employees and their respective affiliates since ensuring sufficient demand for the SPAC prior to its initial business combination will directly impact the return of such other Axial Reade Funds and/or Axial Reade, its Founding Partner, partners, employees and their respective affiliates that are sponsoring the SPAC.

Axial Reade employees (including the Founding Partner), advisors and/or consultants of Axial Reade and/or its affiliates and individual members of the Operations Group (for the purposes of this paragraph, "Axial Reade personnel") have the right to serve in director, executive or consulting roles with respect to SPACs, which will require a portion of their time. Any SPAC formed by Axial Reade or its affiliates is expected to provide the Axial Reade personnel involved with such SPAC with substantial economic incentives, including incentive equity, stock, options, warrants and/or other interests that have the potential to be more favorable than those associated with the Funds. This has the potential to reduce such the incentive of Axial Reade personnel to dedicate time and resources to the Funds and instead to dedicate time and resources to, or otherwise sponsor, SPACs and potentially to favor SPACs in making investment allocation decisions.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by (i) Axial Reade employees, (ii) Portfolio Company directors, officers or employees, and (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of the Funds and/or the respective General Partner and cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to the Funds. Axial Reade has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

Certain Consultants. The General Partner expects to use, retain or employ, on behalf of the Funds and/or the Portfolio Companies, operators and other individuals and/or companies, as applicable (“**Special Consultants**”), which are permitted to be affiliates of the respective General Partners, employees of such affiliates, Portfolio Companies of another Fund, third party consultants, “operating executives”, “strategic partners,” “executive partners” or “senior advisors” (any of which may be members of the Operations Group). The Special Consultants are expected to regularly provide services to, or in connection with, the Funds in relation to their activities, or to one or more Portfolio Companies or potential portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such Portfolio Companies or potential portfolio companies, including operational aspects of such companies (“**Services**”).

Pursuant to the respective Partnership Agreement, compensation, fees and certain expenses associated with the Services (collectively, “**Consulting Fees and Expenses**”) with respect to certain of the Special Consultants (including Operations Group members employed or retained by Axial Reade) are intended to be paid and/or reimbursed by applicable Portfolio Companies and/or the Fund, and such Consulting Fees and Expenses are not included as “Transaction Fees” and do not reduce or offset the Management Fee or carried interest payable to Axial Reade. Consulting Fees and Expenses with respect to certain of the Special Consultants are expected to include cash fees, transaction fees, profits or equity interests in the Funds, the respective General Partner or a Portfolio Company, a share of proceeds upon sale of a Portfolio Company, benefits, personnel costs and other indicia of employment, retainer fees, consulting fees, remuneration from the Management Company and/or the Funds or their affiliates, guaranteed minimums, other incentive equity and stock awards and/or other compensation to such Special Consultants, which will be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Special Consultants, a percentage of the value of the Portfolio Company, the invested capital exposed to such Portfolio Company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such Portfolio Company. Additionally, Special Consultants may have the opportunity to invest in one or more Portfolio Companies and such Portfolio Companies may reimburse costs and expenses incurred by Special Consultants. A Special Consultant also may receive remuneration from a General Partner and/or a Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in Portfolio Companies. Such investment opportunities, reimbursements and other compensation paid to certain of the Special Consultants will not offset or reduce the Management Fee or carried interest payable to Axial Reade. Special Consultants may have a limited partner or profit interest in the Fund, a General Partner, one or more other investment funds sponsored or advised by that General Partner or in an affiliate of that General Partner. Although the General Partners intend to retain Special Consultants with a view to reducing costs to Portfolio Companies (and, ultimately, the Fund) and/or improving Portfolio Company performance, a number of factors may result in limited or no cost savings from such retention. In addition, General Partners intend to retain only such Special Consultants which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, 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.

In addition, Portfolio Companies of the Funds may pay certain of the Special Consultants to perform Services that, directly or indirectly, benefit Axial Reade, its affiliates, other Axial Reade-advised funds and/or Portfolio Companies of other Axial Reade-advised funds. Consequently, Axial Reade, its affiliates and/or Portfolio Companies of other Axial Reade-advised funds may receive Services without being charged or at rates that are lower than the rates borne by a particular Fund or its Portfolio Companies. Conversely, Portfolio Companies of a Fund may benefit from Services that are paid for by Axial Reade, its affiliates and/or Portfolio Companies of other Axial Reade-advised funds. Likewise, certain other Axial Reade-advised funds may pay certain of the Special Consultants (including individual members of the Operations Group) to perform Services that, directly or indirectly, benefit Axial Reade, its affiliates, the Funds and/or Portfolio Companies of the Funds. There can be no assurance that any given Fund or its Portfolio Companies will receive benefits paid for by other Axial Reade-advised funds or their Portfolio Companies that are commensurate to the benefits received by such other Axial Reade-advised funds and their Portfolio Companies that are paid for by the Fund or its Portfolio Companies.

McChrystal Group. The McChrystal Group (“MG”) is a service firm affiliated with Stanley McChrystal and Barry Sanders, strategic partners of Axial Reade. Mr. McChrystal, Mr. Sanders and/or MG are expected to receive, directly or indirectly, a portion of the fees or carried interest payable by Investors in the Funds. In addition, the Funds and/or any Portfolio Company is permitted to engage MG as a service provider. In exchange for such services, MG is expected to receive compensation, which could be in the form of fees, expense reimbursement and/or the granting of an interest in any Portfolio Company. Any such compensation will not result in offsets to or reductions of the management fee payable by Investors in the Funds or otherwise be shared with the Funds.

Unfunded Pension Liabilities of Portfolio Companies. A recent court decision found that, in certain circumstances, an investment fund could be treated as a “trade or business” for purposes of determining pension liability under ERISA. Therefore, where an investment fund owns 80% or more (or possibly, under certain circumstances, less than 80%) of a portfolio company, such investment fund (and any other 80%-owned portfolio companies of such investment fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. A Fund may, from time to time, invest in a Portfolio Company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a Portfolio Company. If a Fund (or other 80%-owned Portfolio Companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invest.

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

gives rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.

Co-Investments. Each General Partner reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest have the potential to arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of a Fund or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, including with respect to allocating a particular investment to and among potential co-investors and determining the terms thereof, the General Partner reserves the right to consider some or all of a wide range of factors (some or all of which may benefit the General Partner or its affiliates), including, but not limited to: (i) the ability of a potential co-investor to react promptly to a co-investment opportunity; (ii) any strategic advantages that may result from a potential co-investor's participation in a co-investment opportunity; (iii) a potential co-investor's commitment to a Fund and/or commitment to one or more other Axial Reade-advised funds; (iv) the likelihood that a potential co-investor may invest in a Fund and/or future Axial Reade-advised funds; (v) the potential co-investor's investable assets relative to the size of the co-investment opportunity; (vi) tax, regulatory and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); (vii) confidentiality concerns that may arise in connection with providing the potential co-investor with specific information relating to the co-investment opportunity; (viii) whether the potential co-investor's participation in an investment opportunity may subject the potential co-investor to legal, regulatory, reporting or other burdens that make it less likely that the potential co-investor would act upon the investment opportunity if offered or would impair Axial Reade's ability to execute the relevant transaction in the desired time or on desired terms; (ix) the size of the investment allocation available to Axial Reade (and not being allocated to Axial Reade's funds), and practicality of splitting the allocation into smaller tranches; (x) third-party lender requirements; and/or (xi) whether Axial Reade believes that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to Axial Reade or its Funds. Furthermore, the General Partner reserves the right 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 co-sponsor. Additionally, from time to time, certain service providers (e.g., lenders) are expected to seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to Axial Reade, the Funds or a Portfolio Company in connection with the services provided. Co-investment opportunities typically will be offered to some and not to other Limited Partners. The General Partner's allocation of co-investment opportunities generally will not result in allocations that are proportional to the amounts committed, if any, by the relevant potential co-investors to the Fund, any other Axial Reade-advised funds or any other co-investment vehicle, and such allocations generally will be more or less advantageous to some persons or entities than to others.

The Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments have the potential to involve risks not present

in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

The General Partner reserves the right, in its sole discretion, to charge a management fee and/or obtain a carried interest in respect of any co-investment. As a result of the fact that co-investments alongside the Funds will not be made through the Funds, any fees or other co-investor related compensation (including fees of the type included in the definition of "Transaction Fees") received in connection with co-investments will not arise out of the investment activities of the Funds or actions taken directly or indirectly by Axial Reade on behalf of the Funds and, therefore, none of such fees or other co-investor-related compensation will offset or otherwise reduce the Management Fee. Any such fees may be retained by the General Partner and/or any of its affiliates.

To the extent that another Axial Reade fund co-invests or commits to co-invest alongside the Funds, any fees of the type included in the definition of "Transaction Fees" with respect to such co-investment or potential co-investment will be allocated among the Funds and such other fund pro rata (based on the cost of such co-investment or potential co-investment held or proposed to be held by each), or in such other manner as the General Partner and the relevant other fund mutually agree.

For the avoidance of doubt, the respective General Partner reserves the right, in its sole discretion, to structure any co-investment opportunity such that the proposed participants in such co-investment opportunity do not bear any broken deal expenses, with the result that the Funds will bear all such broken deal expenses. In most cases, the General Partner does not expect that proposed participants in co-investments will bear broken deal expenses. Consequently, the Funds are expected to bear all such broken deal expenses.

In the event that a transaction in which a co-investment was to be sought ultimately is not consummated, all obligations, liabilities and out-of-pocket fees (including any break-up fees), costs and expenses relating to such unconsummated transaction are expected to be borne by the Funds, and not by any potential or expected co-investors, subject to any restrictions set forth in the Partnership Agreement.

To the extent that any other fund or any other entity or individual co-invests alongside a Fund or Funds in any Portfolio Company investment, Transaction Fees are expected to be allocated to such co-investors and/or related by the General Partner and/or any of its affiliates. Accordingly, the Funds will, in most cases, only benefit from the Management Fee reduction described above with respect to its allocable portion of any such Transaction Fee and not the portion of any fee allocable to any co-investor (which could include co-investment vehicles managed by Axial Reade, third parties, Portfolio Company management or employees and/or others) in a Portfolio Company, which have the potential to be significant.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Funds and/or the respective General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties (e.g., about the business and financial affairs of the applicable Portfolio Company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses), and may be responsible for the content of disclosure documents under applicable securities laws. The Funds and/or the respective General Partner may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Funds and, ultimately, their Investors. In such a situation, the Limited Partners may be required to return distributions received by them to pay such indemnification obligations, subject to certain limitations provided in the respective Partnership Agreement. Furthermore, each Limited Partner that receives a distribution in violation of the Partnership Act will, under certain circumstances, be obligated under the Partnership Act to recontribute such distribution to the Fund.

Limited Access to Information. The Limited Partners' rights to information regarding the Funds, the respective General Partner or Axial Reade generally will be specified, and in many cases strictly limited, by the respective Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to the Limited Partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Axial Reade's control. Decisions by Axial Reade or its affiliates to withhold information may have adverse consequences for the Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor Axial Reade and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on the Advisory Board generally may, by virtue of such participation, have more or earlier information about the Funds and their investments in certain circumstances than other Limited Partners. Limited Partners 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 Funds succeed in asserting confidentiality for requested documents and other materials, and Axial Reade reserves the right to withhold certain information from Investors subject to such laws for reasons relating to Axial Reade's public reputation, business strategy or other reasons.

Cybersecurity Risks and Identity Theft. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. The Funds and their Portfolio Companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquake. Although the respective General Partner intends to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the respective General Partner, the Funds and/or a Portfolio

Company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the respective General Partner's, the Funds' and/or a Portfolio Company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm the respective General Partner's, the Funds' and/or a Portfolio Company's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions or otherwise affect their business and financial performance. To the extent that a Portfolio Company is subject to cyber-attack or other unauthorized access is gained to a Portfolio Company's systems, such Portfolio Company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or Portfolio Company financial information; (iii) Portfolio Company software, contact lists or other databases; (iv) Portfolio Company proprietary information or trade secrets; or (v) other items. In certain events, a Portfolio Company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a Portfolio Company, or the Funds, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the General Partner or one of its affiliates or service providers holding its financial or Investor data, the General Partner, its affiliates or a Fund may also be at risk of loss.

Agreements with Certain Investors. The Funds and/or the respective General Partner expect to enter into a side letter or other similar agreement with certain Limited Partners in connection with its admission to a Fund without the approval of any other Limited Partner, which would have the effect of establishing different or preferential rights or terms under, altering or supplementing the terms of, or confirming the interpretation of an applicable Fund document (including the Partnership Agreement and any related subscription agreement) with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners, and such rights may be significant. Such rights, terms or confirmations in any such side letter or other similar agreement may include (i) excuse, exclusion or withdrawal rights applicable to particular investments or Limited Partners (which may increase the percentage interest of other Limited Partners in, and contribution obligations of other Limited Partners with respect to, certain investments); (ii) reporting obligations of the General Partner; (iii) waiver of certain confidentiality obligations; (iv) consent of the General Partner to certain transfers by such Limited Partner; (v) priority co-invest rights or targeted co-investment amounts, (vi) different fees structures (including discounted or rebated compensation terms) or (vii) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such Limited Partner. It is expected that certain Investor(s) will receive preferential economic terms compared to other Investors based on the size of such Investor's investment and any other factors determined relevant by the General Partner. Side letters may also relate to strategic relationships under which a Limited Partner agrees to make capital commitments to multiple Axial Reade-advised funds. Except where required by the Partnership Agreement, other Limited Partners will not receive copies of side letters or related provisions, and as a general matter, the other Limited Partners have no recourse against the respective General Partner, the Funds or any of their affiliates in the event that certain Limited Partners have received additional and/or different rights and/or terms as a result of such side letters.

Disclosure of Confidential Fund and Investor Information. The Limited Partners are expected to include entities that are subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding a Fund, its investments and its Investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. A Fund may incur expenses in connection with responding to any such disclosure requests, even if the Fund ultimately succeeds in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the Limited Partners will have pursuant to the Partnership Agreement to maintain the confidentiality of the Fund's information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise. The respective General Partner also reserves the right, in certain circumstances, in an effort to protect any such potential disclosure, to withhold all or any part of the information otherwise to be provided to such a Limited Partner, as more fully described in the Partnership Agreement. There can be no assurance that such information will not be disclosed by the Funds, the respective General Partner, Axial Reade, their affiliates and personnel, Portfolio Companies or service providers to any of them including to comply with laws, regulations or policies to which they are or may become subject. In addition, under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has the authority to require private equity fund advisers, such as Axial Reade, to file additional reports with the SEC regarding their funds and investment activities. Any public disclosure of Fund information could have an adverse effect on a Fund and its Investors, for example, by affecting a Fund's competitive advantage in finding attractive investment opportunities.

LIBOR, and Other Benchmark Interest Rates. To the extent the Funds' investments (whether made, acquired or otherwise) are subject to a variable interest rate based on (or calculated with reference to) the London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate ("EURIBOR"), the Canadian Dollar Offered Rate ("CDOR") or any other offered rate, benchmark or index (collectively, "Benchmark Rates"), the Funds will be subject to certain material risks, some of which are described below. Certain Benchmark Rates have historically been, may presently be, and/or may in the future become, the subject of manipulation, regulatory scrutiny and/or reform, phase-out, permanent discontinuation, replacement, tremendous volatility, and other change(s) which may have resulted and/or may result in: (i) any such Benchmark Rate being artificially lower (or higher) than it otherwise would have been; (ii) changes to the applicable calculation methodology; and/or (iii) market uncertainty as to the current and/or future status of any such Benchmark Rate. To the extent any Fund investment bears interest based on (or calculated with reference to) a Benchmark Rate, any such investment may not appropriately embed a return that is commensurate with its risk exposure. In July 2017, the UK Financial Conduct Authority ("FCA") announced its intention to cease compelling panel banks to submit quotes for LIBOR and to phase-out the LIBOR Benchmark Rate by December 31, 2021. On November 30, 2020, the ICE Benchmark Administration ("IBA"), the FCA-regulated LIBOR administrator, announced its intention to (i) consult on LIBOR cessation in December of 2020 and, (ii) to the extent confirmed during such consultation, to cease the one-week and two-month United States Dollar ("USD")-LIBOR tenors by December 31, 2021, and to cease all other USD-LIBOR tenors by June 30, 2023. On March 5, 2021, such consultation

was confirmed by IBA (and in corresponding announcements by FCA and other parties), and as such it is currently expected that all USD LIBOR tenors (other than the one-week and two-month tenors) will be available as reference rates through June 30, 2023. As of the date hereof, the current nominated replacement for United States Dollar- LIBOR is the Secured Overnight Financing Rate (“SOFR”) and the nominated replacement for GDP-LIBOR is the Sterling Overnight Interbank Average Rate (“SONIA”). In March 2020, the Federal Reserve began publishing 30-, 90- and 180-day tenor SOFR Averages and a SOFR Index and in July 2020, Bloomberg began publishing fall-backs that the International Swaps and Derivatives Association (“ISDA”) intends to implement in lieu of LIBOR with respect to swaps and derivatives. In many cases, the nominated replacements, as well as other potential replacements, are not complete or ready to implement and require margin adjustments. Further, as of the date hereof, there is no forward-looking term-rate SOFR available and there is no guarantee that one will become available prior to the full discontinuation of LIBOR. There is currently no final consensus as to which Benchmark Rate(s) (along with any adjustment and/or permutation thereof) will replace all or any LIBOR tenors after the discontinuation thereof and there can be no assurance that any such replacement Benchmark Rate(s) will attain market acceptance. Any transition away from LIBOR to one or more alternative Benchmark Rates is complex and could have a material adverse effect on a Fund’s investments, business, financial condition and results of operations, including, without limitation, as a result of any changes in the pricing and/or availability of investments, negotiations and/or changes to the documentation for certain of the Fund’s investments, the pace of such changes, disputes and other actions regarding the interpretation of current and prospective loan documentation, basis risks between investments and hedges, basis risks within investments (e.g., securitizations), costs of modifications to processes and systems, and/or costs of administrative services and operations, including monitoring of recommended conventions and Benchmark Rates, or any component of or adjustment to the foregoing. Axial Reade does not have prior experience in investing during a period of Benchmark Rate transition and there can be no assurance that Axial Reade will be able to manage the Funds’ businesses in a profitable manner before, during or after such transition.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither the Firm nor any of its management persons are registered, or have an application pending to register, with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Code of Ethics

The Firm has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Additionally, employees are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are permitted to maintain personal brokerage accounts for the purpose of trading “**Reportable Securities**” (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives). Employees are permitted to trade reportable and non-reportable securities, provided that they do not violate the Firm’s Restricted List without preclearance from the CCO. Employees may participate in initial public offerings or secondary transactions with the preclearance of the CCO. In addition, Employees may not purchase any security for which they may have received material nonpublic information.

Employees must also obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on our premises.

Item 12: Brokerage Practices

Selection of Brokers

Because the Firm provides advice to its Funds, and historically most investments have been made on a negotiated basis in private companies, opportunities for trade executions are rare. However, in the event of a Fund’s investment in which public securities are purchased or sold, the Firm anticipates trading such public securities through a broker providing a supply of securities of interest to the relevant Funds.

The Firm will attempt to obtain the “best execution” for all such Fund-related transactions. The Firm will use its best judgment to select a broker-dealer most capable of providing “best execution” on an overall basis in the purchase or sale of a publicly-traded security on behalf of a Fund. When

evaluating broker-dealers for a transaction, the Firm's principals will note that "best execution" does not mean the lowest dollar cost. "Best execution" is the execution of a trade at the most favorable net price, taking into account all reasonably relevant circumstances, and with a view to the maximization of value, broadly, of the Fund on behalf of which the trade is made. In selecting a broker to execute Fund transactions, the Firm will consider a variety of factors, including, among other things: (i) execution capabilities with respect to the relevant type of order, including the ability of the broker to provide an adequate supply of the security; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Research and Other Soft-Dollar Benefits

The Firm may receive products or services which are used solely for investment research. In such circumstances, the Firm would make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portion of the costs of such products or services attributable to research usage may be defrayed by the Firm through directing brokerage commissions generated by Fund transactions (soft dollars). This may be done without prior agreement or understanding by a Fund's Investors (and done at the Firm's discretion). The portion of the costs attributable to non-research usage of such products or services would be paid by the Firm in hard dollars. To the extent the Firm were to use Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm would be receiving a benefit by not producing or paying for the research, products or services. In such circumstances, the Firm might have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the Fund's interest in receiving most favorable execution. At present, the Firm has not acquired any products or services with Client brokerage commissions (or markups or markdowns) and does not have any agreements in place that would require that it give any specified amount of brokerage to any broker-dealer.

Item 13: Review of Accounts

The Firm's Investment Committee continuously monitors and analyzes the transactions, positions, and investment levels of its Funds to ensure that they conform with the investment objectives and guidelines that are stated in each's Governing Documents. In these reviews, the Firm pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

The Firm performs various periodic reviews of each Fund's portfolio. Such reviews are conducted by appropriate Axial Reade personnel and its designees.

For each Fund, the Firm distributes an audited financial report for the previous fiscal year and Schedule K-1s to all of its Investors, generally within 120 days of fiscal year end. The Firm may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly letter to all Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-Clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for Client referrals.

Item 15: Custody

Under Rule 206(4)-2 of the Advisers Act, the Firm is deemed to have custody of its Funds' assets because of its affiliation with each Fund's general partner and the general partners' authority to deduct fees and other expenses from Fund accounts.

The Firm utilizes the services of a bank or other qualified custodian (as defined under Rule 206(4)-2) to hold all assets for each of our Funds, upon receipt, as applicable under the Rule. We ensure that the qualified custodian maintains these funds in accounts that contain only the assets and securities of that particular Fund, under our name as agent or trustee for the Fund. To hold the privately issued securities of Portfolio Companies owned by the Funds, which are in each case non-transferrable and electronic, we rely on the guidance provided by the SEC Staff in August 2013.

The Firm's Funds are private equity funds subject to audit annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. We distribute the audited financial statements to all of our Funds' Investors, generally within 120 days of the end of its fiscal year and in accordance with each Fund's Governing Documents.

Item 16: Investment Discretion

With the exception of any parameters set forth in a Fund's Governing Documents, each Fund's general partner has full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities are to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

By virtue of the applicable Governing Documents, Axial Reade has the authority to vote Client proxy statements on behalf of the Funds. The majority of "proxies" received by the Firm, however, are written shareholder consents or similar instruments for private companies owned by the Funds. As such, the Firm has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. The Firm's "**Voting Proxy Policy**" seeks to ensure that it votes proxies in the best interest of the Funds, including where there are material conflicts of interest in voting proxies.

The Firm generally believes that its principals' significant investment in the general partners of its Funds, as well as the principals' interest in the carried interest, operate to align, to some extent, the interests of the principals with the interests of the Investors. However, in the event that there is a conflict of interest in voting proxies, the Firm's Voting Proxy Policy provides that the Firm address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives as set forth in the Firm's Voting Proxy Policy. Investors in the Funds cannot direct how the Firm votes proxies or shareholder consents nor is the Firm required to seek Investor approval or direction from Investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

The Firm will provide a copy of its Voting Proxy Policy to Investors upon request to Jennie Adam, the Firm's CCO, at (212) 660-9502 or jennie@axialreade.com. Investors can also obtain information from the Firm about how it voted any previous proxies, if any.

Item 18: Financial Information

Axial Reade is not required to include a balance sheet for our most recent fiscal year.

The Firm is not aware of any financial condition reasonably likely to impair our ability to meet the contractual commitments to our Clients. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.