



## **COHERE CAPITAL PARTNERS, LP**

**FORM ADV PART 2A**

**INVESTMENT ADVISER BROCHURE**

**March 21, 2023**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Cohere Capital Partners, LP (“Cohere Capital”). If you have any questions about the contents of this Brochure, please contact us at 617-245-4020. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

Cohere Capital is an investment adviser that, as of the date of this Brochure, is in the process of becoming registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

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

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## MATERIAL CHANGES

This Brochure is dated March 21, 2023 and contains no material updates since the last annual amendment, dated March 18, 2022.

## ADVISORY BUSINESS

Cohere Capital Partners, LP, a Delaware limited partnership, provides discretionary investment advisory services to investment funds (the “**Funds**,” and each, a “**Fund**”) privately offered to qualified investors in the United States and elsewhere. Cohere Capital Partners, LLC, a Delaware limited liability company, acts as the sole general partner of Cohere Capital Partners, LP. Cohere Capital Partners, LLC is principally controlled by Nik Shah and Daniel Gedney (the “**Principals**”). Cohere Capital commenced operations in March 2019.

Generally, a person that is under common control with Cohere Capital (a “**Related Person**”) will act as the general partner of each Fund, and Cohere Capital (directly or indirectly through a wholly-owned subsidiary) will serve as the investment adviser to each Fund. References to “Cohere Capital” in this Brochure include, as the context requires, affiliates through which Cohere Capital provides investment advisory services or that act in any capacity referenced in the previous sentence. References to “General Partners” in this Brochure include the general partner entities of the applicable Funds, and for any General Partner that is itself a limited partnership, to the general partner thereof.

The Funds are private equity funds that make equity and equity-related investments in lower middle market buyout and growth capital transactions, as well as certain debt securities (including bridge notes). Cohere Capital’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments, generally referred to herein as “portfolio companies.” Although investments are made predominantly in non-public companies, investments in public companies are permitted in certain circumstances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Cohere Capital expect to serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Cohere Capital’s advisory services are tailored to the specific investment objectives and restrictions of each Fund as set forth in the applicable subscription agreement, investment management agreement, limited partnership or other operating agreement (each, a “**Partnership Agreement**” and, as applicable, collectively with any subscription agreement, investment management agreement and/or other governing documents, the “**Governing Documents**”), which are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” In performing investment advisory services for the Funds, Cohere Capital acts as the manager (the “**Management Company**”) to provide advisory personnel and services. The advisory services of the Management Company are described herein. Investors in the Funds participate in the overall investment program for the applicable Fund but may be excused from a particular investment due to legal, regulatory, or other agreed-upon circumstances pursuant to the relevant Governing Documents. Consistent with industry practices, the Funds or the General Partners generally enter

into side letters or other similar agreements (“**Side Letters**”) with certain investors pursuant to which the applicable General Partner grants the investor specific rights, benefits, or privileges (including economic rights, benefits and privileges) that, except as set forth in the Governing Documents, are not required to be made available or disclosed to investors generally.

Additionally, from time to time and as permitted by the relevant Governing Documents, Cohere Capital expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to one or more (but not necessarily all) investors or their affiliates, or other private investors, groups, partnerships, corporations or other entities (“**Third Party Co-Investors**”), whenever Cohere Capital determines that the aggregate investment opportunity exceeds the size of the equity investment deemed appropriate for the relevant Fund. Cohere Capital intends to provide priority co-investment rights to the lead investor in the relevant Fund and may offer similar priority co-investment rights to other investors. Third Party Co-Investors are intended to be persons or entities that Cohere Capital expects to provide certain strategic benefits in connection with sourcing, consummating, or following consummation of investment opportunities. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. Third Party Co-Investors generally bear their own expenses as further described below. Co-investments by investors in the Funds or Third Party Co-Investors may be made directly in the applicable portfolio company or may be made through “special purpose vehicles” or other entities formed by Cohere Capital (“**Co-Investment Vehicles**”). Cohere Capital may (but is not obligated to) receive fees, carried interest or other compensation in connection with such co-investments (and the terms of any such fees, carried interest or other compensation may differ from the terms applicable to an investment in the Funds with regard to such matters).

Cohere Capital does not participate in any wrap fee programs.

As of the date of this Brochure, Cohere Capital managed \$225,423,850 in client assets on a discretionary basis.

## **FEES AND COMPENSATION**

In general, Cohere Capital expects to receive a management fee and a carried interest in connection with advisory services. Cohere Capital or other affiliates expect to receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will offset in part the management fees otherwise payable to Cohere Capital in accordance with the relevant Governing Documents. In addition, in certain circumstances Cohere Capital expects to receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Fund. Investors in a Fund also bear certain expenses including those discussed below.

### **Compensation and Fee Schedules**

As compensation for investment advisory services rendered to the Funds, Cohere Capital will typically receive a management fee (each, a “**Management Fee**”) from each such Fund. All investors and prospective investors should review the Governing Documents of each Fund in

conjunction with this Brochure for complete information on the fees and compensation payable in connection with a particular Fund. Different Funds may be subject to different Management Fees and performance-based compensation arrangements. The Management Fees payable to Cohere Capital in respect of individual investors in a Fund may be negotiable and/or waived. Investors and prospective investors in each Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. All advisory clients (i.e., the Funds) are expected to be “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Consequently, Cohere Capital will not be required to include specific fee information in this Brochure relating to the Funds.

### **Deduction of Fees; Timing of Payments; Termination**

As a general matter, Cohere Capital will charge and deduct Management Fees directly from the Funds pursuant to the terms of the Governing Documents. Payment of Management Fees is generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Funds for complete information on the timing of Management Fee payments. Upon termination of any investment management agreement, any prepaid, unearned fees will be promptly refunded (determined on a *pro rata* basis based on the number of days elapsed in the applicable payment period), and any earned, unpaid fees will be due and payable.

### **Service-Related Fees**

Cohere Capital and its affiliated entities may perform consulting, management, advisory, monitoring, integration, transaction-related, financial advisory and other services (“**Related Services**”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds (“**Portfolio Company Remuneration**”). Generally, the Management Fee with respect to each calendar quarter of each applicable Fund will be reduced by all or a portion of such Fund’s share of Portfolio Company Remuneration. The definition of and calculation of the amount of such Portfolio Company Remuneration that is used to offset the Management Fees and Fund expenses is described in the applicable Fund’s Governing Documents. For a discussion of material conflicts of interest created by the receipt of such Portfolio Company Remuneration in connection with Related Services, please see the section entitled “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” below.

As a matter of practice, Cohere Capital may be paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. In certain circumstances, Cohere Capital expects that co-investors or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the applicable Partnership Agreement of the Fund, it is Cohere Capital practice to use or retain certain Operating Executives (defined below) to provide services to (or with respect to) certain portfolio companies in the Fund. Such Operating Executives generally receive compensation and other amounts described herein from the relevant portfolio

companies or Fund to which they provide services, but no such amounts will result in additional offsets to the Management Fee.

The amount of Management Fees, Fund expenses, and the amount of Portfolio Company Remuneration may differ from one Fund to another, as well as among investors in the same Fund. Some Funds may not pay Management Fees. The Management Fees may also be subject to waiver or reduction by Cohere Capital, in its sole discretion, both voluntarily and on a negotiated basis with its investors. For example, Cohere Capital, the Principals and certain of its employees have invested, and are expected to continue to invest, directly or indirectly in the Funds, and Management Fees with respect to such investments are usually waived.

It is anticipated that the Funds or Cohere Capital may incur costs and expenses on behalf of a portfolio company. Such costs and expenses are expected to be reimbursed by the applicable portfolio company. Any such reimbursement shall not offset the Management Fee.

## **Expenses**

Cohere Capital will be responsible for paying its normal overhead and operating expenses attributable to the activities of Cohere Capital, including all routine, recurring expenses incident to its activities; compensation and expenses of the employees of Cohere Capital, including salaries of the members of Cohere Capital; expenses of Cohere Capital related to its registration and compliance as an investment adviser with the SEC; internal compliance expenses of Cohere Capital related solely to internal business of Cohere Capital, its affiliates and unrelated to the affairs and activities of the Funds; expenses relating to any litigation, investigation, audit or other proceeding, and any threatened litigation, investigation, audit or other proceeding related solely to internal business of Cohere Capital, its affiliates and unrelated to the affairs and activities of the Funds; and fees and expenses for administrative, clerical and related support services, office space and facilities, utilities, telephone and all other normal overhead and expenses attributable to its activities.

The permissible operational and other expenses may vary among the Funds. Consistent with the Governing Documents of the Funds, in addition to the Management Fees and performance-based compensation payable to Cohere Capital, each Fund (and indirectly, the investors thereof, and including any subsidiaries, certain alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, “AIVs”) or other vehicles through which they will make investments) will generally be responsible for all costs and expenses incident to conducting the affairs of the Funds and their related entities to the extent not reimbursed by a portfolio company or another third party, including but not limited to: all costs and expenses pertaining to the offering and sale of limited partner interests to prospective limited partners and the organization of the Funds and their General Partners; fees and expenses of placement agents; the Management Fee; all costs and expenses incurred in connection with the business, affairs and operations of the Funds (including, but not limited to, software, subscriptions, and technology used in the origination and monitoring of actual or prospective portfolio investments), including sourcing, identifying, originating, investigating, developing, negotiating, structuring, acquiring, trading, selling, monitoring, tracking, holding and disposing of any actual or prospective portfolio investments (whether or not consummated and including any “broken deal” expenses), any brokerage, placement, corporate finance, merger, underwriting and registration fees and

commissions, prime brokerage fees, custodial expenses, agent bank and other bank service fees, fees and expenses associated with legal, tax, consulting and accounting services and reasonable travel expenses (including accommodations, meals and business class commercial travel or, if only two classes are available, first class commercial travel) in connection therewith; costs and expenses of third-party appraisals of prospective portfolio investments (whether or not consummated); expenses related to meetings and reasonable business related entertainment with prospective portfolio company personnel and their prospective strategic partners; payments to legal counsel, tax advisors, auditors, accountants, administrators, custodians, consultants and other outside advisors, including all costs and expenses in connection with the Funds' compliance with U.S. federal, state, local, non-U.S. or other laws and regulations applicable to the Funds (including, by way of example only, Form PF obligations under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), foreign account reporting regimes (including FATCA and the Common Reporting Standard), cross border activity tracking (e.g., TIC and BEA forms), the European Alternative Investment Fund Managers Directive, applicable anti-money laundering and "know your client" laws and requirements, filings under Section 13 or Section 16 of the Securities Exchange Act of 1934, as amended, filings with the Committee on Foreign Investment in the United States ("**CFIUS**") and other matters related to the Defense Production Act of 1950 or CFIUS in connection with the Funds' investments or proposed investments, regardless of the reason that any such filing is made, each as applicable and as may be amended from time to time, and the preparation and administration of any reports, disclosures, filings or notifications prepared in accordance with the foregoing (but excluding, for the avoidance of doubt, any compliance or related expenses of Cohere Capital related to its registration as an investment adviser with the SEC); any co-investment broken deal expenses; all expenses incurred in connection with the managed distribution of marketable securities; expenses of any Advisory Board attributable to the Funds, including legal fees for outside counsel to the Advisory Board and insurance for the benefit of the members of the Advisory Board and any limited partner represented by any such member; litigation, director and officer liability and other insurance with respect to persons serving in such capacity at the request of the Funds; market data costs and other research-related expenses, including, without limitation, news and quotation equipment, software and services (including expert networks); indemnification obligations and other extraordinary expenses or liabilities relating to the affairs of the Funds, including the costs prosecuting or defending any legal, regulatory or administrative action or investigation, litigation or threatened litigation relating to the business or activities of the Funds, their General Partners, Cohere Capital or their affiliates related to the business activities of the Funds or their General Partners; all expenses incurred in connection with securing financing, including but not limited to the arranging, negotiation, structuring, entering into, amending and all other documentation of agreements with one or more lenders and all principal and interest on, and fees and expenses arising out of, all permitted borrowings and guarantees made by the Funds; all expenses related to hedging activities undertaken by the Funds; taxes, fees or government charges that may be levied or assessed against the Funds; any expense of the Funds, including fees and expenses associated with any tax or other audit, investigation, settlement or review of the Funds, their General Partners or Cohere Capital related to the business activities of the Funds or their General Partners; all expenses incurred in connection with the formation of special purpose vehicles, including any AIVs (including related to the presence of the Funds or any AIV or other special purpose vehicle in jurisdictions in which such entities or their subsidiaries maintain such a presence, including, for example, rent, domiciliation fees, director's fees and other similar costs); all dissolution, liquidation and winding-

up expenses of the Funds; all expenses incurred in connection with any restructuring or amendments to the constituent documents of the Funds and their affiliates, including their General Partners; reasonable expenses of annual and special meetings of the limited partners and the Advisory Board, including meals (in each case, whether individually or as a group, and, in the case of the Advisory Board and industry experts in attendance at such meetings, accommodations and travel); all accounting, administrative, reporting, tax and audit costs and expenses of the Funds and their General Partners, including in connection with the preparation, printing and distribution of all communications, reports (including financial and tax reports), portfolio valuations and tax returns of the Funds and their General Partners (including the costs and fees of maintaining any internet-based portal or website from which such items are made available); and all other expenses properly chargeable to the activities of the Funds. To the extent any such costs or expenses are paid by Cohere Capital, the general partners or their affiliates, as the case may be, the applicable party shall be reimbursed by the Funds.

Certain expenses will be incurred that are attributable to more than one Fund (including in connection with portfolio companies in which such Funds have overlapping investments and in connection with the general operation or administration of such entities). Cohere Capital intends (a) with respect to expenses relating to a specific portfolio company or a prospective portfolio company (excluding any “broken deal” expenses incurred in connection with an unconsummated investment, which may be borne in their entirety by the Funds that intended to invest in such unconsummated investment), to the extent practicable, to apportion such expenses amongst such Funds based on the relative amounts invested (or, in the case of any prospective portfolio company, anticipated to be invested) in such portfolio company or prospective portfolio company, as applicable, and (b) with respect to any expense that does not relate to a specific portfolio company or prospective portfolio company, to determine each such Fund’s proportionate share of such expense in a manner it determines is equitable and appropriate after considering the factors that Cohere Capital determines to be relevant.

### **Timing of Payments**

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

### **Transaction-Based Compensation**

Cohere Capital will not receive any compensation as broker or agent for the sale of securities or other investment products to any Fund. Please refer to the subsections titled “*Service-Related Fees*” above and “*Economic Benefits Received from Third Parties*” below for information on other types of compensation that Cohere Capital may receive with respect to investments by the Funds.

### **Operating Executives and Other Operating Professionals**

Each General Partner may retain, on behalf of a Fund and/or the portfolio companies, as applicable, one or more senior operating executives (the “**Operating Executives**”) with significant industry, transactional, investment, operating or other experience to assist the relevant General Partner and Cohere Capital on various matters related to the Fund or portfolio companies,

including sourcing investments, conducting due diligence, facilitating transaction execution and overseeing portfolio investments. The Funds will pay the expenses of each Operating Executive, if any; provided that if an Operating Executive is involved with a prospective or existing portfolio investment, some or all of the expense, as well as salary and/or performance-based compensation, of the Operating Executive may be paid or provided by the portfolio company, including by the issuance of a profits interest or other equity in such portfolio company. A General Partner may also cause such portfolio company to reimburse the applicable Fund or Cohere Capital for some or all of the expenses of the Operating Executive previously paid by such entities. Expenses, fees and other compensation to Operating Executives, including compensation received from portfolio companies, will not result in offsets to the Management Fee.

Cohere Capital professionals (including Operating Executives) may be seconded to portfolio companies to provide services to such portfolio companies. Any Cohere Capital professionals (excluding Principals) seconded to portfolio companies will be compensated by the relevant portfolio companies for their services (and reimbursed by such portfolio companies for certain out-of-pocket expenses incurred in connection with the provision of such services) in amounts Cohere Capital expects would be comparable to or more favorable than the rates available from unaffiliated professionals or service providers for services of equivalent scope and quality, taking into consideration the time and effort that would be required of Cohere Capital or the portfolio company to recruit such professionals. Amounts paid by portfolio companies to any such seconded professionals (or amounts reimbursed to Cohere Capital in connection therewith) will not result in offsets to the Management Fee.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Performance-Based Fees**

Carried interest is a share of the net profits realized on the disposition of investments that is paid to the Funds' general partners as an incentive to maximize performance of the Funds. The carried interest percentage is negotiated at the time each Fund is formed and shall be calculated and distributed in accordance with the specific provisions outlined in each Fund's Governing Documents. The fact that a significant portion of Cohere Capital's potential compensation is directly computed on the basis of profits generated by the sale/disposition of Fund assets may create an incentive for Cohere Capital to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. The existence of a capital commitment by each General Partner to the Funds may reduce this incentive. Additionally, each General Partner is subject to a "clawback" of carried interest previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to such General Partner by such Fund as carried interest, applied on an aggregate basis covering all transactions of the applicable Fund.

### **Side-by-Side Management**

Funds with similar investment strategies may, in the future, be subject to different performance-based compensation arrangements. If Cohere Capital or a Related Person is entitled to receive a higher percentage of the net profits of the account of one Fund than the percentage that Cohere Capital or a Related Person receives from another Fund with a similar investment

strategy, then Cohere Capital may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Fund that is subject to the higher percentage.

To mitigate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each Fund will be made by Cohere Capital with respect to all Funds in accordance with their Governing Documents and Cohere Capital's investment allocation policy which, subject to the Governing Documents of the applicable Funds, takes into account multiple criteria, including: the amount of capital required for the applicable investment opportunity, the nature of the applicable security or transaction, capital available to (including leverage), and remaining investment period of, the relevant Funds, differences with respect to investment objectives and or current investment strategies, differences in risk profile, the sourcing of the transaction, whether the relevant Funds have an existing investment in the applicable portfolio company, current and anticipated market and economic conditions, the amount of potential follow-on investing that may be required for such investment, reasons of portfolio balance, construction and diversification (including but not limited to stage, geography and/or sector), potential conflicts of interest, tax, legal or regulatory considerations, other limitations or restrictions applicable to the relevant Funds and such other considerations deemed relevant by Cohere Capital.

Subject to the terms of the Governing Documents of the applicable Funds, a Fund may cross-invest in portfolio companies in which other Funds already hold an interest or engage in cross-sales of interests in portfolio companies between Funds make new investments in their respective existing portfolio companies. To the extent that multiple Funds have invested in the same portfolio company, dispositions of such investments by such Funds will be determined by Cohere Capital on a case-by-case basis and will not necessarily be made at the same time or in proportion to dollars invested in that company or relative ownership percentages in that company. In such cases, Cohere Capital will allocate disposition opportunities among the applicable Funds in its discretion, taking into account (without limitation): the relevant provisions in agreements related to such Funds' investment in the portfolio company (such as "tag-along" or "piggy-back" rights); the ownership percentage of, and the amount invested by, each such Fund in the portfolio company; the amount of gain (or loss), realized and unrealized, on each such Fund's investment in the portfolio company at the time of such disposition opportunity; the type of securities held by each such Fund in the portfolio company; liquidity needs for each such Fund and the investment cycle of each such Fund; respective holding periods for the investment of each such Fund; the nature of the disposition opportunity, including the size of the opportunity; current and anticipated market conditions; tax, legal or regulatory considerations; and such other factors that Cohere Capital may determine to be relevant.

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

## **TYPES OF CLIENTS**

### **Types of Clients and Investment Vehicles**

Cohere Capital will provide discretionary investment management services to the Funds, which are pooled investment vehicles. The investors in the Funds may include high net worth individuals, corporations, funds of funds, financial institutions, endowments, foundations, trusts,

and public and private pension and profit sharing plans. Cohere Capital may also provide investment advice to Co-Investment Vehicles. The eligibility and suitability requirements for each Fund are described in the applicable Governing Documents. The Funds only admit sophisticated investors that (a) (1) are “qualified clients” within the meaning of Rule 205-3 of the Advisers Act and (2) the applicable General Partner reasonably believes to be (i) “accredited investors” within the meaning of the Securities Act and (ii) “qualified purchasers” as such term is defined in Section 2(a)51 of the Investment Company Act, or (b) are not “U.S. Persons” within the meaning of Rules 901 through 905 under the Securities Act (“**Regulation S**”) and outside the United States at the time of such offer in offshore transactions in compliance with Regulation S.

Cohere Capital and/or its affiliates may establish AIVs for the purpose of addressing tax, regulatory and/or structural issues, and/or facilitating certain investments by one or more Funds and/or investors. Prospective investors are requested to refer to the Governing Documents of the applicable Fund for complete details on any feeder fund that may be established by such Fund and such Fund’s ability to make investments through AIVs.

### **Minimum Investment Requirements**

In general, the minimum investment commitment required of an institutional limited partner to participate in a Fund is set forth in the Governing Documents for such Fund. Notwithstanding the foregoing, the General Partner of each Fund has discretion to increase or reduce the minimum investment commitment. Investors are requested to refer to the Governing Documents of each Fund for complete information on minimum investment requirements for participation in a particular Fund.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Cohere Capital will make investments on behalf of the Funds to achieve long-term capital appreciation through equity and equity-related investments in lower middle market buyout and growth capital transactions, as well as certain debt securities (including bridge financings), with a focus on the technology and tech-enabled industries. The Funds may make both influential minority and majority investments. Cohere Capital will seek to invest in companies that are profitable (or have a clear path to profitability), that require relatively low capital expenditure, and that are well capitalized. Cohere Capital’s strategy is centered around providing the proper expertise and capital for portfolio companies to continue their growth. In evaluating potential investment opportunities, Cohere Capital is flexible in the growth markets that the Fund invests in, while primarily targeting recapitalizations and growth investments.

There can be no assurance that Cohere Capital will achieve the investment objectives of the Fund and a loss of investment is possible.

### **Investment and Operating Strategy**

***Deal Sourcing and Due Diligence.*** Cohere Capital’s deal sourcing strategy includes time spent with intermediaries who are representing companies looking to do a recapitalization, growth

buyout, or growth capital transaction. These may be investment banks, brokers, accountants, lawyers, or other transaction advisors. The Cohere Capital team also spends time with executives and other industry participants in its technology and technology-enabled services end markets to continue to learn about and research ongoing market trends and opportunities.

Cohere Capital is committed to a thorough, fact-and-data-based assessment and evaluation of any company under consideration by the Funds. Cohere Capital will strive to not invest in any company where the Cohere Capital team has not had access to, what the Cohere Capital team believes to be, critical aspects of a company's operations, technology, customers, financial performance, legal, compliance and regulatory information, and other necessary information.

***Build Management Team.*** Cohere Capital aims to help build, nurture, and develop a portfolio company's management team. Cohere Capital believes its active involvement in helping attract and retain the highest quality human capital will allow the Funds' companies to best position themselves for future success. In many cases, such companies will need to add to their existing management teams or to upgrade certain management positions as they increase in size. In such cases, Cohere Capital generally will seek to offer assistance with organizational design, leadership development, training, and implementation of what it believes to be best human resource practices. Cohere Capital also expects to take a lead role in helping portfolio companies on governance issues. This may include helping to attract qualified, independent board members.

***Build Business Development Team.*** Cohere Capital will also aim to work closely with the Funds' portfolio companies to build and enhance its sales, marketing and business development team, if needed. Where applicable, Cohere Capital also plans to work closely with portfolio companies to develop their sales and revenue generation capabilities.

***Develop Strategic Relationship.*** Cohere Capital will also seek to assist the Funds' portfolio companies in engaging with other mid-size and larger enterprises in an effort to develop business or strategic relationships.

***Operation and Evaluation.*** Cohere Capital intends to play a role in helping portfolio companies take advantage of key emerging technologies and market trends. Cohere Capital also expects to work with the Funds' portfolio companies on pricing of their products and services. Where relevant, Cohere Capital will also work closely with portfolio companies on their digital customer acquisition strategy.

Cohere Capital anticipates that it will also play a role in helping companies develop the right set of metrics, key performance indicators, and financial and operating information, which will help both the management team of portfolio companies as well as Cohere Capital to better understand the operating and financial performance and cadences of the underlying companies.

***Exit Strategy.*** Exit strategies that Cohere Capital may consider for a portfolio company may include, but are not limited to, the following: (1) strategic sale; (2) sale to other private investment firms; (3) IPO or similar public listing; and (4) recapitalization.

## **Material Risks**

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

***Risks Associated with Portfolio Investments.*** Identifying and participating in attractive investment opportunities and assisting in the building of successful growth companies is difficult. There is no assurance that any Fund's investments will be profitable and there is a substantial risk that any Fund's losses and expenses will exceed its income and gains. Any return on investment to the limited partners will depend upon successful investments made on behalf of each Fund by its General Partner. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by a General Partner will be dependent upon the ability of Cohere Capital to obtain relevant information from non-public sources, and a General Partner often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify.

***Competition.*** The growth buyout business is highly competitive and has become more so in recent years due to a substantially increased flow of capital into venture capital, growth equity and private equity funds and similar investment organizations. Each Fund and its General Partner will be competing with other established funds and investment organizations with substantial resources and experience. Moreover, the volume of attractive investment opportunities varies greatly from period to period. There can be no assurance that a Fund will be able to make investments on attractive terms, and it is possible that a Fund's term will expire before such Fund has invested all of its available capital.

***Concentration of Investments.*** Each Fund's portfolio may become concentrated in a limited number of companies in the technology and technology-enabled services and related sectors, increasing the vulnerability of the portfolio as compared to a portfolio that is more diversified.

***Long-Term Investment; Limited Transferability of Interests; Withdrawals.*** An investment in a Fund is a long-term commitment, and there is no assurance of any distribution to the limited partners. The Governing Documents and applicable securities laws will impose substantial restrictions upon the transferability of interests in the Funds. There is no public or other market for the interests in the Funds, and it is not expected that such a market will develop. Withdrawal of limited partners from each Fund generally will not be permitted, although the Governing Documents may specify certain circumstances under which a limited partner may be entitled, or required, to withdraw from a Fund. A withdrawn limited partner may not be entitled

to immediate payment for its interest in a Fund. Any withdrawal of a limited partner may reduce the amount of a Fund's capital available for investment or other activities.

**Bridge Financings.** From time to time, a Fund may lend to portfolio companies, including on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in such Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by such Fund.

**Leverage.** Although each Fund itself does not intend to borrow except on a short-term basis, and the investment strategy of each Fund does not generally employ high portfolio company financial leverage, portfolio companies in which each Fund invests may borrow without limitation. While leverage presents opportunities to increase a Fund's total return, it has the effect of potentially increasing losses as well. If the income of such portfolio companies is less than the required interest payments on the borrowings, the value of the portfolio companies, and thus of a Fund's net assets, may decrease or, in extreme cases, the lender could foreclose on the portfolio company and a Fund could suffer a total loss.

**Changes in Environment.** Each Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory and technology environment within which each Fund operates is expected to undergo substantial changes, some of which may be adverse to a Fund. Each General Partner will have the exclusive right and authority (within limitations set forth in the Governing Documents) to determine the manner in which the applicable Fund shall respond to such changes, and limited partners generally will have no right to withdraw from each Fund or to demand specific modifications to each Fund's operations in consequence thereof.

**Reliance on Individual Members or Partners of the General Partners.** Each Fund will be particularly dependent upon the efforts, experience, contacts and skills of the individual members or partners of its General Partner and other Cohere Capital professionals. The loss of any such individual could have a material, adverse effect on a Fund, and such loss could occur at any time due to death, disability, resignation or other reasons. The limited partners will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by a General Partner in making decisions. Except as specifically provided in the Governing Documents, a General Partner will have the exclusive right and power to manage each Fund's business and affairs.

**Reliance on Third Parties.** Each General Partner and each Fund will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents. Failure by any of these third parties to perform their duties or otherwise satisfy their obligations to each Fund could have a material adverse effect upon a Fund.

**Limited Partner Defaults.** Limited Partners that fail to satisfy capital calls in a timely manner generally will be subject to significant penalties as described elsewhere in the Governing Documents. Any failure by limited partners to make timely capital contributions in respect of their capital commitments may impair the ability of a Fund to pursue its investment program, force a Fund to borrow, or cause other damage.

**Reserves.** In managing each Fund, the applicable General Partner will establish reserves for follow-on investments in portfolio companies, operating expenses (including management fees payable to such General Partner or an affiliate), Fund liabilities and other matters. Estimating the amount necessary for such reserves will be difficult, particularly because follow-on investment opportunities will be directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the limited partners.

**Dilution.** Following a Fund's initial closing, its General Partner will be authorized to admit additional limited partners (or accept increased capital commitments from existing limited partners) for a specified period (the "**Open Window Period**"). In consequence, additional limited partners (or existing limited partners that increase their capital commitments) may effectively "buy into" a Fund during the Open Window Period at a price that does not necessarily reflect changes in the value of a Fund's assets subsequent to the initial closing.

**Side Agreements.** In accordance with common industry practice, the General Partners have and will continue to enter into one or more Side Letters with certain limited partners. As a result of such Side Letters, certain limited partners may receive additional benefits that other limited partners will not receive, including, without limitation, the circumstances under which exclusion from certain investments or involuntary withdrawals from a Fund may be required; "most favored nation" rights (i.e., the right to receive favorable rights or other arrangements that may be afforded to other limited partners); rights or terms necessary in light of particular legal, regulatory or policies of a limited partner; and the right to receive reports from a Fund on a more frequent basis or to receive reports that include information not provided to other limited partners. Such agreements will be disclosed only to those actual or potential limited partners that have separately negotiated with the applicable General Partner for the right to review such agreements.

**Capital Calls.** Capital calls will be issued by each Fund from time to time at the discretion of its General Partner, based upon such General Partner's assessment of the needs and opportunities of such Fund. To satisfy such calls, limited partners may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash.

**Distributions in Kind.** A Fund may, from time to time, distribute portfolio company securities to the limited partners. Except as specifically provided in the Governing Documents, such distributions will be made solely at the discretion of the applicable General Partner. Distributed securities may be subject to a variety of legal or practical limitations on sale.

**Functional Currency.** The functional currency of each Fund will be United States dollars. An investor whose functional currency is not United States dollars will bear risks associated with

fluctuating currency exchange rates, particularly with regard to capital contributions that may not become due for several years.

***Non-United States Investments.*** A Fund may invest in securities of non-United States portfolio companies. Such investments may present a variety of risks not presented by investments in United States portfolio companies, including risks associated with: (i) fluctuating currency exchange rates; (ii) limitations on currency exchange or the transfer of capital/profits across international boundaries; (iii) different accounting standards; (iv) different legal protections for investors; (v) unusual regulatory burdens; (vi) political instability; and (vii) multiple taxing jurisdictions.

***Portfolio Company Management.*** Notwithstanding any rights a Fund may obtain with respect to participation on any portfolio company's board of directors, each portfolio company's management will be responsible for the operations of that company on a day-to-day basis. Although it is the intent of each Fund to invest in companies with operationally strong management with a successful track record, there can be no assurance that any existing management team, or any new one, will be able to successfully operate any such portfolio company.

***Business Disruption Due to Pandemics.*** The success of the Funds' investment strategies could be significantly impacted by changing external economic conditions in the United States and globally. The stability and sustainability of growth in global economies may be impacted by terrorism, acts of war, pandemics or other unforeseen disasters. Changing economic conditions could potentially adversely impact the performance and valuation of portfolio holdings. In addition, the availability, unavailability, or hindered operation of external credit markets, equity markets, and other economic systems may have a significant negative impact on portfolio operations and profitability. There can be no assurance that such markets and economic systems will be available as anticipated or needed for Cohere Capital to operate and manage investments successfully. The spread of COVID-19 in 2020 showed such an ability to result in a broad-based economic decline and significant market volatility and continues to present material uncertainty and risk with respect to portfolios' performance and financial results. Aside from the broad effects on the economy, the pandemic may also have specific implications for Cohere Capital operations and activities of its personnel, which can range from employees working remotely to more significant impacts such as illness and restrictions on non-essential travel. Depending on the length and severity of the pandemic, Cohere Capital is prepared to spend the necessary time and attention addressing implications from the pandemic, including minimizing its impact on its business, Funds, and/or specific investments as relevant.

***Service on Boards of Directors, Material Non-Public Information, etc.*** Persons related to Cohere Capital will serve as directors of portfolio companies in connection with the applicable Funds' investments in such portfolio companies. In their capacity as directors (or even simply by virtue of a Fund's status as a significant shareholder of a portfolio company), such individuals may become subject to fiduciary or other duties that adversely affect a Fund.

***Litigation Risks.*** Each Fund will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more portfolio companies will face financial or other difficulties during the term of a Fund's investment. Beyond direct costs, such disputes

may adversely affect a Fund in a variety of ways, including by distracting its General Partner and harming relationships between a Fund and its portfolio companies or other investors in such portfolio companies. To the extent set forth in the Governing Documents, limited partners may be required to return distributions previously received by them from a Fund, including for purposes of enabling a Fund to make indemnification payments to its General Partner, its partners or other indemnified persons.

***Regulatory Concerns.*** Each Fund and its portfolio companies will or may be subject to a variety of securities laws and other types of governmental regulation in the United States and other jurisdictions that may limit the scope of its operations or impose material compliance costs and other burdens.

***Limited Access to Information.*** The rights of limited partners to information regarding each Fund and its portfolio companies will be specified, and strictly limited, in the Governing Documents. Information regarding portfolio companies (e.g., via members of a General Partner serving as directors of portfolio companies) that is material to determining the value of securities issued by such portfolio companies may be withheld from limited partners in order to comply with duties to such portfolio companies or otherwise to protect the interests of such portfolio companies or a Fund itself.

***Projections.*** Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, the inaccuracy of certain assumptions, general economic conditions and other factors, which are not predictable, can have a material impact on the reliability of projections.

***Exculpation and Indemnification.*** Each Partnership Agreement will contain provisions that relieve the applicable General Partner and its members of liability for certain acts or omissions. Under certain circumstances, a Fund may even indemnify its General Partner and its direct and indirect partners against liability to third parties resulting from improper acts or omissions.

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

***Lack of Operating History.*** Cohere Capital is a newly formed investment adviser with limited prior investment history as an independent entity. Further, at its time of formation, each Fund will be a new investment partnership with no prior operating history. Past investment

performance of members of the General Partners and/or Cohere Capital does not ensure future performance for any Fund.

***Control Liability.*** A Fund may own a controlling percentage of the equity of its portfolio companies. A Fund will generally appoint one or more representatives to the board of directors of the companies in which it invests. Significant or controlling ownership and serving on the board of directors of a portfolio company exposes a Fund's representatives, and ultimately a Fund itself, to potential liability because a Fund or its representatives may in certain cases be thought to control, participate in the management of, or influence the conduct of such portfolio company.

***Non-Controlling Investments.*** A Fund may invest in minority positions in portfolio companies and may have a limited ability to exert significant influence or protect its position. Accordingly, a Fund may have a limited ability to protect its interests in such portfolio companies and to influence such portfolio companies' management. In such cases, a Fund will be significantly reliant on the other equity participants in the portfolio companies and on the existing management and board of directors of such portfolio companies, which may include representation of other financial investors with whom a Fund is not affiliated and whose interests may conflict with the interests of such Fund.

***Limited Number of Investments.*** Although restrictions with respect to the amount that a Fund may invest in any single portfolio company and affiliated portfolio companies are generally contained in the applicable Governing Documents for such Fund, diversification is not an objective of a Fund. Each Fund's portfolio may include a small number of large positions. Furthermore, to the extent that the capital raised for a Fund is less than the targeted amount, such Fund may invest in fewer portfolio companies and thus be less diversified. If a Fund's investments are concentrated in a few portfolio companies, affiliated portfolio companies or industries, any adverse change in one or more portfolio companies or industries could have a material adverse effect on such Fund's investments. Therefore, while this portfolio concentration may enhance total returns to a Fund's limited partners, if any large position has a material loss, returns to limited partners may be lower than if they had invested in a more diversified portfolio.

***Bankruptcy of Portfolio Companies.*** A Fund may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. There are a number of risks inherent in the bankruptcy process, including, for example, the effects of litigation between the creditors and debtor, the duration of the bankruptcy proceedings and the tangible and intangible costs to the portfolio company. Further, various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of a Fund. There is also a risk that a court may subordinate a Fund's investments to other creditors or require a Fund to return amounts previously paid to it by a portfolio company that has become insolvent or filed for bankruptcy, a risk that could increase if a Fund has management rights in such portfolio company.

***Follow-On Investments.*** Following its initial investment in a given portfolio company, a General Partner may decide to cause a Fund to provide additional capital to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There can be no assurance that a General Partner will wish to cause the applicable Fund make such

follow-on investments or that such Fund will have sufficient capital to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish a Fund's proportionate ownership in such portfolio company and thus its ability to influence such portfolio company's future development.

***Investments with Third Parties.*** Each Fund generally will be permitted to partner with third parties to make investments through joint ventures or other entities, including with private equity vehicles sponsored by others, strategic partners, and co-investments with limited partners. The commitment to a portfolio company in an investment with partners may be substantial. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a partner alongside a Fund in an investment may experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of such Fund, may take a different view from the applicable Fund's general partner as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to such Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third-party investment partner. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties with whom a Fund may partner may have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments may differ from the terms upon which such Fund invests in such portfolio companies. In addition, such arrangements are likely to involve additional restrictions on the resale of a Fund's interest in any such portfolio company.

***Investments Longer than Term.*** A Fund may make investments that may not be advantageously disposed of prior to the date on which such Fund will be wound-up and dissolved, either by expiration of such Fund's term or otherwise. Although the General Partner of each Fund generally expects to extend, or seek an extension to, each Fund's term pursuant to the applicable partnership agreement if such an extension would be in the best interests of such Fund, and generally expects that investments will be either realized prior to dissolution or suitable for in-kind distribution at dissolution, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution, particularly with respect to an early dissolution of a Fund as provided in the applicable Governing Documents.

***Failure of Counterparties to Perform Obligations.*** In its ordinary course of business, Cohere Capital relies on various counterparties, which may include, but is not limited to, banks, custodians, and administrators ("Counterparties"). These Counterparties, with which Cohere Capital does business and on behalf of a Fund, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact Cohere Capital's or the Fund's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at

select Counterparties, which may or may not have a current or prior relationship with Cohere Capital or the Fund, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty's default, Cohere Capital will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Fund. However, Cohere Capital's access to capital is subject to a variety of external factors that are outside of Cohere Capital's control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, Cohere Capital's ability to access capital may have an impact on Cohere Capital's and the Fund's ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

#### **DISCIPLINARY INFORMATION**

Neither Cohere Capital nor its Principals have been the subject of any disciplinary event or material legal proceeding required to be disclosed in response to this item.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

***Registered Broker-Dealers.*** Neither Cohere Capital, its Principals nor any of its Related Persons is registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Cohere Capital, the Principals and its Related Persons are not affiliated with any broker-dealer.

***Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors.*** Neither Cohere Capital nor the Principals are registered, or have an application pending to register, as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

***Selection or Recommendation of Other Advisers.*** Cohere Capital will not recommend or select other investment advisers for its clients. Cohere Capital will not have business relationships with other advisers that create a material conflict of interest in relation to Cohere Capital's clients.

***Related General Partners.*** Various limited partnerships or other entities will generally serve as general partners of the Funds, and the Principals of Cohere Capital will generally be members or partners of one or more of the General Partners. For a description of material conflicts of interest created by the relationship among Cohere Capital and the General Partners, please see the below item. Please refer to the Governing Documents of the relevant Fund for complete information on the requisite time commitments (if any) of Cohere Capital and its related persons to the Funds and the allocation of investment opportunities among the Funds. Please also refer to the description of Cohere Capital's investment allocation policy described in the subsection "*Side-by-Side Management*" above.

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

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

Cohere Capital will adopt a written Code of Ethics ("**Code**") which will be included as a part of its Compliance Manual and which is provided to each supervised person. The Code will require all supervised persons to (i) act with competence, dignity, integrity and in an ethical manner, (ii) use reasonable care and exercise independent professional judgment in the execution of their duties, and (iii) avoid actions or relationships that might materially conflict, or appear to materially conflict, with job responsibilities or the interests of Cohere Capital and its clients. The Code will also contain policies and procedures that ensure that all personal securities trading by supervised persons is conducted in such a manner as to avoid actual or potential material conflicts of interest or any abuse of an individual's position of trust and responsibility. Cohere Capital will prohibit personal trading by "access persons" on certain securities or instruments; require pre-clearance before transacting in any "reportable securities," including an IPO or limited offering (i.e., private placement); and require periodic reporting of supervised persons' personal securities transactions and all holdings.

Supervised persons will be required to certify to their compliance with the Code on an annual basis. Supervised persons of Cohere Capital who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons will also be required to promptly report to Cohere Capital any violations of the Code of which they become aware.

Cohere Capital will provide a copy of the Code to any investor or prospective investor upon request.

### **Participation or Interest in Client Transactions; Personal Trading**

Cohere Capital, and an affiliated entity, will serve as the investment adviser and General Partner, respectively, to the Funds. Each General Partner of the Funds will have an investment in such Fund. Therefore, Cohere Capital may be considered to participate indirectly in transactions effected for those clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Funds' Governing Documents.

As discussed above in *Service-Related Fees*, Cohere Capital and its affiliates may receive certain transaction, consulting, advisory and other similar fees associated with investments or proposed investments or commitments made by the Funds in accordance with the Governing Documents. All or a portion of such fees generally offset the management fee otherwise payable

by the Funds. Any co-investors may receive their *pro rata* portion of the fee offset to the extent that such investors are subject to management fee; otherwise their *pro rata* portion will be retained by Cohere Capital.

Moreover, any Cohere Capital “access person” who has or acquires ownership of an issuer through a private placement following approval by Cohere Capital as described above (excluding any indirect investment in an issuer via a direct or indirect interest in a Fund) must affirmatively disclose that interest to Cohere Capital if such access person is involved in considering or determining any subsequent investment decision regarding an investment by a Fund in any security of that issuer or one of its affiliates.

## **Conflicts of Interest**

Cohere Capital and its affiliates will engage in a broad range of activities, including investment activities for their own account and for the account of each Fund and provide transaction related, advisory, management and other services to operating companies, including portfolio companies of the Funds. Cohere Capital describes below various conflicts of interest that may arise in respect of its business, as well as how it addresses such conflicts. The discussion below does not cover all potential conflicts that may arise.

***Allocation of Investment Opportunities.*** Conflicts of interest may arise in allocating investment opportunities amongst a Fund and other investment vehicles formed, managed or advised by Cohere Capital, regardless of whether such investment vehicles are currently existing, fundraising or contemplated. The strategy of each Fund and the other investment funds formed, managed or advised from time to time by Cohere Capital will overlap to some degree, and thus, an investment may in the first instance be allocated to another investment vehicle even though it may otherwise be an eligible investment for a Fund, or a Fund may not be able to acquire the entire amount of such investment opportunity. See above, “Performance-based Fees and Side-by-Side Management.”

***Allocation of Fees and Expenses.*** The appropriate allocation between a Fund, its investors, Cohere Capital and third parties of expenses and fees generated in the course of evaluating and making investments (including expenses and fees incurred in transactions which are not consummated), such as out-of-pocket fees associated with due diligence, attorney’s fees and the fees of other professionals, will be determined by Cohere Capital and its affiliates in their sole discretion, in each case using good faith and their best judgment, consistent with the Governing Documents of the Funds, as applicable.

***Providers of Operational Support.*** As detailed in “Fees and Compensation” above, Cohere Capital and Fund portfolio companies will from time to time retain other companies or individuals, which may be affiliates of Cohere Capital; employees of such affiliates or portfolio companies of a Fund; third-party consultants including individual consultants, consulting firms, and Cohere Capital Operating Executives (collectively “**Special Consultants**”). The Special Consultants may be engaged to provide services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and/or disposition of such portfolio companies, including operational aspects of such companies (“**Services**”). Pursuant to

the applicable Governing Documents, fees and expenses associated with the Services (collectively “**Consulting Fees and Expenses**”) may be paid and/or reimbursed by applicable portfolio companies and/or the Funds. Consulting Fees and Expenses may, at the discretion of Cohere Capital, include a profits or equity interest in a portfolio company or other incentive-based compensation to the Special Consultant as a result of Services provided by such Special Consultant.

***Fee Structure.*** Because Management Fees are, at certain times during the life of a Fund, based upon capital invested by the Fund, this fee structure may create an incentive to deploy capital when Cohere Capital may not otherwise have done so. Additionally, as discussed above in “Performance-based Fees and Side-by-Side Management,” the General Partners are entitled to carried interest under the terms of the Governing Documents of such Funds. Such General Partners are affiliates of Cohere Capital. The existence of the General Partners’ carried interest may create an incentive for Cohere Capital to cause such Funds to make riskier or more speculative investments than they would otherwise make in the absence of such performance-based compensation.

***Related Services.*** As described in “Fees and Compensation” above, Cohere Capital will generally perform Related Services for, and may receive Portfolio Company Remuneration. Such Portfolio Company Remuneration, to the extent that they do not offset Management Fees payable by a Fund, will be for the benefit of Cohere Capital and received in addition to any Management Fees or carried interest paid by such Fund to Cohere Capital. In addition, Cohere Capital will generally incur, and a portfolio company will generally reimburse Cohere Capital for, expenses (including, without limitation, travel-related expenses) incurred by Cohere Capital in connection with its performance of services for such portfolio company – while a Fund and its investors will not have to contribute capital to pay for any such expenses, such expense payments or reimbursements will not offset any Management Fees and it is possible that some of such expenses would not otherwise constitute expenses that would be payable by a Fund. This may create a conflict of interest between Cohere Capital and its affiliates, on the one hand, and one or more Funds and their respective investors, on the other hand, because the amounts of these fees may be substantial and one or more Funds and their respective investors generally have only the benefit of a percentage (which may be zero) of these fees. Cohere Capital will determine the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions, and the amount of such fees and reimbursements may not be immediately apparent to investors in the Funds. Cohere Capital and its affiliates will in some circumstances offset Management Fees paid by the applicable Fund against a percentage (which may be zero) of such Fund’s share of Portfolio Company Remuneration. The amount and nature of this reduction may vary among Funds and is set forth in the Governing Documents of the applicable Fund. Entities other than the Funds that participate in investments alongside the Funds (such as entities through which Cohere Capital and certain employees and affiliates of Cohere Capital invest alongside the Funds) may have a right to share in such Portfolio Company Remuneration, and Management Fees will generally not be reduced in connection with the receipt of such entities’ share of such Portfolio Company Remuneration. As some Funds may not pay Management Fees, any such reduction may not benefit such Funds and may be retained by Cohere Capital solely for its own benefit. In many cases with respect to the

implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such Portfolio Company Remuneration and other related terms in the applicable agreement with the portfolio company.

***Formation of New Funds.*** Subject to the terms of the Governing Documents, Cohere Capital may establish additional investment funds which may be competitive with then-existing Funds, and there can be no assurance that the creation of such additional investment funds will not give rise to conflicts of interest between the investors of the respective Funds.

***Principal Transactions.*** Cohere Capital and/or certain related persons of Cohere Capital may, on rare occasions, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Funds in connection with certain “warehousing” transactions, provided that the sale is consistent with Cohere Capital’s fiduciary obligations to the Funds. Such transactions will be fully disclosed and the written consent of the appropriate Fund (which, in certain circumstances, may be provided by such Fund’s advisory committee) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute “principal transactions” under Section 206(3).

***Cross Transactions.*** Cohere Capital may, on rare occasions, cause a Fund to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund, provided that the transfer is consistent with Cohere Capital’s fiduciary obligations to each Fund participating in the cross transaction. Typically, the Governing Documents of a Fund address permissible cross transactions and any applicable disclosure and/or Fund consent requirements.

From time to time, Cohere Capital may sell all or a portion of certain of a Fund’s investments to one or more investors in such Fund or another Fund. Cohere Capital and its affiliates will select the purchaser(s) of such investments considering factors they determine to be relevant in their sole discretion. The sales price obtained in any such transaction would be mutually agreed to by the General Partner of the applicable Fund and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by such General Partner. Although Cohere Capital is generally not obligated to solicit competitive bids for such sales transactions or to seek the highest available price, it will first determine that such transaction is in the best interests of the selling Fund, taking into account the sales price, the other terms and conditions of the transaction and other factors it determines to be relevant under the circumstances. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the selling Fund.

While Cohere Capital endeavors at all times to act in the best interests of the Funds, investors should be aware that the types of transactions described in the foregoing paragraphs create a potential conflict of interest.

***Transactions between Portfolio Companies of the Funds.*** Portfolio companies of any one Fund or of different Funds may engage in commercial transactions (including mergers and acquisitions) with one another from time to time as they determine to be appropriate in their business judgment. Cohere Capital anticipates that any such transaction would be on arm's-length terms or on terms otherwise considered to be equitable to both parties under the circumstances. However, such transactions could benefit the portfolio company of one Fund (and, therefore, such Fund) more than the portfolio company of another Fund (and, therefore, such other Fund). A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds that may not have otherwise been entered into but for the affiliation with Cohere Capital, and which may provide economic or other benefits to Cohere Capital or its affiliates that it would not have received without the co-involvement of the portfolio companies.

***Certain Advisory Board Approvals.*** Each Fund has formed, or will form, a board which is made up of members appointed by such Fund's General Partner, each of whom shall be associated with a Fund investor (an "**Advisory Board**" also referred to as the advisory board). The Advisory Board will provide such advice and counsel as is requested by such General Partner in connection with the applicable Fund's investments, valuations, potential conflicts of interest, and other Fund matters.

The Governing Documents will contain certain protections for limited partners against conflicts of interest faced by Cohere Capital and Related Persons, but will not purport to address all types of conflicts that may arise. Under the Governing Documents, certain transactions that involve conflicts of interest between Cohere Capital or Related Persons, on the one hand, and a Fund, on the other hand, may be submitted to the Fund's Advisory Board for resolution. However, the Advisory Board will not represent the interests of all the limited partners, each member of the Advisory Board may act in the interests of the limited partner with which it is associated, and the members of the Advisory Board may themselves be subject to various conflicts of interest. In general, the limited partners will not be entitled to control the selection of members of the Advisory Board or to review the actions or deliberations of the Advisory Board. Furthermore, some or all of the members of the Advisory Board may also be on the Advisory Board of other Cohere Capital Funds with which there is a potential conflict or may represent investors that have an interest in one or more particular Fund(s) and such other Cohere Capital fund(s). Such Advisory Board members will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve potential conflict of interests.

***Other Conflicts.*** Cohere Capital and its affiliates (including on behalf of the Funds) will generally engage common legal counsel and other advisers in connection with Cohere Capital, Fund and transactional matters, including matters in which there may be conflicts of interest. Such counsel and other service providers will not represent the investors in any Fund. Additionally, Cohere Capital and one or more Funds will generally engage other common service providers. In such circumstances, there may be a conflict of interest between Cohere Capital and the Funds in determining whether to engage such service providers, including the possibility that Cohere Capital may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds.

## **BROKERAGE PRACTICES**

***Discretionary Brokerage.*** Cohere Capital will not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Funds because the securities that are typically purchased and sold on behalf of the Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions.

From time to time, Cohere Capital may use a broker to effect transactions in public securities resulting from, or in connection with portfolio investments. In those instances, Cohere Capital will have full discretionary authority with respect to the selection of, and the commissions paid to, brokers. If Cohere Capital determines to engage a broker, Cohere Capital will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility, responsiveness, and the value of research provided, if any.

***Research and Soft Dollar Benefits.*** Cohere Capital will not currently have any soft dollar arrangements or investor referrals from broker-dealers in connection with transactions on behalf of the Funds.

***Brokerage and Client Referrals.*** Cohere Capital will not consider referrals of investors to the Funds in determining its selection of broker-dealers or other third parties.

***Trade Aggregation.*** In order to minimize execution costs and obtain best execution for multiple Funds, Cohere Capital may choose to aggregate orders for multiple Funds, provided that aggregating would be in the best interests of each participating Fund.

## **REVIEW OF ACCOUNTS**

### **Review of Client Accounts**

The investment portfolios of each Fund will generally be private, illiquid and long-term in nature and accordingly, Cohere Capital's review of them is not directed toward a short-term decision to dispose of securities. Cohere Capital will closely monitor the portfolio companies of the Funds and maintain an ongoing oversight position in such portfolio companies. A team of investment professionals will review each Fund's portfolio on an ongoing basis. These reviews

will include, without limitation, sales trends, margins, profitability, debt-to-equity ratios, material business developments, competitive landscape and management. The team will generally include the Principals and other investment professionals of Cohere Capital.

## **Reports to Clients**

The General Partner of each Fund will distribute quarterly and annual written reports to such Fund's respective limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year, certain descriptive investment information relating to the applicable Fund's investments and the audited financial statements of the applicable Fund. The quarterly reports will generally contain unaudited financial statements and individual capital account statements of the applicable Fund for the fiscal quarter and certain descriptive investment information relating to the applicable Fund's investments.

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

## **CLIENT REFERRALS AND OTHER COMPENSATION**

For details regarding economic benefits provided to Cohere Capital by non-clients, including a description of the related material conflicts of interest and how they are addressed, please see the sections entitled "*Service-Related Fees*" and "*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*" above. Investors should refer to the Governing Documents of a Fund for complete information on the additional compensation received by Cohere Capital or its affiliates or supervised persons in connection with a particular Fund's investments and the amount of the applicable fees subject to offset.

## **CUSTODY**

Cohere Capital will not have physical possession of any assets of the Funds (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, Cohere Capital will generally be deemed to have custody of the assets of each Fund as a result of its position as an affiliate of the General Partner of each Fund it will manage.

It will be Cohere Capital's policy to cause each Fund with assets over which Cohere Capital is deemed to have "custody" to be audited annually by a PCAOB-registered and inspected independent public accountant and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**"), to investors within 120 days after the close of each fiscal year (subject to unforeseeable circumstances). In addition, upon the final liquidation of any such Fund, Cohere Capital will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

## **INVESTMENT DISCRETION**

Subject to the investment objectives, policies and restrictions of each Fund as set forth in the Governing Documents of such Fund, Cohere Capital will provide discretionary investment

advice to the Funds pursuant to an investment management agreement with each Fund. Each such investment management agreement, together with the management authority granted to the General Partners of the Funds pursuant to the Funds' Governing Documents, will provide Cohere Capital with full discretion to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Fund. Limitations on investment discretion are set forth in the investment management agreements with, and the Governing Documents of, the Funds.

### VOTING CLIENT SECURITIES

Cohere Capital will have the authority to vote client proxy statements on behalf of the Funds. The majority of "proxies" received by Cohere Capital will be written shareholder consents or similar instruments for private companies owned by the Funds. Cohere Capital will adopt proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6 (the "**Proxy Voting Policies and Procedures**") that will be designed to ensure that Cohere Capital complies with the requirements of the Advisers Act and reflect Cohere Capital's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of each Fund it may manage. Cohere Capital's Proxy Voting Policies and Procedures will seek to ensure that it votes proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies.

When exercising its proxy voting authority, Cohere Capital will consider all relevant information, evaluates other issues that could have an impact on the value of the security and generally votes with a view toward maximizing overall value. Cohere Capital will seek to vote all proxies in a prudent manner, considering the prevailing circumstances at such time and in a manner consistent with the Proxy Voting Policies and Procedures and Cohere Capital's fiduciary duties to each Fund it may manage.

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

Prior to exercising its voting authority, Cohere Capital, in consultation with outside counsel as appropriate, will review the relevant facts and determine whether or not a material conflict of interest may arise due to business, personal or family relationships of Cohere Capital, its owners, its employees or its Related Persons, with persons having an interest in the outcome of the vote. In the event that there is or may be a material conflict of interest in voting proxies, Cohere Capital may, at its discretion, (a) seek the advice of the applicable Advisory Board in voting such security (if any); (b) disclose the conflict of interest to the limited partners of a Fund and defer to the Fund's voting recommendation; (c) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (d) take such other action in good faith (in consultation with Cohere Capital's outside counsel) which would serve the best interest of a Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may

differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Investors in the Funds cannot direct how Cohere Capital votes proxies nor is Cohere Capital required to seek investor approval or direction when voting proxies. Cohere Capital will deliver to each limited partner of a Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the Fund.

#### **FINANCIAL INFORMATION**

Cohere Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and Ten Coves Capital has not been the subject of a bankruptcy proceeding. Cohere Capital also does not require prepayment of management fees more than six months in advance.