

Item 1 – Cover Page

PART 2A OF FORM ADV

Level 5 Capital Partners, LLC

112 Krog St. NE, Unit D135

Atlanta, GA 30307

(773) 590-0621

www.lfivecapital.com.com

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Level 5 Capital Partners, LLC (“Level 5” or the “Manager”). If you have any questions about the contents of this brochure, please contact us at 773-590-0621. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Level 5 also is available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT LEVEL 5 OR ANY PRINCIPALS OR EMPLOYEES OF LEVEL 5 POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2 - Material Changes

This is an annual amendment of the Form ADV Part 2A for Level 5 Capital Partners, LLC. This section of Level 5's brochure discusses only material changes since the Firm's registration filing dated June 30, 2022.

- Item 14 – Client Referrals and Other Compensation - Has been updated to reflect Level 5's compliance with Rule 206(4)-1

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Item 4 - Advisory Business

Level 5 Capital Partners, LLC (“Level 5” or the “Manager”) is a Georgia limited liability company based in Atlanta, Georgia that was organized in 2016. The co-founders and principal owners of Level 5 are Chris Kenny and Charles Meyers.

Level 5 primarily provides discretionary investment advisory services to private pooled investment funds and special purpose vehicles (each, individually a “Fund”) including Level 5 Capital Partners Fund 1, LP (“Fund 1”), Level 5 Capital Partners Fund 2, LP (“Fund 2”), L5 Big Blue Swim School No. One, LLC, L5 Big Blue Swim School No. Two, LLC, L5 Big Blue Swim School No. Three, LLC, L5 Big Blue Swim School No. Four, LLC and L5 Big Blue Swim School No. Five, LLC (collectively, the “Big Blue Funds”) and several Special Purpose Vehicles (each, individually an “SPV”, and collectively, the “SPVs” and together with Fund 1, Fund 2 and the Big Blue Funds, the “Funds” or “Clients”). Level 5 Clients primarily pursue an investment strategy that invests primarily in small to mid-market companies in consumer facing local services businesses. The investment vehicles are structured as Delaware, Illinois, Georgia or Cayman Islands limited partnerships and limited liability companies. Level 5 or a related person of Level 5 generally acts as “General Partner” of each Fund that is structured as a limited partnership, and Level 5 acts as investment manager of each Fund.

Level 5 is generally granted investment authority with respect to the management of the accounts of its Clients. Level 5 seeks investment opportunities in portfolio companies within the realm of consumer services and experiences. Level 5 has traditionally focused on the fitness, kids, family services and recovery & wellness sub-sectors, although the Manager’s scope is not necessarily limited to these sub-sectors. The Funds may make investments directly or indirectly for the purpose of owning, acquiring, operating and/or developing businesses or real property on which such businesses are, or will be, located.

Each Fund is intended for investment by certain investors (collectively the “Limited Partners” and each a “Limited Partner”) that meet the definition of “accredited investor” as defined under Regulation D of the Securities Act of 1933, as amended, “qualified clients” as defined under Section 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and/or “qualified purchasers” under Section 2(a)(51) of the Investment Company Act so as to comply with the exemptions under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, as applicable to each Client.

Level 5 tailors its advisory services to the specific investment objectives and restrictions of each Client. Limited Partners and prospective investors in each Fund should refer to the confidential private placement memorandum, limited partnership agreement and other governing documents for each Fund (the “Governing Documents”) for more complete information on the investment objectives and investment restrictions with respect to a particular Fund. There is no assurance that the investment objectives of any of the Funds will be achieved.

Level 5 and/or the General Partner of a Fund may enter into “side letters” or similar agreements with certain investors in the Funds granting the Limited Partner certain

specific rights, benefits, or privileges that are not made available to Limited Partners generally.

Level 5 does not participate in any wrap fee programs.

As of December 31, 2022, Level 5 managed regulatory assets under management of \$370,000,000 on a discretionary basis.

Item 5 - Fees and Compensation

Advisory Fees and Compensation.

Fees payable by Clients to Level 5 or its related persons are set forth in detail in the Governing Documents of the applicable Client. A brief summary of those fees are provided below.

Asset-Based Compensation. Level 5 receives a fixed management fee (the “Management Fee”) from Fund 1 and Fund 2 Limited Partners calculated and payable semi-annually in advance at a rate of 2.0% per annum of the aggregate commitments of a Fund’s Limited Partners during a Fund’s investment period. After the expiration of the investment period, the Management Fee will be charged on the aggregated invested capital of the Limited Partner. The General Partner may waive, reduce or modify the Management Fee for certain investors in the Funds.

L5 Big Blue Swim School No. One, LLC and L5 Big Blue Swim School No. Two, LLC will pay Level 5 a fixed Management Fee equal to 1.5% per annum of the aggregate commitments of the Funds' Limited Partners. The Management Fee will be accrued during the first year of operations but will be fully payable annually thereafter.

L5 Big Blue Swim School No. Three, LLC, L5 Big Blue Swim School No. Four, LLC and L5 Big Blue Swim School No. Five, LLC will pay Level 5 a fixed Management Fee equal to 1.5% per annum of the aggregate commitments of the Funds' Limited Partners. The fee is charged in advance for the first three years and fully payable annually thereafter.

In general, SPVs are not subject to a Management Fee.

Performance-Based Compensation. The General Partner is entitled to receive performance-based compensation provided certain conditions are met, consistent with the Governing Documents of Fund 1 and Fund 2. The General Partner is entitled to receive up to between 15% and 20% carried interest from the Funds, which is calculated after Limited Partners receive a return of their capital contributions to a Fund and a preferred return of a specified rate, subject to catch-up allocations to the General Partner after such preferred return is achieved. The General Partners may waive, reduce or modify the performance-based compensation for certain investors in the Funds.

The General Partner of the Big Blue Funds is entitled to receive up to 15% carried interest from the Big Blue Funds. The General Partners may waive, reduce or modify the performance-based compensation for certain investors in the Funds.

In general, SPVs are not subject to performance-based compensation.

Payment of Fees.

The Funds pay the Management Fee directly to Level 5 in advance which will be prorated for any partial periods. Each Fund will distribute carried interest (if any) directly to the General Partner. Generally, the Funds will distribute carried interest at such times as the General Partner determines that proceeds are available for distribution to a Funds' Limited Partners, as further described in the Funds' Governing Documents.

Additional Fees and Expenses.

Level 5 renders certain services to the Funds at its own expense and is generally responsible for overhead costs including office rent, utilities, furniture and fixtures, employee compensation, and payroll taxes.

The Funds will be responsible for all expenses related to the organization of a Fund, the General Partner and the Manager and the offering of the interests, subject to an expense cap. Any organizational expenses in excess of such amount shall be borne by the General Partner without reimbursement; provided that the General Partner shall be entitled to offset any such excess against Management Fees. The Funds will be responsible for all other costs and expenses of a Fund including, without limitation, travel costs, fees and other out-of-pocket expenses directly related to potential investments (whether or not consummated) and to the acquisition, ownership, sale of investments, taxes, fees of auditors and counsel, appraisal and valuation fees, expenses of the advisory committee, directors and officers and other insurance, expenses associated with actual or threatened litigation, expenses associated with the preparation of tax filings and the preparation and distribution of reports to Limited Partners, expenses relating to the underlying portfolio investments of the Funds that are incurred by the Funds and any other expenses related to the business and operations of the Funds.

The General Partner and/or each portfolio company expect to retain Level 5's captive operating team, L5 Acceleration Services, LLC ("L5 Acceleration Services"), the Manager, other affiliates of the Manager and/or third parties to perform services for the Funds for which it would otherwise hire unaffiliated third parties, including product & marketing, operations scaling & process, finance services, business analytics and core administration, at rates set forth in the Governing Documents, or as may be approved by an advisory committee. Other related expansion and support services have been provided in the past and may be provided in the future. The fees for such Affiliate Services (defined herein) may be borne by the portfolio company or the Funds directly as well as any SPVs investing into the applicable portfolio company, at the General Partner's discretion. The advisory committee must approve, any increases to the fee rates for all

Affiliate Services and any Affiliate Services for a service previously not included in the Governing Documents, prior to a Fund (or any of its subsidiaries) executing a contract for such affiliate service. All amounts payable for any such services will be expenses of the Funds and will be disclosed no less than quarterly to the Limited Partners.

Allocation of Fund Expenses.

The General Partner, the Manager, the key person(s) and/or one or more of their respective affiliates may from time to time incur expenses on behalf of one or more Funds, the portfolio investments, and/or managed businesses. Although attempts will be made by Level 5 to allocate such expenses on an equitable basis, there can be no assurance that such expenses will in all cases be allocated appropriately and such matters will not necessarily be brought to the advisory committee or the Limited Partners of the relevant Fund for discussion or consultation.

Prepayment of Fees.

Limited Partners generally do not have the right to a withdrawal from the Funds until such time as the Funds distribute funds in accordance with the Governing Documents of the Funds or is liquidated. As such, there is generally not a situation in which the Manager will be required to return pre-paid fees to a Limited Partner in the Funds.

Additional Compensation and Conflicts of Interest.

Neither Level 5 nor its supervised persons are compensated for the sale of securities or other investment products.

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

Performance-Based Fees

The General Partner is entitled to receive performance-based compensation provided certain conditions are met, consistent with the Governing Documents of Fund 1 and Fund 2. Different Client accounts may be subject to different performance-based compensation arrangements.

The performance-based compensation arrangements discussed above comply with Rule 205-3 under the Advisers Act.

Performance-based compensation arrangements received by Level 5 or related persons of Level 5 may create an incentive for Level 5 to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Please refer to the Governing Documents of each Fund for more complete information on the performance-based compensation arrangements of each Fund.

Side-by-Side Management

If Level 5 or its affiliate is entitled to receive a higher percentage of the net profits or distributions of the account of one Client than the percentage that Level 5 or its affiliate receives from another Client, then Level 5 may have an incentive to favor, or to allocate certain riskier or more speculative investments to the Client that is subject to the higher profit sharing percentage.

Level 5 will, as a policy, allocate all investment opportunities among its Clients in a manner that it considers fair and equitable to all Clients, considering all factors potentially applicable to each Client such as legal, tax, regulatory, accounting or other considerations.

Item 7 - Types of Clients

Level 5 provides advice to pooled investment vehicles, including the Funds. The Funds are offered exclusively to accredited investors as defined under Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and to qualified purchasers as defined under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), and are therefore not required to register as investment companies under the Investment Company Act in reliance upon the exemption under Section 3(c)(1) or 3(c)(7) for funds whose securities are not publicly offered.

Funds have minimum investment amounts, as described in the Governing Documents for each Fund, subject to waiver at the discretion of Level 5 or the general partner of the relevant Fund.

Please refer to the Governing Documents of the applicable Fund for more complete information on the minimum investment requirements of such Fund.

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

Methods of Analysis

Level 5 invests in high growth businesses with profitable unit models in the consumer service sector focusing on macro consumer trends that continue to strengthen services and experiences.

The Funds seek to invest in a concentrated portfolio of US-based consumer businesses in the health, wellness and family services sectors where there is the potential to accelerate underlying growth and create value by embedding systems and processes. In doing so, Level 5 considers the following key investment criteria:

- Opportunistic minority ownership for brand level investments
- US-based businesses
- Equity investments between \$25 million to \$65 million

- Enterprise values between \$10 million to \$250 million
- Alignment with Level 5's core investment principles and vision
- Ability to simultaneously invest in a multi-unit franchisee with premium locations

These criteria serve as estimated ranges. It is possible that some of the Funds' investments will not fall within the criteria outlined above.

Investment Process

In addition to the main funds, the Manager may create special purpose vehicles for investors that seek more target exposure in the underlying portfolio companies.

Level 5's approach is to invest in proven unit economics models early and embed L5 Acceleration Services playbooks to enable companies to rapidly reach their maximum potential. This is achieved by applying five repeatable established internal processes:

1. Identifying and evaluating investments ("early stage")
2. Implementing an investment plan ("stand up")
3. Maximizing growth potential with L5 Acceleration Services ("scale")
4. Preparing companies for the future ("stand alone")
5. Monetizing investments ("exit")

Level 5 firmly believes there are underlying core similarities across all its investments and that it has the necessary functions and internal capabilities to execute its consistent investment strategy. It is necessary to have the discipline to repeat each internal process for every investment. At Level 5, routine processes are paramount to executing the diligence necessary for each investment strategy and delivering attractive returns as measured by value creation and overall performance. Ultimately, Level 5's repeatable processes facilitate the in-depth analysis necessary to inform each investment decision.

L5 Acceleration Services is an experienced team with distinct functions designed specifically to maximize companies' growth. While the L5 Acceleration Services team is functionally distinct from the investment arm of Level 5, the two arms of Level 5 work in tandem towards the same goal to maximize portfolio company growth and investor outcomes. Level 5 focuses on core fund management responsibilities such as sourcing, integrating, and monitoring investments, and L5 Acceleration Services is solely focused on the operational execution. L5 Acceleration Services provides the following areas of support: (1) new store opening, (2) marketing, insights & technology, (3) finance, (4) human resources & talent acquisition, and (5) strategic territory mapping.

These descriptions of specific strategies that are or may be engaged in by Level 5 on behalf of its Clients are a summary only. Potential investors are encouraged to review the relevant Funds Governing Documents for a more detailed description of a Funds' investment strategy.

Material Risks

Although investments in the Funds may result in significant returns to Limited Partners, they also involve a substantial degree of risk. Level 5 generally accepts only clients or investors that are able to bear the financial risk of the investment strategy for an indefinite period of time and are able to sustain the loss of all or a significant part of their investment.

Prospective clients and investors in the Funds should carefully review the risks described in the Governing Documents for the relevant Fund, and should evaluate the merits and risks of an investment in the context of their overall financial circumstances. The risk factors below are not intended to be exhaustive and should be considered carefully by prospective investors together with the full text of the applicable Governing Document or client agreement.

Risks Related to an Investment In The Funds

Risks and investment considerations relating to an investment (such as conflicts of interest) in a specific Fund are generally set forth in the Governing Documents of such Fund. In addition, the following risk are generally applicable to an investment in any Fund:

General Economic Conditions

The success of the Funds investment activities will be affected by general economic and market conditions. Specifically, the Funds' investment activities will be affected by the systemic impact of inflation, the availability and cost of credit, declines in the personal fitness markets, and geopolitical issues, including but not limited to the impacts of global pandemics. Concerns exist regarding the systemic impact of global and domestic economic events, ranging from geopolitical issues and domestic civil unrest that may contribute to increased market volatility and uncertain expectations for the global economy to interest rate increases in the United States, which may reduce the availability of financing. The success of the Funds' investment activities will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political, environmental and socioeconomic circumstances. A sustained downturn in the U.S. or global economy (and particularly the retail sector) could adversely affect the Funds' or the portfolio investments' profitability, impede the Funds' or the portfolio investments' ability to perform or refinance the existing obligations of the portfolio investments, and impair the Funds' ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain of its investments and/or properties, which losses will likely be exacerbated by the presence of leverage at the portfolio investment level. The General Partner will have the exclusive right and authority (within limitations set forth in the Partnership Agreement) to determine the manner in which the Funds shall respond to such events, and Limited Partners generally may have limited rights to demand specific modifications to the Funds' operations in consequence thereof.

The success of the Funds' investments is dependent to a significant extent on national, regional and local economic conditions, and, to a lesser extent, on global economic conditions, particularly those conditions affecting the demographics of the customers that frequently patronize health, fitness, spa/skincare supply stores, wellness and family services locations, as well as other target markets in which the Funds may invest. If such customers' disposable income available for spending is reduced (because of circumstances such as job losses, credit constraints and higher housing, taxes, gas and other energy, interest or other costs) or where the perceived wealth of customers has decreased (because of circumstances such as lower residential real estate values, increased foreclosure rates, increased tax rates or other economic disruptions), the health, fitness, spa/skincare supply stores, wellness and family services locations, as well as other target markets in which the Funds may invest, could experience lower membership sales and customer traffic as potential customers choose lower-cost alternatives to health and wellness facilities, and spa/skincare supply stores or choose alternatives to gym memberships and spas (such as at-home exercise and at-home skincare routines). Any resulting decreases in membership sales or customer traffic may adversely affect the Funds' investments, financial condition, results of operations, cash flow and ability to make distributions.

Limited Partner Proceedings

Various portfolio investments are involved in various suits, investigations, and legal proceedings that arise from time to time in the ordinary course of business. Additional legal claims or regulatory matters may arise in the future and could involve claims asserted by Limited Partners in respect to the procedural mechanisms governing its investments or other aspects related to its investments. Level 5 is unable, at this time, to estimate its liability, if any, in these matters, but Level 5 may be required to pay judgments, settlements or other penalties and incur other costs and expenses, which could have a material adverse effect on the business, results of operations and financial condition. In addition, responding to requests for information in any lawsuits may divert internal resources away from managing the business. Litigation is inherently unpredictable. Regardless of the merits of the potential claims, such litigation may be both time-consuming and disruptive to the business.

Distributions

There can be no assurance that the operation of the Funds will be profitable, that the Funds will be able to avoid losses or that cash from its investments will be available for distribution to the partners of such Fund. The Funds will have no source of funds from which to pay distributions to the partners of the Funds other than income and gain received on its investments and the return of capital. In addition, while the Funds intend to make distributions in cash, it is possible that certain distributions may be made in kind and could, in connection with the dissolution, winding up and liquidation of the Funds, consist of securities for which there is no readily available public market and with respect to which there are substantial transfer restrictions or of securities of entities unable to perform under contractual obligations.

Dependence on Key Persons of Level 5

There can be no assurance that the key person(s) will continue to be associated with the General Partner, the Manager, Level 5 or their affiliates throughout the life of the Funds, as the key person(s) are under no contractual obligation to remain with the General Partner, Level 5 or their affiliates for all or any portion of the term of the Funds. In addition, in the event that the key persons cannot agree on decisions affecting the Funds, the investment results of the Funds may be adversely affected.

Although the key person(s) intend to devote a substantial portion of their time and attention to the management of the Funds and the portfolio investments, they are not required to devote all or a majority of their time to the Funds' or the portfolio investments' affairs. The key person(s) will continue to manage existing investments of Level 5 and may manage newly created partnerships and businesses. The key person(s) do not anticipate that the time devoted to any such related entities will interfere with their ability to fulfill their commitment to the Funds. The composition and tenure of the key persons may vary over time and from Fund to Fund.

Portfolio Investment Management Teams

Each portfolio investment's day-to-day operations will be the responsibility of such portfolio investment's management team. Although the Manager will be responsible for monitoring the performance of each investment and believes that each portfolio investment is operated by strong management, there can be no assurance that the existing management team, or any successor management team, will be able to operate the portfolio investments in accordance with the Funds' plans or expectations. Further, there can be no assurance that any member of the management teams will continue to be associated with the portfolio investments.

No Right to Control the Funds' Operations

Limited Partners may not take part in the management of the business of the Funds and, accordingly, the Limited Partners will have no opportunity to control the day-to-day operations, including disposition decisions, of the Funds. The Manager and the General Partner will have sole and absolute discretion in structuring, financing and eventually divesting investments on behalf of the Funds. Consequently, the Limited Partners must rely entirely on the ability of the General Partner and the Manager to conduct and manage the affairs of the Funds.

Carried Interest Distributions

Performance-based compensation from the Funds may create an incentive for the General Partner to make riskier or more speculative investments or management or operational decisions on behalf of the Funds or such portfolio investments than would be the case in the absence of such arrangement. In evaluating investments and other management strategies, the opportunity for incentive compensation based on the Funds' and such portfolio investments' returns may lead the General Partner to place undue emphasis on the maximization of returns at the expense of other criteria, such as preservation of

capital, in order to achieve higher incentive compensation. Investments with higher yield potential are generally riskier or more speculative. This incentive to make riskier or more speculative decisions could result in increased risk to the value of the Funds' or such portfolio investments' portfolio.

Liability for Return of Distributions

Under Delaware and other applicable law, if a Fund is otherwise unable to meet its obligations, Limited Partners may be obligated to return cash distributions with interest previously received by them if such distributions are deemed to be wrongfully paid to them and such Limited Partners knew at the time of such distributions that they were wrongfully paid. In addition, a Limited Partner may be liable under applicable federal or state bankruptcy laws to return a distribution made during a Fund's insolvency. Additionally, the Limited Partners may be required to return all or a portion of their distributions in certain Funds to satisfy certain indemnification obligations or other liabilities of the applicable Fund pursuant to its Governing Documents.

Contingent Liability on Disposition of Investments

The Funds' investments in the portfolio investments will involve private securities. In connection with the disposition of an investment in private securities, the Funds may be required to make representations about the business and financial affairs of the company typical of those made in connection with the sale of a business. The Funds also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may incur contingent liabilities that ultimately might yield funding obligations that must be satisfied by the partners to the extent of certain obligations to return distributions.

Illiquidity of Investments; Availability of Exit Opportunities

An investment in the Funds requires a long-term commitment with no certainty of return. The Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. The ability of the Funds to achieve successful and profitable exits of its portfolio investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio investment at the time a Fund seeks a realization. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the partners of a Fund.

Illiquidity of Limited Partner Interests

The interests in the Funds will be issued in reliance upon certain exemptions from registration or qualification under applicable U.S. federal and state securities laws and so will be subject to certain restrictions on transferability. The Funds have no plans, and are under no obligation, to register the interests under the Securities Act. There will be no

public market for the interests, and none is expected to develop. In addition, Limited Partners will not be entitled to withdraw their capital contributions, and the interests may not be assigned or transferred without the written consent of the General Partner, which consent may be granted or withheld in its sole discretion. Accordingly, the interests constitute illiquid investments and should only be purchased by persons that are able to bear the risk of their investment for an indefinite period of time.

Portfolio Concentration

Diversification is not an objective of the Funds. The Funds' portfolios are expected to consist solely of the portfolio investments. While this portfolio concentration may enhance total returns to the partners of a Fund, if any portfolio investment has a material loss, then returns to the partners may be lower than if they had invested in a well-diversified portfolio. Because the Funds are restricted from making investments other than the investments in the portfolio investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect the total returns to the partners of the Funds.

Projections

Any projections, forecasts or other estimates set forth in this Brochure or otherwise provided to prospective investors are forward-looking statements and are based upon certain assumptions. Although these forward-looking statements are based upon assumptions and research that the Level 5 and the General Partner believe are reasonable, actual results of operations and achievements may differ materially from the projections, forecasts and other estimates set forth herein. In addition, the Funds may rely upon projections, forecasts or estimates developed by the General Partner, Level 5, or an affiliate or agent of either concerning an investment's future performance and cash flow. Actual results are difficult to predict and may depend upon factors that are beyond the General Partner's or Level 5's control. Actual events may differ from those assumed. Further, it can be expected that one or more of the assumptions, projections, forecasts or estimates on which such information is based will vary significantly from actual events, and such variances will likely increase over time. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include, but are not limited to, the following: changes in interest rates; and changes in financial, market, economic or legal conditions, including the availability of leverage, among others. In addition, the degree of risk will be increased as a result of any leveraging of the Funds' investments. Accordingly, there can be no assurance that estimated returns or projections can be realized, that proceeds of investments or dispositions will actually be used as intended, or that actual returns, results or income will not be materially lower than those estimated in any Fund's Governing Documents.

Projections are inherently subject to uncertainty and factors beyond the control of the General Partner or Level 5. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of an investment to realize projected values and cash flow, which could cause the value of the Funds' investments to decline from anticipated values that were based

upon such projections. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be materially lower than those estimated in any Fund's Governing Documents. Prospective investors should conduct their own analysis of the Funds, using such assumptions as they deem appropriate, in making an investment decision.

Investments Longer Than Term

The Funds' investment in the portfolio investments may not be advantageously disposed of prior to the date that the Funds will be dissolved, either by expiration of the Funds' term or otherwise. Although the General Partner expects that investments will be either disposed of prior to dissolution or suitable for in-kind distribution at dissolution, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Valuation of Assets and Changing Accounting Standards

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

Level 5 may change its valuation procedures and methods from time to time (within the framework of the US Generally Accepted Accounting Principles ("GAAP")) to reflect market practice, regulatory requirements, or other factors deemed appropriate by Level 5.

Limited Partner Due Diligence

Due in part to the fact that prospective investors may ask different questions and request different information, the Manager or the General Partner may provide certain information to one or more prospective investors that it does not provide to all prospective investors. Answers and additional information provided in response to such questions may be limited, incomplete, or depend upon a specific context. None of such answers or additional information provided is or will be integrated into and Fund's Governing Documents, and no prospective investor may rely on any such answers or information in making its decision to subscribe for interests in the Funds.

Controlling Person Liability

The Funds will, directly or indirectly, control the entities that in turn control certain of the portfolio investments such that the Funds will exercise influence over management and the strategic direction of these portfolio investments. The exercise of control over an entity can impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of government regulations or other types of

liability in which the limited liability characteristic of business ownership may be ignored. The exercise of control over a portfolio investment could expose the assets of the Funds to claims by the portfolio investments, their security holders and creditors. While the General Partner intends to manage the Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Operating and Financial Risks of Portfolio Investments

Any one portfolio investment could deteriorate as a result of, among other factors, an adverse development in its business, a change in its competitive environment, or an economic downturn. As a result, business that may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support its operations or to maintain its competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the Funds' investment strategy and approach will depend, in part, on the ability of Level 5 and such portfolio investment's management teams to effect improvements in the operations of such portfolio investment. The activity of identifying and implementing operating improvements and capturing synergies entails a high degree of uncertainty. There can be no assurance that Level 5 or such portfolio investment's management team will be able to successfully identify and implement such operating improvements and capture synergies.

Agreements with Certain Limited Partners

Without the approval of any Limited Partner or any other person, the General Partner, the Manager and/or the Funds may enter into a side letter or similar agreement to or with one or more Limited Partners which has the effect of establishing rights under, altering or supplementing the terms of, or confirming the interpretation of the relevant Fund's Governing Documents or such Limited Partner's subscription agreement to the relevant Fund in order to meet certain requirements or requests of such Limited Partner, without entitling any other Limited Partner to the benefit of such rights, alterations, supplements or confirmations. The terms in a side letter agreement may relate to, among other matters, the right to receive reports from the Funds on a more frequent basis or to receive reports that include information not provided to other Limited Partners, the right to withdraw or transfer interests for the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or other legal reasons, the right to sovereign immunity, and such other rights as may be negotiated between the Funds, the General Partner and/or the Manager, on the one hand, and such Limited Partner, on the other hand. To the extent that compliance with any of such agreements would cause the Funds, the General Partner, the Manager or any of their respective affiliates to violate their respective fiduciary duties or obligations or to violate any applicable laws, any non-compliance with any such agreements will not be deemed to be a breach of such agreements.

Indemnification

The Governing Documents of the Funds limit the circumstances under which the General Partner and its affiliates, officers, directors, partners, employees, shareholders, members

or other agents can be held liable to the Funds. 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 a limitation. In addition, the Partnership Agreement provides that the Partnership will indemnify the officers, employees, and agents of the Partnership, the General Partner, the Manager, and their respective affiliates for certain claims, losses, damages, and expenses arising out of their activities on behalf of the Funds. Such indemnification obligations could materially adversely impact the returns to the Limited Partners.

Litigation

In the ordinary course of its business, the Funds may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Funds and may continue without resolution for extended periods of time. Under the Funds' Governing Documents, the Funds will generally be responsible for indemnifying the General Partner, the Manager, Level 5 and their respective related parties for costs that they may incur with respect to such litigation not covered by insurance. Any litigation may require the time, attention and resources of the General Partner, the Manager, and the Funds.

General Risks Associated with Changes in Laws and Regulations

The Funds, the portfolio investments, the General Partner, the Manager and/or their respective affiliates are subject to risks associated with changes that may generally occur with respect to U.S. federal, state or local laws and regulations, developing interpretations of such laws and regulations, and increased scrutiny by U.S. federal, state and local regulators and law enforcement authorities. Such changes, interpretations and increased scrutiny could result in claims against the Funds, the portfolio investments, the General Partner, the Manager, and/or their respective affiliates, directly, or indirectly, for actions taken or not taken by the Funds, the portfolio investments, the General Partner, or the Manager, and/or their respective affiliates. Thus, the Funds, the portfolio investments, the General Partner, the Manager and/or their respective affiliates face the continuing risk of potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on the Funds, the portfolio investments, the General Partner, the Manager or any affiliate of any such legal risk, litigation or regulatory action could be substantial and adverse.

Increased Reporting Requirements for Registered Investment Advisers and Exempt Reporting Advisers

As a result of the various reforms under the Dodd-Frank Act, registered investment advisers and exempt reporting advisers are subject to substantial regulatory reporting and recordkeeping requirements regarding the private funds they advise (e.g., Form PF). Although increased reporting, registration, and compliance requirements will require the attention of certain personnel of the Manager, such requirements are not expected to materially adversely affect the activities of the Funds.

Disclosure of Confidential Information / Freedom of Information Act

The General Partner and/or certain Limited Partners may be required by law or otherwise to disclose certain confidential information relating the Funds' investments. Such disclosure may affect the ability of the General Partner to realize the Funds' investment objectives, may affect the price that the General Partner is able to obtain upon any subsequent realization or may otherwise adversely affect the Funds.

Partial or Total Loss of the Funds' Capital

There is no assurance that the Funds will achieve their performance or investment objectives, including without limitation, the location of suitable investment opportunities and achieving any targeted rate of return or return of capital or any target distribution yield. Limited Partners may lose some or all of their invested capital, and prospective investors should not purchase interests unless they can readily bear the consequence of such loss.

ERISA Status

The General Partner and the Manager will use commercially reasonable efforts to operate the Funds and conduct the Funds' business and affairs in such a manner so that the Funds should satisfy the requirements for an exemption under the Plan Assets Regulation for purposes of ERISA, so that the assets of the Funds should not constitute "plan assets" within the meaning of the Plan Assets Regulation. If the Funds fail to satisfy the requirements for an exemption under the Plan Assets Regulation, the provisions of ERISA regarding fiduciary duties and responsibilities, as well as the prohibited transaction provisions of ERISA and the Internal Revenue Code of 1986, as amended (the "Code") would apply to the assets and operations of the Funds, and many of the transactions into which the Funds might enter in the ordinary course of business might constitute prohibited transactions under ERISA and the Code.

One such exemption under ERISA that the General Partner and the Manager may consider having the Funds satisfy is the exemption for an entity which is an "operating company," which is defined in the Plan Assets Regulation as "an entity that is primarily engaged, directly or through a majority- owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital." The term "operating company" also includes an entity which is a "venture capital operating company" (a "VCOC") or a "real estate operating company" (a "REOC"). If the General Partner and the Manager decide to have the Funds satisfy the requirements of the operating company exemption (and, in particular, the VCOC requirements), the General Partner and the Manager would make what the General Partner and the Manager believe are the best investments for the Funds, taking into consideration whether such investments will be counted positively or negatively towards the Funds' satisfaction of such requirements. In order to satisfy the VCOC requirements, the Funds must obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of its investments; in furtherance of satisfying such requirements, the Funds typically will designate one or more directors to serve on the boards of directors of the investments. The appointment of representatives and other forms of influence by the Funds (including involvement in the investments'

operation and management from time to time), could expose the Funds to claims by an investment, its security holders, its creditors or third parties, including claims that a Fund is a controlling person and thus is liable for violations by an investment of applicable laws, including securities laws. These measures also could result in liabilities in the event of the bankruptcy or reorganization of an investment; claims against one or more of the Funds if the designated directors violate their fiduciary or other duties to an investment or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles. While the General Partner and the Manager intend to manage the Funds in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

As a result of attempting to satisfy the requirements of the operating company exemption (and, in particular, the VCOC requirements), the Funds could be precluded from making an investment or continuing to hold an investment if making or holding that investment would jeopardize the Funds' status as an operating company. This could further require the General Partner to liquidate investments of the Funds at a disadvantageous time, resulting in lower proceeds to the Funds than might have been the case without the need for such compliance. Compliance with the operating company exemption's VCOC requirements must be tested annually and is highly fact dependent. In making its investments, the Funds will use commercially reasonable efforts to operate in accordance with guidelines developed with counsel, but there can be no assurance that the Funds will be able to negotiate sufficient rights with respect to its investments to cause a sufficient number of its investments to be qualifying investments for purposes of the operating company exemption. If the Funds are unable to satisfy the operating company exemption, there can be no assurance that the Funds will be successful in curing the reason underlying the failure to satisfy the operating company exemption. Moreover, factors beyond the control of the Funds, including changes in government regulatory policy, could cause the Funds to cease to satisfy the operating company exemption.

Another exemption under ERISA that the General Partner and the Manager may consider having the Fund satisfy is the exemption which limits the equity interests in the Fund held on any date by Benefit Plan Partners for purposes of ERISA. This exemption would require the General Partner and the Manager to limit the equity interests held by Benefit Plan Partners to less than 25% of the total value of each class of interests in the Fund (disregarding interests held by Controlling Persons for purposes of ERISA). However, there is a risk that this exemption could require the General Partner to limit the capital commitments made by investors which are Benefit Plan Partners or to redeem in whole or in part any such investor's interest in the Fund, and any such redemption could result in the Fund being required to sell its investments to generate liquidity. As a result, to preserve this exemption the Fund could be forced to sell its investments on disadvantageous terms or at disadvantageous times.

Finally, there may be laws which have a similar purpose or effect as ERISA or Section 4975 of the Code which apply to employee benefit plans which are not subject to ERISA or Section 4975 of the Code, such as plans maintained outside the United States for the benefit of non-U.S. residents or church plans or governmental plans which are maintained for the benefit of U.S. residents. Anyone acting on behalf of such a plan should consult

with counsel regarding the application of any such laws before investing the assets of such plan in the Funds.

Lack of Operating History

The Funds do not have any operating history upon which Limited Partners may base an evaluation of the likely performance of the Funds. The past performance of the Manager, any principal of the Manager or any of their respective portfolio companies may not be indicative of the future performance of the Funds.

Co-Investments

The Funds may co-invest in one or more investments (a “Co-Investment Opportunity”) with one or more Limited Partners, third party investors or affiliates of the General Partner (including other funds and similar vehicles sponsored by the Manager or any of its affiliates) (“Co-Investors”) through partnerships, joint ventures or other entities or through the acquisition of different rights and interests, which Co-Investors in certain cases may have different or superior rights or interests to those of the Funds and the Limited Partners. In such circumstances, the size of the investment opportunity otherwise available to the Funds may be less than it would be otherwise.

Co-Investors generally will participate with the Funds in any such Co-Investment Opportunity on the same terms and conditions as the Funds and will exit such Co-Investment Opportunity on the same terms and conditions and at the same time as the Funds, provided, that (i) the terms of any Co-Investment Opportunity presented to a Limited Partner will be no less favorable to such Limited Partner than the terms of the Funds and (ii) other Co-Investors that are neither Limited Partners nor affiliates of the General Partner may participate on such other terms and conditions as the General Partner deems appropriate.

Level 5 or its affiliates may establish one or more co-investment entities (a “Co-invest Vehicle”), as a separate, committed vehicle through which certain investors would co-invest alongside the Funds in certain investment opportunities on a “no fee / no carry” basis in circumstances where Level 5 has determined that the Funds should not take up an entire investment opportunity. Any investment opportunities which would fall within the investment policy of the Funds and the relevant Co-invest Vehicle would be allocated between the two on a basis that Level 5 deems to be fair and reasonable, and any allocation to a Co-Invest Vehicle must be notified to the Fund’s advisory committee at the next meeting of the advisory committee following completion of the transaction.

Level 5 would generally not be obliged to provide co-investment opportunities to a Co-invest Vehicle’s investors except to the extent that a Co-invest Vehicle has pre-emptive rights with regards to follow-on opportunities. Where any part of an investment opportunity remains available following determination by Level 5 of the amount to be invested by the Funds and any strategic co-investor whose participation in such investment opportunity is considered to be beneficial to the Funds, then such remaining

part may be required to be offered to the relevant Co-Invest Vehicle for consideration in priority to any other Level 5 fund or other potential Limited Partner.

If a Co-Investment Opportunity entity or vehicle is formed and a Co-Investment Opportunity is successfully consummated, such entity or vehicle generally will bear expenses related to its formation and operation, although, from time to time, the Funds may bear some or all of such costs directly or indirectly. The Funds may bear all the expenses of any Co-Investment Opportunity in the event such Co-Investment Opportunity is not consummated. The General Partner shall be entitled to enter into any compensation arrangements with such Co-Investors as the General Partner shall determine to be appropriate

Risks Related to an Investment In The Portfolio Investments

Business Disruption

The Funds' business is vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes and telecommunication failures.

The Funds' portfolio companies, including its target investments could be adversely affected by a slowdown in economic activity. If the United States economy moves into a prolonged or deep recession with substantial job losses, such substantial job losses would result in an adverse effect on consumers, including consumers of the Funds' portfolio companies, and their spending, including their ability to pay for memberships at certain portfolio companies. Further, significant delays in imports may lead to shortages of some construction materials and increase costs, making development costlier or lengthier. Some development projects may be postponed due to increasing uncertainties in the demand outlook. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the coronavirus outbreak. The extent to which the coronavirus impacts the Funds' results will depend on future developments, which are highly uncertain and cannot be predicted. These include: new information which may emerge concerning the severity of the coronavirus; the duration and spread of the outbreak; the actions to contain the coronavirus or treat its impact; its impact on our portfolio companies, our portfolio companies' customers, employees and vendors; and governmental, regulatory and private sector responses to the coronavirus. The Funds' financial condition and results of operations could be adversely affected, including the Funds' ability to complete in-process transactions and developments, to collect membership dues or other fees from customers of our portfolio companies or to make distributions to investors. In addition, the operations of the Funds, their investments and the General Partner may be significantly impacted, or even halted, either temporarily or on a long-term basis, as a result of government quarantine and curfew measures, voluntary and precautionary restrictions on work, travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Force Majeure

Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, energy blackouts, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes and telecommunication failures). Some force majeure events may adversely affect the ability of a party, including a portfolio company, a franchisee of a portfolio investment, a counterparty of a portfolio investment or a counterparty of the Funds, to perform its obligations until it is able to remedy the force majeure event. Such a party may also claim force majeure for nonperformance of its contract obligations to the Funds, a portfolio investment, a franchisee of a portfolio investment, a counterparty of a portfolio investment or a counterparty of the Funds. In addition, the cost to a portfolio investment or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio investments or its assets, could result in a loss to the Funds, including if their investment in such portfolio investment is canceled, unwound or acquired (which could be without what the Funds consider to be adequate compensation). Any of the foregoing would therefore adversely affect the performance of the Funds and their investments.

Financial Leverage

The Funds may maintain financial leverage within each of the portfolio investments and may re-leverage an investment in order to achieve this goal. Such leverage may be substantial. Utilization of leverage will result in fees, expenses and interest costs to the applicable portfolio investments. If the Funds or any portfolio investment are unable to refinance a portfolio investment in order to maintain the desired amount of financial leverage, the Funds may realize lower than expected returns from the relevant investment and may hold a larger than expected equity investment in that investment. Although the General Partner and the Manager will seek to use financial leverage in a manner that they believe to be appropriate, the leveraged capital structure of such portfolio investments may significantly increase their exposure to adverse economic factors, such as rising interest rates, downturns in the economy, changes in commodity prices or deterioration in the condition of such portfolio investments or investments or their respective industries. If a portfolio investment cannot generate adequate cash flow to meet debt obligations, for example, the Funds may suffer a partial or total loss of capital invested in the portfolio investment.

Each portfolio investment may incur additional indebtedness to fund distributions, acquisitions, general working capital, the development of new locations and/or the remodeling of existing locations. To the extent a portfolio investment enters into any sale-leaseback transactions, the proceeds are expected to be used to finance the development of future locations. The degree to which the portfolio investments and their respective subsidiaries, if any, are leveraged could have important consequences to the Limited Partners. For example, leverage could (i) increase a portfolio investment's

vulnerability to general adverse economic and industry conditions and result in increased interest rates on its outstanding indebtedness; (ii) limit a portfolio investment's ability to fund future working capital, capital expenditures and other general corporate requirements; (iii) require a portfolio investment to dedicate a substantial portion of cash flow from operations to payments on its indebtedness, thereby reducing the availability of such portfolio investment's cash flow to fund working capital, capital expenditures and/or distributions to the Funds; (iv) place a portfolio investment at a competitive disadvantage compared to its competitors that have less debt; and (v) limit, along with the financial and other restrictive covenants in its loan agreements, among other things, a portfolio investment's ability to borrow additional funds.

Capital Calls and Use of Subscription Lines and Asset-Backed Facilities

For administrative convenience, capital calls, including those used to pay interest on subscription lines, asset-back facilities and other indebtedness, may from time to time be "batched" together into larger, less frequent capital calls, with the Funds' interim capital needs being satisfied by the Funds borrowing money from their credit facilities. In particular, it is expected that capital needs of the Funds during the investment period and otherwise may be met through drawdowns from their credit facilities rather than capital calls. The interest expense and other costs of any such borrowings will be fund expenses and, accordingly, decrease net returns of the Funds. In addition, the batching of capital calls may amplify the magnitude of potential defaults by Limited Partners as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender (or within a certain pre-agreed periods with a lender), such a demand may be issued (or an agreed payment date reached) at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on Limited Partners and/or Limited Partners facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of a subscription facility may impair a Limited Partner's ability to transfer its interest in the Funds as a result of restrictions imposed on such transfers by the lender. Alternatively, to the extent that the Funds are unable to obtain a subscription line or an asset-backed credit facility, determines that the terms of such facility would not be appropriate for the Funds or otherwise determines not to use such facility or access to such facility otherwise becomes unavailable, the General Partner may determine in its sole discretion to draw down capital commitments in advance and hold them in reserve in order to make investments, to satisfy fees and expenses, and to satisfy other capital needs that may arise in the future.

IRRs reported to Limited Partners are computed from the due dates specified in the applicable call notice, until the dates distributions are made. This treatment also applies in instances where a fund utilizes borrowings under a Fund's subscription credit facility in lieu of, or in advance of receiving capital contributions from limited partners to repay any such borrowings. As a result, use of a subscription line (or other long-term leverage) will impact calculations of net returns and will result in a higher reported net IRR than if the amounts borrowed had instead been funded through capital contributions made by the Limited Partners to a given Fund.

No Assurance of Ability to Service Indebtedness

The ability of the portfolio investments and their respective subsidiaries, if any, to make payments on indebtedness, and to fund operating and capital expenditures, will depend on their ability to generate cash in the future. There can be no assurance that the portfolio investments and their respective subsidiaries, if any, will generate sufficient cash flow to meet their operating expenses and to service their debt. In order to service their debt, the portfolio investments and their respective subsidiaries, if any, may need to adopt alternative strategies, including (i) reducing or delaying capital expenditures; (ii) selling assets; (iii) restructuring or refinancing their respective indebtedness; or (iv) seeking additional equity capital. Neither Level 5 nor the General Partner can assure prospective Limited Partners, however, that any of these alternative strategies would be completed on satisfactory terms or at all. A default in paying principal and interest under any existing or future indebtedness of any portfolio investment or its subsidiaries, if any, could result in foreclosure of the security instrument(s) securing the debt and the complete loss of the capital invested in the assets securing the debt. Further, a default in paying rent or satisfying other obligations under its leases could result in remedies being enforced against a portfolio investment and, possibly, the Fund, including without limitation eviction from the locations under the leases and the complete loss of the capital invested by the Funds in such portfolio investment and, therefore the complete loss of the capital invested by the Limited Partners in such Fund with respect to such portfolio investment.

Competition and the Target Investment Industries

The target investment industries in which the Funds will operate is generally highly competitive and fragmented, and the number, size and strength of the Funds' competitors varies widely from region to region. The General Partner believes that competition in the industry is based primarily on customer service, reputation, location, name awareness and price. The Funds' primary competitors include national and regional target investment industries, both franchised and company-operated, and, to a lesser extent, individually-owned target investment industry centers. Many of the Funds' competitors have greater financial resources, are more geographically diverse, have a broader product and service offering, and have better name recognition, which might place the Funds at a competitive disadvantage relative to those competitors. Because the Funds will seek to offer competitive prices, if the Funds' competitors reduce prices, the Funds may be forced to reduce prices, which could have a material adverse effect on its business, financial condition and results of operations. Further, the Funds' success within this industry also depends upon its ability to respond in a timely manner to changes in customer demands for both products and services. The Funds cannot assure that it, or any of its Target Investment Industry centers, will be able to compete effectively. In addition, the Funds expects intense competition for facility sites and difficulty buying or leasing desirable sites on terms that are acceptable to the Funds. In many cases, competitors will be willing and able to pay more than the Funds for sites. In addition, many direct-to-consumer online sales of skincare products are being marketed using social media strategies and top influencers. Some of these companies have greater resources than it and may be able to respond to changing business and economic conditions more quickly. Competition in the skincare business is based on perceived value, branding, pricing, advertising, new

product development, e-commerce initiatives, and other activities. If a Fund is unable to compete successfully in new and existing markets, it could have a material adverse effect on the Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

Health and Safety Risks

The use of target investment industry locations poses some potential health and safety risks to members or guests through physical exertion and use of the location's services and facilities, including, but not limited to, exercise and tanning equipment, skincare treatment and potential exposure to the COVID-19 virus. Claims might be asserted against the Funds or their affiliates for injuries suffered by or even death of members or guests while exercising and using the facilities at a store. The Funds may not be able to successfully defend such claims. The Funds and their affiliates also may not be able to maintain general liability insurance on acceptable terms in the future or maintain a level of insurance that would provide adequate coverage against potential claims. Depending upon the outcome, these matters may adversely affect the Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

Cost Sensitivity

The profitability of the Funds will likely be highly sensitive to increases in pricing for fitness and health equipment, wellness and skincare products, labor, utilities, electronic funds transfer, and insurance costs, as well as other operating costs. In addition, it is anticipated that a number of the Funds' future locations may be leased from third parties. Accordingly, the financial performance and operations of the Funds will be highly sensitive to increases in rent payments. Further, the Funds' profitability is sensitive to changes in the costs of fitness and health machines and equipment as well as the ingredients in its skincare products and disruptions in contract manufacturing for those products caused by changes in supply or other market conditions, over which the Funds have little or no control, as well as any changes that may be mandated by the franchisor with respect to how often such equipment must be replaced. The Funds may not be able to pass on to its customers any future increases in equipment costs or the frequency of required equipment replacements in the form of membership price increases. Any inability to pass on increased costs as price increases to customers will reduce profit margins and adversely affect the Funds' business, financial condition, results of operations and ability to make distributions.

In addition, unfavorable trends or developments concerning factors such as inflation, increasing labor and employee benefit costs (including increases in minimum hourly wage and unemployment tax rates), rent increases resulting from the rent escalation provisions in leases and the availability of experienced management and hourly employees may also adversely affect the Funds' investments. Should these costs increase, the Funds' business, financial condition, results of operations and ability to make distributions could be negatively impacted.

Franchisees

Franchisees are independent contractors and are not employees of the Funds' portfolio companies. In situations where the Funds' portfolio companies are franchisors and/or sub-franchisors, such portfolio companies will provide training and support to franchisees, and the terms of the franchise agreements with the franchisees may require franchisees to maintain certain minimum operating standards; however, the quality of franchised operations may be diminished by any number of factors beyond the portfolio companies', Level 5's, the General Partner's or the Funds' control. For example, franchisees may not successfully operate in a manner consistent with the portfolio companies' standards and requirements, or may not hire and train qualified managers or other personnel. In other instances, franchisees may operate their units in conformity with the portfolio companies' operating standards and specifications, but may fail to meet their financial obligations under a franchise agreement or a sublease for a location, or to vendors, lenders or other creditors. While such portfolio companies may have certain contractual remedies in such instances of default, enforcing remedies typically requires litigation, and, therefore, the image and reputation of each of applicable portfolio company, and the image and reputation of other franchisees, may suffer even if such litigation is successfully concluded. If a significant number of franchisees were to be in default simultaneously or within a limited time period, a larger number of franchise units could be terminated in a given time period than such portfolio companies would be able to re- franchise, or absorb as company-operated, and system-wide sales could significantly decline. If this were to occur, the portfolio companies might also be unable to meet their obligations to landlords for the leases for which they will be liable and/or to service their respective debt.

In addition, franchisees are required to deliver certain initial franchisee license payments to the applicable portfolio company. Some of these franchisees may have borrowed to acquire their franchise, including the financing of the payments payable to the Funds and their subsidiaries and other equipment and start-up costs. Excess leverage of franchisees may put them at a disadvantage with respect to competitors. As a result, franchisees may face difficulties in successfully operating and may incur uninsured losses, which could result in a default on the payment of amounts owed to such portfolio companies that have been financed by the franchisee. The loss of any amounts owed to such portfolio companies and their respective subsidiaries by one or more franchisees could have a material adverse effect on the Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

As franchisor and/or sub-franchisor, the applicable portfolio companies will also face the risk of litigation brought by existing or future franchisees, including class-action litigation, premised on claims purportedly arising under state contract law, state unfair competition law and/or state and federal franchise law. Franchisee litigation often involves claims for breach of contract, failure to make required disclosures in the offering or sale of a franchise, and/or unfair treatment, including encroachment, or changing a franchisee's competitive circumstances, termination, cancellation or nonrenewal without good cause. These claims may already exist. Remedies may include damages or rescission of the franchise agreement by the franchisee. If any such litigation was determined adversely to the Funds and their subsidiaries, it could have a material adverse

effect on the Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

Further, the applicable portfolio companies and their franchisees will be subject to complaints or litigation from guests alleging illness, injury or other health or operational concerns and may be subject to other lawsuits from employees. Although the franchise agreements may require the franchisees to defend and indemnify the applicable portfolio company in its capacity as the franchisor, the applicable portfolio company, the Fund, the General Partner and/or Level 5 may be named as defendants and sustain liability in legal proceedings against franchisees under the doctrines of vicarious liability, agency, negligence or otherwise.

Dependence on the Franchisor and Franchisor System

The success of the Funds may be, to a large extent, directly related to the success of the specific nationwide franchisor system in which they choose to participate. In turn, the ability of the franchisor system to compete effectively depends upon the success of the management of the franchisor system by the franchisor. There can be no assurance that the franchisors will be able to compete effectively with other target investment industry centers.

It is anticipated that the Funds may be required to comply with operational programs established by a franchisor. Among other things, the franchise agreements may require the Funds to adopt any changes the franchisor, may, from time to time, make in its suppliers or other system-wide requirements set forth in the locations' operations manual, and there can be no assurance that such changes will be profitable. Moreover, these system-wide requirements could impose significant capital costs on the Fund through required remodels of existing facilities and replacement of target investment industry equipment. Under the terms of its franchise agreements, the Funds and their affiliates may be required to purchase target investment industry equipment from the franchisors. In addition, the Funds may not be able to avoid adopting membership price discount promotions instituted by the franchisors which may be unprofitable. The Funds' ability to renew the franchise agreements with the franchisors may depend on, among other things, the franchisor's assessment that the Funds have complied with material provisions of the franchise agreements.

Under the franchise agreements, the franchisor's consent may be required in connection with a purchase of a Fund's franchisee interests by a third party. This consent right could have a material negative impact on the ability to market the Funds' franchisees should management decide such a transaction is in the best interests of the Limited Partners.

Investment Conflicts

Level 5 may act as both a franchisee and franchisor. In many cases, Level 5 may act as both a franchisee and franchisor in the same concept. There can be no assurance that a Fund will be more profitable in investments where Level 5 acts as both a franchisee and a franchisor than if Level 5 had acted only as a franchisee or only as a franchisor with respect to an investment.

Rising Interest Rates

The portfolio investments and their respective subsidiaries, if any, are exposed to interest rate risk related to certain of its financing arrangements. Certain indebtedness may have a variable interest rate based on various benchmarks, such as the Intercontinental Exchange London Interbank Offered Rate. Although the portfolio investments and their respective subsidiaries, if any, may hedge a portion of the interest rate risk associated with such indebtedness, a significant increase in interest rates would increase the portfolio investments' financing costs and could adversely affect their cash flow.

Location and Leasing Issues

The location of each portfolio investment's locations may have significant influence on such portfolio investment's success. There can be no assurance that current locations will continue to be economically viable or that additional locations can be acquired or developed at reasonable costs. In addition, economic conditions where facilities are located could decline in the future.

The portfolio investments are dependent on the ability to enter into new leases and renew existing leases on favorable terms. A substantial majority of the portfolio investment locations are on leased premises. Upon the expiration, such leases may not be able to be renewed on favorable terms, or at all. There is also active competition for attractive locations in close proximity to commercial shopping malls and other retail centers. As a result, as existing leases expire, the portfolio investments and the franchisees may find it more expensive to continue to operate in existing locations and may not be able to renew leases at all.

Dependence on Information Technology

Each portfolio investment may rely heavily on information systems across its operations, including, for example, point-of-sale processing in the facilities, management of the facilities' or locations', as applicable, supply chain, collection of cash, payment of obligations and various other processes and procedures. The ability of the management team of each portfolio investment to efficiently manage its respective portfolio investment depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, problems with maintenance, upgrading or transitioning to replacement systems or a breach in security of these information systems could cause delays in customer service and reduce efficiency in operations. Significant capital investments might be required to remediate any problems.

Possible Environmental Liability

The General Partner anticipates that the portfolio investments or their subsidiaries, if any, may own, operate, acquire and sell real estate and improvements thereon. Under various federal, state and local environmental laws, as a current or former owner or operator, the portfolio investment or the applicable subsidiary, if any, could be required to investigate and remediate the effects of contamination of owned real estate by hazardous or toxic substances, often regardless of its knowledge of or responsibility for the contamination

and solely by virtue of its ownership or operation of the real estate or improvements thereon. In addition, the portfolio investment could be held liable to a governmental authority or to third parties for property and other damages and for investigation and clean-up costs incurred in connection with the contamination. These costs could be substantial, and in many cases environmental laws create liens in favor of governmental authorities to secure their payment. The presence of such substances or a failure to properly remediate any resulting contamination could materially and adversely affect the portfolio investments', and therefore the Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

Ownership of Real Estate

The General Partner anticipates that the portfolio investments or their respective affiliates, if any, will own, operate, acquire and sell real estate and improvements thereon, which may include entire retail centers where all or a portion of the rentable space in the center is, or may become, occupied by a portfolio investment location. Investments in real estate are subject to various risks, including adverse changes in regional, national or international economic conditions, adverse local market conditions, the financial condition of tenants, buyers and sellers of properties, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies, environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, energy prices, changes in the relative popularity of property types and locations, risks due to dependence on cash flow and risks and operating problems arising out of the presence of certain construction materials, as well as force majeure, uninsurable losses, acts of war (declared and undeclared), terrorist acts, strikes and other factors which are beyond the control of Level 5, the General Partner, the Funds or the portfolio investments. In addition, the portfolio investments' investments in real estate generally will be subject to various risks which may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of its properties difficult or unattractive. For example, declining economic conditions may impair a portfolio investment's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under expectation. Increased competition for tenants may require a portfolio investment to make capital improvements to the property or center which would not have otherwise been planned. Any unbudgeted capital improvements may divert cash that would otherwise be available for distribution to investors in the portfolio investments, including the Funds. These factors may materially and adversely affect a portfolio investment's, and therefore the Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

Brand Value

The success of the portfolio investments is dependent in large part upon the value of each portfolio investment's respective brand. Brand value can be severely damaged even by isolated incidents, particularly if the incidents receive considerable negative publicity or result in litigation. Some of these incidents may relate to the way the portfolio

investments manage development efforts or the ordinary course of its business. Other incidents that could be damaging to the brand value of each portfolio investment may arise from events that are or may be beyond such portfolio investment's, the General Partner's or the Principal's control, such as:

- actions taken (or not taken) by one or more of their employees relating to health, safety, welfare or otherwise;
- data security breaches or fraudulent activities associated with each portfolio investment's or other franchisees' electronic payment systems;
- litigation and legal claims;
- third-party misappropriation, dilution or infringement of intellectual property; and
- illegal activity targeted at the portfolio investment.

Consumer demand for each portfolio investment's product and the brand's value could diminish significantly if any such incidents or other matters erode consumer confidence, which would likely result in a reduction in foot traffic and, ultimately, lower revenue. Any of these events could materially and adversely affect each relevant portfolio investment's, and therefore the Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

Lack of Diversification; Geographic Concentration; Seasonality

The Funds may have only a few target investment industry locations as its material assets in addition to the furniture, fixtures and equipment related to such facilities. The loss or material impairment of any one of these locations could have a material adverse effect on the portfolio investments, financial condition, results of operations, cash flow and ability to make distributions of the Funds. The risks of these related target investment industry locations in which the Funds may invest may not be well diversified. Any loss suffered by these locations may not be offset by profits of other operations or investments of the Funds and a total loss of or by the related locations would result in a total loss of a Limited Partner's investment.

Additionally, the portfolio investments may experience seasonal fluctuations and a disproportionate amount of the Funds' net income could be generally realized in certain times of the year.

Other Operating Expenditures

As the facilities for the portfolio investments age, the Funds expect to experience increased repair and maintenance expenditures related to those locations. Such increases may affect the portfolio investment's profitability. In addition, the terms and conditions of any franchise agreements may require the remodeling of existing stores and updating of related equipment on a periodic basis. For example, the fitness, health and wellness equipment in each facility may need to be updated periodically. Further, the Funds may

experience higher property insurance costs as a result of increased rate pressure throughout the insurance industry. There can be no assurance that the repair, maintenance and re-modeling expense and increased property insurance expense will not adversely impact the profitability of the Funds or their ability to control costs in the future.

Changes in the Industry

Changes in the industry could place strains on the Funds' portfolio investments' management, employees, information systems and internal controls, which may adversely impact the profitability of the Funds. Changes in the industry affecting health, fitness, spa/skincare, wellness memberships and/or memberships related to other target markets in which the Funds may invest, and payment for such memberships, may place significant demands on the Funds' administrative, operational, financial and other resources or require us to obtain different or additional resources. Any failure to manage such changes effectively could adversely affect the Funds' profitability. To be successful, the Funds will need to continue to implement management information systems and improve its operating, administrative, financial and accounting systems and controls in order to adapt quickly to such changes. These changes may be time-consuming and expensive, increase management responsibilities and divert management attention, and the Funds may not realize a return on its investment in these changes.

Changes in Consumer Preferences

If the Funds and their portfolio investments are unable to anticipate and satisfy consumer preferences and shifting views of health, fitness, skincare products, wellness and other target markets in which the Funds may invest, the Funds' businesses and profitability may be adversely affected. The success of the Funds and its portfolio investments depends on its ability to anticipate and satisfy consumer preferences relating to health, fitness, skincare products, wellness and other target markets in which the Funds may invest. The Funds' business is, and all of its services are, subject to changing consumer preferences that cannot be predicted with certainty. Developments or shifts in research or public opinion on the types of health, fitness, skincare products, wellness services and other target markets in which the Funds may invest could negatively impact the business, or consumers' preferences for health, fitness, skincare products, wellness services and other target markets in which the Funds may invest could shift rapidly to different types of health, fitness, skincare products, wellness centers and other target markets in which the Funds may invest; the Funds and their portfolio investments may be unable to anticipate and respond to shifts in consumer preferences. It is also possible that competitors could introduce new products and services that negatively impact consumer preference for the Funds' and its portfolio investments' business models. Failure to predict and respond to changes in public opinion, public research and consumer preferences could adversely impact the Funds' profitability.

Data Security

The nature of the portfolio investments involves the receipt and storage of personal and financial information about customers and employees. If a portfolio investment

experiences a data security breach, it could be exposed to government enforcement actions and private litigation. In addition, the portfolio investment's customers could lose confidence in its ability to protect their personal and financial information, which could cause them to discontinue usage of credit cards or decline to use the portfolio investment's services altogether. A data security breach may result from actions taken by third party service providers, as well as from actions taken by the portfolio investment. Additionally, the loss of confidence from a data security breach involving employees could hurt each such portfolio investment's reputation and cause employee recruiting and retention challenges. Any of these types of data breaches could materially and adversely affect each portfolio investment's, and therefore the Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

Government Regulation

The Funds and their portfolio investments will have to comply with various legal requirements, including federal and state laws governing securities, taxation and employee benefits.

The portfolio investments will be subject to various legal requirements, including federal and state laws governing wages, working conditions, citizenship requirements and overtime. Each facility must comply with federal, state, county and municipal licensing and regulation requirements relating to health, safety, sanitation, building construction and fire prevention. The Funds' investments could incur fines or private damage awards if its facilities fail to comply with these requirements and may be subject to wage-and-hour or other lawsuits brought by employees.

The facilities will also be subject to the Americans with Disabilities Act of 1990, as amended (the "ADA"), which requires certain accommodations to facility designs to allow access for people with disabilities. Noncompliance with these requirements could result in the imposition of fines by the federal government or the award of damages to private litigants. If the Funds or its investments are required to make unanticipated expenditures in connection with the company- operated facilities to comply with the ADA, including removing access barriers, then its cash flow may be adversely affected. The Funds' locations will also be subject to various federal, state and local safety requirements, such as state and local fire and life-safety requirements.

In addition, the Funds will be subject to the regulations of the Immigration and Naturalization Service ("INS"). Even if the Funds' operation of the portfolio investments is in strict compliance with INS requirements, the Funds' employees may not all meet federal citizenship or residency requirements, which could lead to disruptions in its work force.

Existing requirements may change or new requirements may be imposed that could require significant unanticipated expenditures by the Funds or their investments that will negatively impact its business, financial condition, results of operations, cash flow and ability to make distributions. For example, the health care reform law enacted by Congress in March of 2010 resulted in increased compliance costs as various parts of the

new law took effect. The increases in costs, as well as the requirements for employers to provide specified levels of health insurance to all employees, if not effectively offset by plan modifications and cost control measures, could negatively impact the Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

ERISA “Controlled Group” Risks

Under ERISA and the Code, a member of a “controlled group” of “trades or businesses” is jointly and severally liable for certain liabilities of other members of the controlled group under tax-qualified defined benefit pension plans, including multiemployer (union-based) pension plans, and under Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code (“COBRA”). In particular, if any member’s tax-qualified defined benefit pension plan were to terminate, underfunding at termination would be the joint and several liability of all controlled group members, including members whose employees did not participate in the terminated plan.

A “controlled group” includes all “trades and businesses” under 80% or greater common ownership. This common ownership test is broadly applied to include both “parent-subsidary groups” and “brother-sister groups” applying complex exclusion and constructive ownership rules. Regardless of the Funds’ level of ownership, a Fund would not be considered part of a controlled group unless such Fund is considered to perform a “trade or business”. While there are a number of cases that have held that managing investments is not a “trade or business” for tax purposes, in 2007 the Pension Benefit Guaranty Corporation Appeals Board ruled that a private equity fund was a “trade or business” for ERISA controlled group liability purposes and at least one U.S. Federal Circuit Court similarly conclude that a private equity fund could be a trade or business for these purposes based upon a number of factors.

Similarly, joint and several liability may be imposed on all members of the controlled group if one member withdraws, completely or partly, from a multiemployer pension plan. Depending on a number of factors, including the trade or business analysis, a Fund may be considered to be a member of the “controlled group” of the portfolio company, and therefore may be exposed to pension plan and COBRA liabilities of that portfolio company. Moreover, regardless of whether or not a Fund is determined to be a trade or business for purposes of ERISA, a court could hold that one or more of the Funds’ investments could become jointly and severally liable for another of the Funds’ investment’s pension plan and COBRA liabilities. This area of law is developing, and this discussion is based the statutory, regulatory and judicial authority regarding controlled group liability.

Item 9 - Disciplinary Information

Level 5 and its principals have not been the subject of any legal proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

None of Level 5 or its principals or employees is registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Level 5 and its principals or employees are not affiliated with any broker-dealer or bank.

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

None of Level 5 or any of its principals or employees is registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

The Clients of Level 5 as of the date of this Brochure are pooled investment vehicles exempt from registration under the Investment Company Act. Level 5 or an affiliate of Level 5 acts as General Partner of the Funds.

Employees of Level 5, its affiliates, or subsidiaries may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Clients of Level 5 invest, or provide other services to portfolio companies, and may receive reimbursement of expenses in connection therewith.

L5 Acceleration Services, a wholly owned subsidiary of Level 5, may be retained to perform services for the Funds for which it would otherwise hire unaffiliated third parties, including product & marketing, operations scaling & process, finance services, business analytics and core administration, and other similar services in connection with or relating to the Funds' investments, among potentially other services (collectively, the "Affiliate Services"), at the rates set forth in the Governing Documents, or at such other rates as may be approved by an advisory committee from time to time. The fees for such Affiliate Services may be borne by the portfolio company or the Funds directly, at the General Partner's discretion.

Selection or Recommendation of Other Advisers

Level 5 does not recommend or select other investment advisers for its Clients. Level 5 does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

Level 5 has adopted a code of ethics under Rule 204A-1 of the Advisers Act reflecting Level 5's commitment to ethical conduct (the "Code of Ethics"). Level 5's Code of Ethics describes its fiduciary duties and responsibilities to its Clients, and sets forth Level 5's policies governing the receipt of gifts by employees and the personal securities transactions of supervised persons with access to Client investment recommendations. Under Level 5's Code of Ethics, all "Access Persons", as defined therein, have a duty to act only in the best interests of the Clients of Level 5. All Access Persons must acknowledge the terms of the Code of Ethics annually.

The Code of Ethics contains policies and procedures with respect to personal securities transactions by Access Persons and related accounts that are designed to prevent the misuse of inside information and other improper activities. Access Persons must report all personal transactions to the Chief Compliance Officer (or a designee) on at least a quarterly basis. The Chief Compliance Officer (or a designee) monitors all transactions by Access Persons in order to identify any pattern of conduct that may evidence conflicts or potential conflicts with the principles and objectives of the Code of Ethics, or other inappropriate behavior.

Level 5 requires that all employees act in accordance with all applicable federal and state regulations governing investment advisory practices. Level 5's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any employees who violates the Code of Ethics may be subject to discipline or termination.

Level 5 will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

Participation or Interest in Client Transactions; Personal Trading

Level 5 does not generally engage in principal transactions, cross-trading or agency cross transactions but may do so subject to applicable laws and the relevant Governing Documents.

Item 12 - Brokerage Practices

Best Execution

The Funds purchase securities in privately negotiated transactions and typically do not utilize broker-dealers in connection with their investment activities. To the extent ever applicable, Level 5 will seek to execute trades through a broker or dealer offering the best execution. Best execution does not consider only price and commission rates, but other factors including but not limited to execution capability, execution quality, financial

responsibility and financial services offered, willingness and ability to commit capital, confidentiality, trading expertise, facilities, reputation and integrity, reliability in keeping records, responsiveness, and with respect to a particular trade, the timing and size of the order, available liquidity and market conditions.

Level 5 does not presently plan to engage in any trading that will generate soft dollar benefits for Level 5 and/or its Clients, utilize the capital introduction services of a prime broker, or accept directed brokerage arrangements.

Item 13 - Review of Accounts

Frequency and Nature of Review of Client Accounts or Financial Plans

The investment portfolios of the Funds are generally long-term in nature; accordingly, Level 5's review of investments is not directed toward a short-term decision to dispose of securities. The Funds' investments are periodically evaluated based on financial and operating performance relative to Level 5's expectations, economic and market conditions, and such other considerations that include a review of applicable risk and/or operating guidelines as set forth in the Governing Documents of the Funds.

Content and Frequency of Account Reports to Clients

Each Fund's Limited Partners receive written reports regarding the relevant Fund's activities as provided for in the Governing Documents of the Funds, including quarterly unaudited reports of each Fund's performance for the prior calendar quarter. Level 5 uses its commercially reasonable efforts to also provide investors with annual audited financial statements for the Funds within 120 days of the Funds' fiscal year end. The Funds may enter into agreements with certain Limited Partners to provide such Limited Partners with additional reports or information.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Non-Clients

Level 5 does not currently receive any additional compensation or other economic benefits from parties other than the affiliated Funds, as described in this Brochure. Level 5's wholly owned subsidiary, L5 Acceleration Services, receive fees for services provided from portfolio companies that the Funds invest in.

Compensation to Non-Supervised Persons for Client Referrals

Level 5 has engaged one or more placement agents to distribute interests of the Funds to certain investors. The fees and/or expenses of such placement agents are paid by the Manager to each placement agent engaged to provide investor referrals. Placement agents are compensated pursuant to an agreement entered into that complies with Rule 206(4)-1 of the Advisers Act, as amended, and relevant state securities laws.

Item 15 – Custody

As Level 5 or a related party acts as General Partner to the Funds, Level 5 is deemed to have custody of the Funds' assets under Rule 206(4)-2 of the Advisers Act, as amended (the "Custody Rule").

As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Advisers Act, as amended, all required assets of the Funds are held by a qualified custodian. On an annual basis, it is the policy of Level 5 to prepare the financial statements for each Fund in accordance with GAAP and audited by an auditing firm registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules. Level 5 makes these audited financial statements available to investors within 120 days of the Funds' fiscal year-end.

Item 16 - Investment Discretion

Subject to the investment objectives, policies and restrictions of each Fund as set forth in the Governing Documents of such Fund, Level 5 has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Fund and Client account. This authority has been granted to Level 5 by means of the execution of the relevant Governing Documents that set forth the scope of, and any limitations placed on, the Manager's discretion with respect to the Funds.

Item 17 - Voting Client Securities

As of the date of this Brochure, Level 5 has not voted a proxy on behalf of the Funds and does not expect to in the future. However, because Level 5 has, or will accept, authority to vote securities held by its Clients, it has adopted policies and procedures designed to ensure that Level 5 complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and to reflect Level 5's commitment to vote all Client securities for which it exercises voting authority in a manner consistent with the best interest of the Client.

Neither the Limited Partners nor the Manager's Clients are permitted to direct their votes in a particular solicitation.

If a material conflict of interest between the Manager and a Client exists, the Manager will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action, which may include consulting the voting research and recommendations of a third-party proxy voting service.

Clients may obtain a copy of the Manager's proxy voting policies and procedures and information about how the Manager voted a client's proxies by contacting the Chief

Compliance Officer by email at adam@lfivecapital.com or by telephone at 773-590-0621.

Item 18 - Financial Information

Not applicable. Level 5 does not have any financial condition that is reasonably likely to impair the Manager's ability to meet its contractual and fiduciary commitments to its Clients. Level 5 has not been the subject of a bankruptcy petition at any time, nor does it require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.