

Item 1.

LongRange Capital, L.P.

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Part 2A of Form ADV: Firm Brochure
March 30, 2023

This brochure provides information about the qualifications and business practices of LongRange Capital, L.P. If you have any questions about the contents of this brochure, please contact us at compliance@longrangepartners.com. 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 securities authority.

Additional information about LongRange Capital, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure is an update to the prior brochure of LongRange Capital, L.P. dated March 31, 2022 and includes routine updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means LongRange Capital, L.P., a Delaware limited partnership, together (where the context permits) with its affiliates that serve as general partners of the Funds (as defined below).

The Adviser provides investment supervisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Adviser currently advises only one Fund but may in the future advise additional Funds.

The Funds primarily make investments in long-term control or non-control equity, equity-related securities and other securities with equity components. In accordance with the Funds’ respective investment objectives, and subject to restrictions and requirements set forth in the Funds’ Organizational Documents (as defined below), investments are generally made in companies headquartered in North America or certain countries in Europe. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of the Fund or separate investment and advisory agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund and Advisory Agreements (such documents collectively, a Fund’s “Organizational Documents”).

The principal owner of LongRange Capital, L.P. is LRC RQB LLC, which is owned by Robert Berlin, Managing Partner. The Adviser has been in business since May 2020. As of December 31, 2022, the Adviser manages \$1,723,677,000 of client assets.

Item 5. Fees and Compensation

The Adviser or its affiliates generally receive Management Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund and/or its portfolio companies are also expected from time to time to make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, will reduce the Management Fees payable to the Adviser. Additionally, consistent with the Organizational Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Management Fee

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each Fund an advisory fee (the “Management Fee”) which is based on a budget negotiated with the investors in the Funds. Management Fees may vary during the life of a Fund. The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser in consultation with the investors of the Funds and are set forth in such Fund’s Organizational Documents. The Management Fee and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis. Any portion of the Management Fee for a particular fiscal year that is not utilized by the Adviser during such fiscal year to pay certain expenses identified in the Organizational Documents as expenses that can be borne out of the Management Fee will offset the Management Fee payable to the Adviser for the following fiscal year. Additionally, certain investors in the Funds are entitled to receive a percentage of the Management Fees from future Funds raised after the 2020 calendar year. The fee structures described herein may be modified from time to time. Fees may in the future differ from one Fund to another or among investors in the same Fund. The Adviser affiliate serving as the general partner of a Fund typically does not pay Management Fees.

The Management Fees paid by a Fund will generally be reduced by the Fund’s pro rata share of Offset Fees (as defined below). The amount and manner of such reduction, if any, is set forth in the Organizational Documents of the applicable Fund.

Management Fees billed to and received from the Funds are payable quarterly in advance.

The Adviser may, from time to time, establish certain investment vehicles through which certain co-investors may invest alongside one or more Funds in one or more investment opportunities. Such co-investment vehicles may pay Management Fees or Carried Interest to a Fund, the Adviser or its related persons. Pursuant to contractual arrangements with certain investors in a Fund, such investors will be entitled to receive a portion of any such Carried Interest in respect of such co-investment vehicles and any such Management Fees will offset any Management Fees of a Fund. Otherwise, Fund investors will not be entitled to share in any such Management Fees or Carried Interest.

In certain circumstances following the termination of an Advisory Agreement, Management Fees may be paid to the Adviser in accordance with the Advisory Agreement and the Organizational Documents, and no prepaid amounts will be returned upon termination.

Offset Fees and Expense Reimbursement

Offset Fees

In addition to the Management Fees and Carried Interest, the Adviser and its affiliates are expected from time to time to receive a variety of other cash, equity and other non-cash fees relating to the investment activities of a Fund, its portfolio companies and prospective portfolio companies, including transaction, monitoring, financing, directors’, advisory, investment management, break-up, termination, or other fees, or expense reimbursement with respect to a portfolio company or potential investment in a portfolio company (“Offset Fees”). The amount and timing of Offset Fees

received by the Adviser or its affiliates are generally specified in the agreement or other documentation governing the applicable transaction.

From time to time, the Adviser will, to the extent required under the Fund's Organizational Documents or otherwise, in its discretion, disclose to an investor the amount of Offset Fees allocated to the Fund in which such investor has invested in account statements or other similar periodic reports delivered to investors.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company. However, such conflicts are mitigated by the Management Fee reduction described below and the payment of excess Offset Fees (i.e., Offset Fees that are in excess of the charged Management Fee) to the limited partners.

Management Fee Reduction

The Adviser will generally reduce the amount of Management Fees paid by the applicable Fund in connection with the receipt of such Offset Fees in accordance with the Advisory Agreement and/or Organizational Documents of the applicable Fund. The Management Fee of a Fund will generally be reduced by (a) Offset Fees that are not paid to or otherwise assigned to the Fund and (b) any Management Fees received by the Adviser or its affiliates in respect of certain co-investments. Generally, under the terms of the applicable Organizational Documents, for purposes of calculating any Management Fee offset, Offset Fees are net of out-of-pocket costs and expenses, to the extent that such costs and expenses have not otherwise been paid for or reimbursed by a Fund or portfolio company, incurred by the Adviser in connection with consummated or unconsummated transactions or in connection with generating any such fees. Any Management Fee reduction in connection with the receipt of Offset Fees will be limited to the extent of the Fund's pro rata share of Offset Fees based on the Fund's investment in the applicable portfolio company relative to the investments of other Funds.

A portfolio company will typically reimburse the Adviser for expenses, including without limitation, travel and travel-related expenses (which include, without limitation, commercial transportation costs (including first class, commercial or business class travel and for-hire auto travel), lodging and accommodations), meals and business development expenses (including, as applicable, closing dinners, mementos, ground transportation, meals, and business development meetings and/or events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (whether or not such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses. To the extent the expenses listed above are not of a type that are covered by the Management Fee, any reimbursements from such expenses will not be considered "Offset Fees" under the terms of the applicable Organizational Documents. Because certain expenses are paid for by portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not have the opportunity to seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Expenses

Adviser Expenses

To the extent provided in the Organizational Documents of the Funds and except as described herein as a “Fund Expense”, the Adviser generally bears certain expenses and costs associated with the performance of its services, including expenses on account of compliance and regulatory costs, rent, utilities, office supplies, office equipment, the hiring, compensation and expenses of certain of its partners, officers and employees (other than Carried Interest described in Item 6 below), Directors and Officer’s, business and similar forms of insurance, retreats and “holiday” parties, and other normal and routine administrative expenses relating to the services and facilities provided by the Adviser to the Funds. For the avoidance of doubt, certain expenses identified in a Fund’s Organizational Documents that are borne by the Adviser will be borne out of Adviser proceeds other than the receipt of Management Fees, including, but not limited to, retreats and “holiday” parties.

Fund Expenses

Consistent with the Organizational Documents of the Funds, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies or included in the budget for the Management Fee, including fees and expenses for legal, accounting, audit, actuarial, investment banking, reporting, consulting (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio company and fees related to environmental, social and governance (“ESG”)), brokerage, sale, depositary (including a depositary appointed pursuant to the Alternative Investment Fund Managers Directive), commercial travel and travel-related and business development expenses incurred in connection with the Fund’s investment activities, meals, and business development meetings and/or events (with portfolio company management, customers, clients, borrowers, brokers and service providers), finder’s fees or other fees paid to third parties in connection with the successful completion of a transaction, organizational expenses of the Fund’s general partner, the Management Fee, fees and expenses paid to third-party valuation agents for valuations, appraisals or pricing services, administration (including maintaining the books and records of a Fund, including any related internal costs that the Adviser may incur to produce any such books and records or external costs for a third-party administrator to maintain and oversee a Fund’s books and records), filing and similar fees paid on behalf of a Fund, including reimbursements of any fees and expenses to advisers, service providers and other third parties, research and other information (including, but not limited to, research costs allocated by the Adviser’s internal research team and third-party groups, and including data and information service subscriptions, related systems and services from data providers and data management software) (including any research or other service that may be deemed to be bundled for the benefit of such Fund), as well as the information technology systems used to obtain such research and other information, third-party diligence software and service providers, subject and industry-matter research and experts, brokerage and finders’ fees and commissions and discounts incurred in connection with the purchase or sale of securities, custody, hedging, transfer, registration, information technology system expenses (including the costs of acquiring, developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of a Fund, its investors, or a portfolio investment or potential investment), borrowing, financing, commitment, origination and similar fees and expenses (including the costs and expenses incurred in obtaining, negotiating, entering into effecting, maintaining, varying,

refinancing or terminating such borrowings and commitments and interest arising therefrom), and extraordinary administrative or operating expenses, including, without limitation, all litigation and indemnification expenses), interest, taxes, expenses of loan servicers and other service providers, costs and expenses associated with hosting annual or special meetings and otherwise holding meetings or conferences with investors, expenses related to attending trade association meetings, conferences or similar meetings in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated), Operations Expenses (as defined in Item 11 below), risk management assessment expenses, fees, costs and expenses related to the organization or maintenance of any intermediary entity used to acquire, hold or dispose of an investment or to otherwise facilitate a Fund's investment activities, expenses associated with a Fund's compliance with applicable laws and regulations, including regulatory filings as they relate to the Fund's activities, including all fees and expenses relating to compliance with tax, securities law or other legal or regulatory requirements applicable to a Fund or its investors (including preparation and filing of SEC forms and registration or other compliance obligations related to, or arising as a result of, the offering and sale of interests in a Fund in any jurisdiction, including any such obligations arising under the Alternative Investment Fund Managers Directive or the securities law of any jurisdiction, or from managing compliance with FATCA or similar regimes) fees and other governmental charges levied against a Fund or payable by a Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund, expenses incurred in connection with tax preparation and filings, expenses relating to the preparing, printing, and distribution of investor reports physically or electronically (including software use to electronically distribute such reports), expenses associated with making capital calls from and distributions to investors, including fees and expense of information technology used to facilitate all such activities, out-of-pocket costs and expenses, if any, associated with any third-party examination or audits (including similar services) of a Fund or the Adviser that are attributable to the operation of such Fund or requested by the investor in a Fund, the costs associated with the drafting of and any amendments, modification, revisions or restatements to the Organizational Documents of a Fund, such Fund's allocable share of expenses and fees generated in the course of sourcing, evaluating, investigating, developing and researching potential investments, including investments which are not consummated (including certain advisory, transaction, consulting and other similar fees paid to the Adviser or the Adviser's affiliates, and legal expenses incurred in connection with claims or disputes related to unconsummated investments and including expenses and fees that would have been allocable to co-investment vehicles or other co-investors) to the extent transaction is not consummated), expenses and fees generated in the course of organizing, maintaining, administering, restructuring, operating and negotiating joint ventures arrangements and platform investments, such Fund's allocable share of expenses and fees incurred in the course of making investments, expenses of liquidating a Fund, expenses associated with a Fund, expenses incurred in connection with the disposition of investments (including closing, execution and other transaction costs, and other similar fees and expenses, as well as any other fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser.

In addition, the Adviser, from time to time, engages one or more fund administrators or similar service providers to perform certain functions in relation to the Funds, which services may include coordination of the Funds' legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the valuation process and investor

correspondence, investor data management and reporting requests as well as data collection required for various regulatory reporting with which the Funds are required to comply. In certain instances, employees of such service providers dedicate substantially all of their time to the Funds or spend all or a significant majority of their business time at the Adviser's offices. These expenses related to such service provider employees are borne by the Funds or paid for through the Management Fee.

From time to time, the general partner of a Fund creates certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the general partner creates an SPV, consistent with the Organizational Documents of the Fund, the expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV will typically be borne by the SPV, and indirectly, the investors thereof.

Co-Investment Vehicle Fees and Expenses

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund may be formed in connection with the consummation of a transaction. Consistent with the Organizational Documents of a Fund, in the event a co-investment vehicle is created to invest alongside a Fund, certain expenses (including those related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle, as well as expenses incurred in connection with making and holding an investment) may be borne by the investors in such co-investment vehicle. In addition, a co-investment vehicle may also bear its pro rata portion of expenses incurred in connection with the making of an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction ("Dead Deal Costs") would therefore be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise committed to invest in the proposed transactions), the Dead Deal Costs incurred in connection with such proposed transactions are generally borne solely by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, but not by the co-investment vehicle or other co-investor(s) to which the co-investment opportunity was offered. Similarly, co-investment vehicles (and co-investors) are not typically allocated any share of break-up fees received in connection with such an unconsummated transaction. Dead Deal Costs from time to time include, among other things, legal, accounting, advisory, consulting, environmental, valuation, employee-related or other third-party expenses (including amounts payable to Operations Support Providers (as defined in Item 11 below) and other third parties), any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

In addition and subject to the Organizational Documents of a Fund, the Adviser and its affiliates have discretion to (i) receive performance-based compensation, Management Fees or similar fees from co-investors and (ii) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by the Adviser out of the Management Fee, the Adviser other than out of the Management Fee, a Fund, a portfolio company, co-investors and/or a third-party (each, an “Allocable Party”) and if so, how such fees, costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or, fees, costs and expenses may be allocated among multiple Allocable Parties. The Adviser allocates fees, costs and expenses in accordance with a Fund’s Organizational Documents. To the extent not addressed in the Organizational Documents of a Fund, the Adviser will make allocation determinations among Allocable Parties on a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by the Adviser in its sole discretion). The Adviser will make any corrective allocations and take any mitigating steps if it determines in good faith that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

There may be occasions when one Allocable Party (the “Payor Allocable Party”) pays an expense common to multiple Allocable Parties (the “Allocated Parties”) (e.g., legal expenses for a transaction in which multiple funds and/or co-investors participate). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share of such expense, generally without interest, promptly after the payment is made by the Payor Allocable Party. In addition, there may be occasions where a Fund procures short-term borrowing through a subscription line in order to make an investment, syndicating out a portion of the investment to another Allocable Party. While highly unlikely, it is possible that one of the Allocated Parties could default on its obligation to reimburse the Payor Allocated Party.

Carried Interest Payments

Please see Item 6 below regarding Carried Interest that Funds may pay.

Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to each Fund a portion of the profits of each Fund is allocated to the capital account of its general partner, if any, as “carried interest” (the “Carried Interest”). Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds may incur lower or no Carried Interest. Additionally, certain investors or their affiliates may be entitled to receive Carried Interest with respect to a Fund or certain co-investors.

To the extent the Adviser advises more than one Fund, the payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) creates an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated, at least in part, by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. See also Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and include pension and profit sharing plans and may in the future include other types of investors, including high net worth individuals, banks, thrift institutions, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund.

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

Methods of Analysis and Investment Strategies

Investing in securities involves risk of loss that prospective investors should be prepared to bear. There can be no assurance that Adviser and the Funds will achieve their investment objectives or that the investment strategies employed by the Adviser will be successful.

The Funds primarily make investments in private companies through the acquisition of control or non-control equity, equity-related and other securities with equity components in portfolio companies headquartered in North America or certain countries in Europe. These investments are generally made in various less discretionary sub-segments of the consumer and industrial

technology industries, as well as certain other industries. Investments may represent a controlling or non-controlling interest in portfolio companies.

The Funds will seek to invest in companies in which the Adviser believes there is a meaningful opportunity to effect operational improvements and support growth over the long term, while seeking to ensure that its private investment possesses attractive risk mitigation or downside protection where possible. Furthermore, the Funds may invest in situations with structural complexity, which it believes provide an advantage in reducing competition.

The Funds will target individual private corporate and structured investments approximating \$50 million-400 million each in companies with a typical total enterprise value of \$250 million up to \$5 billion with the goal of retaining those investments for an extended period of time to realize the long-term benefits of building better businesses and delivering attractive risk-adjusted returns.

Risks

Risk Factors Pertaining to Private Equity Investments Generally

Private equity investing involves significant risks. An investment in the Funds involves a significant degree of risk, relating both to the types of investments contemplated by the Funds, and Adviser's ability to achieve its investment objectives. The discussion below of risks associated with an investment in the Funds does not contain an exhaustive list of all such risks. Prospective investors in the Funds should review the Organizational Documents of the relevant Fund for a more detailed discussion of risks.

Risk of Loss

There can be no assurance that the Funds will be able to successfully identify, make and realize any particular investment or generate returns for its limited partners. Any given investment made by a Fund may prove to be worthless. Limited partners of a Fund should be prepared and able to absorb a loss of some or all of the capital invested in a Fund.

Lack of Operating History; Developing Investment Team

The Funds and the Adviser are all newly formed entities and have no operating history upon which prospective investors can evaluate a Fund's likely performance. Limited partners of a Fund must rely on the ability of the Adviser to identify, structure and implement investments consistent with a Fund's investment objectives and policies.

The Adviser is actively building its team of investment and other professionals; however, the complete team has not yet been identified and engaged by the Adviser. Consequently, the Adviser's ability to undertake the investment program described herein will be limited until such team is fully identified and integrated into its activities. Investors must rely upon the Adviser to identify and recruit appropriate professionals, and will have no ability to affect the identity, number, or roles of such professionals.

Once formed, the Adviser's team will not have experience in working together. Difficulties in working together in such a setting could arise, both related and unrelated to a Fund's investment

activities. If the Adviser's team experiences difficulties in working together, the investment performance of a Fund could be affected in a material and adverse manner.

Reliance on Management of a Fund and Allocation of Personnel

Decisions with respect to the management of a Fund will be made by the applicable Fund's general partner (a "General Partner") with the advice of the Adviser, and limited partners of a Fund have no right or power to take part in the management or control of a Fund. Accordingly, no prospective investor should purchase any interests in a Fund unless it is willing to entrust all aspects of the management of the Fund to its General Partner. The success of a Fund will depend on the ability of the General Partner and the Adviser to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to realize investments of a Fund at a profit. These objectives may not be achieved.

The success of a Fund will depend substantially on the skill and knowledge of the Adviser's professionals. There can be no assurance that such professionals will continue to be associated with a Fund throughout its term. The loss of the services of one or more members of such professionals could have an adverse impact on a Fund's ability to realize its investment objective.

The Adviser's professionals will devote such time as is necessary to conduct the affairs of a Fund in an appropriate manner and as is required by the Organizational Documents. In addition, certain professionals are and other professionals may be engaged in some activities unrelated to a Fund, including, without limitation, participating on boards of directors for companies that are not portfolio companies of the Funds or boards of non-profit or civic organizations. The Funds will have no interest in these other activities. The performance of a Fund could be adversely affected by the other commitments of the Adviser's professionals and conflicts may arise as a result of such other commitments. Also, as a result of existing investments and activities, the Adviser's professionals may from time to time acquire confidential or material non-public information that such professional may not be permitted to use for the benefit of a Fund. For instance, due to such restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Reliance on Portfolio Company Management

Although the General Partner and the Adviser will monitor the performance of each portfolio investment, the success of each portfolio company depends in substantial part on the skill and expertise of such portfolio company's management team as each portfolio company's management team is responsible for operating the portfolio company's business on a day-to-day basis. Although the Adviser generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in a manner that maximizes the value of the company's business and operations and minimizes any risks. Further, as a Fund also may hold minority ownership positions in an underlying portfolio company in certain circumstances and as permitted by the Organizational Documents, the Adviser may not be permitted or lack sufficient control to make organizational changes to a portfolio company or otherwise influence a portfolio company's operations. The success of a Fund's portfolio company may depend on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would significantly adversely affect the portfolio company's performance.

Highly Competitive Market for Investments

The business of identifying, structuring and completing transactions of the nature contemplated by the Funds is highly competitive and involves a high degree of uncertainty, especially with respect to timing. The Funds will be competing for investments with other private equity investment vehicles as well as strategic buyers and other institutional investors. The availability of investment opportunities generally will be subject to market conditions as well as the prevailing regulatory or political climate. The size and number of private equity investment vehicles continues to grow dramatically in recent years, and it is likely that these trends will continue in the future. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the Funds, the Adviser or their affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a Fund and adversely affecting the terms upon which investments can be made.

A Fund is unlikely to have identified any particular investment at its initial closing date. There can be no assurance that a Fund will be able to locate suitable investment opportunities, acquire them at an appropriate valuation, achieve its rate of return objectives, or fully invest its available committed capital. However, limited partners of a Fund will be required to pay management fees throughout a Fund's investment period. Limited partners of the Funds must rely upon the ability of the Adviser to identify, structure and realize investments consistent with such Fund's investment objective and policies. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by the Adviser will be dependent upon its ability to obtain relevant information from non-public sources, and the Adviser 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. The marketability and value of each investment will depend upon many factors beyond the Adviser's control. To the extent that a Fund encounters competition for investments, returns to its limited partners may decrease, including as a result of higher pricing, foregoing compelling opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, a Fund may incur bid, due diligence, negotiating, consulting or other costs on investments that may not be consummated. As a result, such Fund will bear such costs, which would adversely affect returns.

Investments in Smaller or Less Established Companies

A portion of a Fund's assets may be invested in the securities of smaller or less established companies. Portfolio investments in such smaller or less established companies may involve greater risks than generally are associated with investments in larger or more established companies. Such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. To the extent there is any public market for the securities held by a Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Smaller or less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance.

Many such companies will operate with substantial variations in operating results from period to period. Many of these companies will need substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Any given investment made by a Fund may prove worthless and there is a risk that limited partners of a Fund could lose their entire investment.

Concentration of Investments

The Funds generally do not have diversified investment portfolios. The Funds generally focus on equity investments in companies primarily in the less discretionary sub-segments of the consumer and industrial technology industries, as well as certain other segments (the “Target Sectors”), and the Adviser intends to make portfolio investments opportunistically when constructing a Fund’s investment portfolio. As a result, each Fund’s portfolio is generally concentrated, both in terms of the types of securities a Fund acquires and in the Target Sectors in which a Fund seeks to invest, than would be the case if a Fund were required to maintain a wide diversification among types of securities, issuers, industries and geographic areas. As a result, unfavorable performance by a small number of portfolio investments or of a particular Target Sector could substantially adversely affect the aggregate returns realized by a Fund.

Investments in the Consumer Sector

The Funds’ portfolio investments are exposed to risks associated with conducting business in the consumer sector. The non-discretionary consumer sector encompasses those segments that address consumer demand more applicable to the broader population including certain multi-location businesses, wholesalers, restaurants, supermarkets and drugstores, building products, household and personal care products, food and agriculture, ecommerce and internet, certain media technology and related infrastructure, light industrials, automotive, and transportation. The prices of the securities of these companies may fluctuate widely due to consumer spending, which is affected by general economic conditions, demographic and population changes, and consumer confidence levels. The industry is highly competitive, and a company’s success is often tied to its ability to anticipate, react to, meet and address consumer tastes. Many of these companies may be thinly capitalized. In addition, the performance of some of these companies has historically been affected by interest rates, competition, the cost of real estate, commodity and labor costs, taxes, and relative levels of disposable household income and seasonal consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer products in the marketplace.

Investments in the Industrial Technology Sector

The Funds’ portfolio investments are exposed to risks associated with conducting business in the industrial technology sector. Companies in the industrial technology sector may be small and less-seasoned and their equity securities may be more volatile than the overall stock market. Additionally, such companies may invest heavily in products, software or services aimed to provide customer end markets with, among other things, productivity improvements and solutions to address the strain caused by labor shortages or increasing costs.

Customer end markets may be slow to adopt such technologies and services for a number of reasons, including without limitation: (i) such services and/or products may require substantial initial investment or may prove less effective and/or more expensive than their predecessors, (ii) a lack of trust in new technologies among customer executives, (iii) legal or regulatory changes, including but not limited to, changes in labor law or (iv) potential or perceived risks of liability, including in respect of workplace liability claims.

Uncertainty of Product Development and Research

The Funds intend to invest in companies that have, or will, develop new products, technologies and services. Such portfolio investments involve a higher degree of risk than more developed products, technologies and services. If a portfolio company is unable to develop innovative new and enhanced products and services on a timely basis, its products may become obsolete and its competitive position will suffer.

Product development and innovation are often complex, time-consuming, and costly process involving significant investment in research and development with no assurance of return on investment. Research is, by its nature, speculative and the ultimate commercial success of a product depends upon various factors, including a portfolio company's ability to (i) identify and adapt to evolve with emerging technological and broader industry trends in its target end-markets, (ii) develop and maintain competitive products, (iii) defend its market share against an ever-expanding number of competitors including many new and non-traditional competitors, (iv) enhance its products by adding innovative features that differentiate its products from those of its competitors and prevent commoditization of its products, (v) develop, manufacture and bring compelling new products to market quickly and cost-effectively, (vi) monitor disruptive technologies and business models, (vii) achieve sufficient return on investment for new products introduced based on capital expenditures and research and development spending, (viii) respond to changes in overall trends related to end market demand, (ix) attract, develop and retain individuals with the requisite technical expertise and understanding of customers' needs to develop new technologies and introduce new products and (x) accelerate time-to-market for new products with improved functionality, ease-of-use, performance, or price. Competitors may also develop after-market services and parts for a portfolio company's products that attract customers and adversely affect such portfolio company's return on investment for new products.

In addition, portfolio companies may encounter unanticipated problems in connection with the development of new products or technologies, and such efforts could ultimately be unsuccessful. For example, a regulatory approval process may take many years, may be extremely expensive and is uncertain. Delays in commercializing products may therefore result in the need to seek additional capital. These various factors may result in abrupt advances and declines in the valuation of particular companies and, in some cases, may have a broad effect on the valuation of companies in particular segments of the automation industry generally.

Dependence on Suppliers

A Fund's portfolio companies may be dependent on third parties that supply equipment, components and services, including finished products, components and raw materials. A portfolio company's reliance on suppliers involves certain risks, including but not limited to (i) an insecure supply chain, which could adversely affect the quality of such portfolio company's product(s) or

the ability of such portfolio company to produce such product(s); (ii) increased costs due to a number of potential factors, including exchange rate fluctuations, tariffs, commodity market volatility or other factors; (iii) shortages of components, commodities or other materials. Shortages or delays could adversely affect a portfolio company's ability to deliver its products in a timely manner, which could in turn cause a loss in sales.

Product Liability and Other Claims

Certain portfolio companies of a Fund may be exposed to potential liability risks that are inherent in the testing, manufacturing, marketing and sale of products, including exposure to product liability claims. Such companies could be subject to product liability lawsuits alleging that component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or information could result in an unsafe condition or injury. Insurance coverage for product liability claims is expensive and difficult to obtain, and any liability claim, regardless of its ultimate outcome, may have a material adverse effect on the business or financial condition of a portfolio company and, by extension, the Funds.

Dependence on Patents and Other Intellectual Property

Certain portfolio companies of a Fund may rely on proprietary technology, as well as the technical expertise, creativity, and knowledge of portfolio company personnel. Software piracy and reverse engineering may result in counterfeit products. Although a portfolio company may use a variety of methods to protect its intellectual property, a portfolio company will likely depend heavily on patent, trademark, copyright, and trade secret protection, as well as non-disclosure agreements with customers, suppliers, employees, and consultants. These measures, however, may not be adequate to protect a portfolio company's proprietary technology, protect a portfolio company's patents from challenge, invalidation or circumvention, or ensure that a portfolio company's intellectual property will provide it with a competitive advantage.

A portfolio company's pending and future patent applications may not issue as patents or, if issued, may not issue in a form that will provide such portfolio company with any meaningful protection or any competitive advantage. In addition, patents may be challenged, narrowed, invalidated, or circumvented, which could limit a portfolio company's ability to stop competitors from developing and marketing similar products or limit the length of terms of patent protection it may have for its products. Additionally, changes in patent laws or their interpretation in the United States and other countries could also diminish the value of a portfolio company's intellectual property or narrow the scope of a portfolio company's patent protection. In addition, the laws of non-U.S. jurisdictions may not protect a portfolio company's rights to the same extent as the laws of the United States. As a result, a portfolio company's patent portfolio may not provide it with sufficient rights to exclude others from commercializing products similar to its own.

Equity Securities

The Funds will seek to invest primarily in equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such

as limited product lines, contracts, markets or financial resources. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities. The Funds may experience a substantial or complete loss on their equity securities.

Investments in Publicly Traded Companies

Subject to the terms of the Organizational Documents, the Funds' investment portfolios may contain certain securities or instruments issued by publicly held companies. Such portfolio investments will subject the Funds to risks that differ in type or degree from those involved with portfolio investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks. Moreover, the Funds may not have the same access to information in connection with portfolio investments in public securities, either when investing initially or after making an investment, as compared to privately negotiated investments. In certain circumstances, a Fund may also be limited in its ability to make additional investments in or sell existing investments in public securities as a result of the Adviser, a Fund, or any affiliate or employee thereof being deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies.

Debt Securities

While the Funds will invest primarily in equity securities, it may invest in debt securities of existing portfolio companies or other issuers in instances where the Adviser believes it would be beneficial for a Fund to do so. Debt securities are subject to creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws and so-called lender liability claims by the issuer of the obligations. Conflicts of interest could arise in the event that a Fund and/or its affiliates own both debt and equity securities of the portfolio company. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of a Fund's investment in any such company. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that a Fund's rate of return objectives will be realized. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of underlying assets selected as collateral may allow a Fund to withstand certain assumed deficiencies in payments occasioned by an issuer's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to a Fund in respect to its investment. Any subordinated investments of a Fund will be subordinated to the senior obligations of an issuer. In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on the subordinated securities and result in

defaults on and declines in the value of such securities more quickly than in the case of the senior obligations of such issuer.

Investments in Restructurings

The Funds may make investments in restructurings that involve new opportunities as well as portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such company to become subject to bankruptcy proceedings. Such portfolio investments could, in certain circumstances, subject a Fund to certain additional potential liabilities that may exceed the value of a Fund's original investment in such portfolio company. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by other parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to its limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies

Before making investments in any particular company, the Funds will typically conduct due diligence that the Adviser deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, buy-side and sell-side investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to a Fund's reduced control of the functions that are outsourced. In addition, if a Fund is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding a potential investment, a Fund will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations and/or consumer surveys. The due diligence investigation that a Fund carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

In addition, from time to time, a Fund's investment opportunities will require rapid execution, and investment analyses and decisions by the Adviser may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time of making an investment decision may be limited. Therefore, there can be no assurance that the Adviser will have knowledge of all circumstances that may adversely affect a portfolio investment.

Financial Fraud by Portfolio Companies

There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and prospective investors should regard an investment in a Fund as being speculative and having a high degree of risk. There can be no assurance that a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by a Fund will be adequate. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in such portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Fund's investment in such portfolio company. A Fund will rely upon the accuracy and completeness of representations made by portfolio companies and in certain instances their former owners in the due diligence process when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. In addition, conduct occurring at portfolio companies, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on a Fund. Instances of fraud and other deceptive practices committed of management of companies in which a Fund may invest may undermine a Fund's due diligence efforts with respect to such companies, and if such fraud is discovered, may negatively affect the value of a Fund's investment in the portfolio company.

Improvement in Portfolio Company Operations Critical to Investment Success

The success of a Fund's investment strategy depends on the effectiveness of efforts to improve the operating performance of portfolio companies following investment. Initiatives that may need to be taken in an effort to achieve improvements in operating performance include, among others, introductions of new products, changes in sales, marketing and distribution methods, implementation of new sourcing arrangements, reductions in manufacturing, overhead and other costs, enhancements and changes in the management team and identification, consummation and integration of add-on acquisitions. The proper identification and implementation of initiatives important to the achievement of improved operating performance is difficult and often requires substantial resources. The capabilities and resources of a portfolio company, even with the assistance of the General Partner and the Adviser, may be insufficient to effect such proper identification and implementation, and there can be no assurance that portfolio companies will be successful in achieving improvements in operating performance. The failure to achieve improved operating results following investment is likely to lead to losses or poor returns on investments.

Projections

The Funds will from time to time rely upon projections, forecasts or estimates developed by a Fund or a portfolio company in which a Fund is invested or is considering making an investment concerning the company's future performance and cash flow. Projections, forecasts and estimates are forward looking statements and are based upon certain assumptions. Actual events are difficult to predict and are beyond a Fund's control. Actual events may differ from those assumed. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates and domestic and foreign business, market,

financial or legal conditions, among others. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results for a Fund or its portfolio companies will not be materially lower than those estimated or targeted therein.

Valuation of Investments

There is no actively traded market for most of the portfolio investments owned by a Fund. When estimating fair value of portfolio companies for which no public market valuations exist, the Adviser will apply a methodology in accordance with the Organizational Documents. Ensuring that portfolio investments are fairly valued is an important focus of the Adviser; however, the valuation of such portfolio investments will be difficult, may be based on imperfect information and is subject to inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such investments, from values placed on such investments by other investors and from prices at which such investments may ultimately be sold. In addition, third-party pricing information may at times not be available regarding certain of a Fund's assets or, if available, may not be considered reliable.

Leveraged Nature of Investments

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. A Fund's portfolio investments will from time to time involve significant leverage, including without limitation as a result of borrowing at one or more levels of the investment structure or implicit leverage as a result of derivative transactions, as a result of which recessions, operating problems, and other general business and economic risks may have a pronounced effect on the profitability or survival of a Fund's portfolio companies. A Fund's ability to achieve attractive rates of return on its portfolio investments will depend on the ability of its portfolio companies to access sufficient sources of debt at attractive rates, including at the time of disposition. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, a portfolio company with substantial leverage may be at risk of increases in interest rates and therefore increases in interest expenses. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company.

Fund Leverage

Subject to the terms of the Organizational Documents, the Funds may incur leverage for any purpose that the General Partner considers appropriate, including without limitation borrowings to fund investments pending take-downs of capital and in connection with credit support. The Adviser intends to operate the subscription line in such a manner that any outstanding balance on the borrowing will be paid down within ninety days.

Borrowing by a Fund will generally be secured by capital commitments made by the limited partners of such Fund and/or by such Fund's assets and will generally be limited to short-term borrowing. In the case of a borrowing secured by the limited partners' capital commitments, the documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the relevant lender or an agent thereof may call capital directly from a

Fund's limited partners to the extent necessary to repay such borrowing, and all other amounts owing under the loan documentation, in full.

Additionally, borrowing for the purpose of making or facilitating distributions to limited partners of a Fund could increase both the possibilities for profit and the risk of loss to a Fund, particularly if such borrowing is collateralized by the securities of one or more portfolio companies in which a Fund has invested. Decreases in the value of the pledged securities would increase the effective amount of a Fund's leverage and could result in significant adverse effects on a Fund and its limited partners, including mandatory liquidation of the pledged securities or a "margin call" under which a Fund is required to call capital from its partners and post the proceeds with the relevant lender to compensate for the decline in value. Forced liquidation could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

Capital Calls and Use of Credit Facilities

The Funds may fund investments in portfolio companies or pay fund-level expenses with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of limited partners of a Fund) prior to calling capital from limited partners. The interest expense and other costs of any such borrowings will be fund-level expenses and, accordingly, may decrease net returns of a Fund. While the use of any credit facilities is expected to be short-term, there is an incentive to fund the acquisition and ongoing capital needs of portfolio companies and the Funds with the proceeds of such borrowings in lieu of drawing down capital commitments on a just-in-time basis, as the use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure limited partner cash flows) and may make net internal rate of return calculations higher than they otherwise would be without fund-level borrowing and may impact the timing or amount of incentive distributions the General Partner receives. The Adviser therefore has a conflict of interest in deciding whether to borrow funds because the Adviser may receive disproportionate benefits from such borrowings.

Co-Investment Syndication

From time to time and to the extent permitted by the Organizational Documents, the Funds may make an investment in a portfolio company with the intent to syndicate its interest in such portfolio company to co-investors. In the event of any such failure to syndicate a co-investment, a Fund's exposure to such portfolio company may exceed the exposure the Adviser would otherwise deem appropriate for a Fund's portfolio construction or diversification.

Reinvestment

Subject to the terms of the Organizational Documents, the Funds are entitled to reinvest and/or distribute and recall distributions received from their portfolio investments. This can result in a Fund making investments with a cost basis greater than the capital committed by its partners, and to the extent such recalled or retained amounts are reinvested in investments, limited partners of a Fund will remain subject to investment and other risks associated with such investments.

Long-Term Nature of Portfolio Investments

The Funds intend to seek a portfolio of longer duration investments that the Adviser believes have the ability to appreciate and/or generate attractive cash flow over extended periods of time. A Fund may hold portfolio investments for longer than the typical hold period for many private equity funds, and may take five years or longer from the date of initial investment to reach a state of maturity when the Adviser determine that realization of the investment is desirable. The investments of the Funds are unlikely to provide current income, which is not an objective of the Funds. Therefore, it is likely that no significant liquidity from the disposition of a Fund's investments will occur for a significant period of time after the initial closing date. Certain of a Fund's investments may not be disposed of in an advantageous manner prior to the date that a Fund will be dissolved, either by expiration of a Fund's term or otherwise. No assurance can be given in any such circumstances that a Fund will have received a return of its invested capital or that a Fund will otherwise be able to exit its investments by sale or other disposition (at attractive prices or at all). Although the Adviser expects that portfolio investments will be disposed of prior to a Fund's dissolution, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. Portfolio companies may desire that affiliates of a Fund, including other funds managed by the Adviser, recapitalize the company, which would create conflicts of interest with respect to a Fund.

Illiquidity of Portfolio Investments

Practical limitations may inhibit a Fund's ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and a Fund will own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. Such limitations on the liquidity of a Fund's portfolio investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

In addition, it is anticipated that all or a substantial portion of a Fund's investments will consist of securities that are subject to restrictions on sale by a Fund because they were acquired from the issuer in "private placement" transactions or because a Fund will be deemed to be an affiliate of the issuer. Generally, a Fund will not be able to sell these securities publicly in the United States without the expense, time and other burdens required to register the securities under the Securities Act of 1933, as amended (the "Securities Act"), or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. When restricted securities are sold to the public, a Fund may be deemed an "underwriter", or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act.

Need for Follow-On Investments

Following its initial investment in a portfolio company, a Fund may determine to provide additional funds or otherwise increase its investment in such portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurances that a Fund will make any follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any

determination by a Fund to not make a follow-on investment or its inability to make a follow-on investment may have a substantial negative effect on a portfolio company in need of such follow-on investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such determination or inability may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company to the extent that a third party invests in such portfolio company.

Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies

It is expected that a Fund will often own a controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by a Fund, contractual arrangements between the portfolio company and a Fund, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to a Fund. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, pension and other fringe benefits, violations of government regulations (including securities laws) and other types of liability in which the limited liability generally characteristic of business operations may be ignored. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund will often be thought to control, participate in the management of or influence the conduct of portfolio companies. These factors could expose the assets of a Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies. While the Adviser intends to manage the Funds in ways that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Third-Party Litigation

A Fund's investment activities will subject it to the normal risks of becoming involved in litigation by third parties. These risks are elevated where a Fund exercises control or significant influence over an issuer's direction or becomes involved in official or unofficial creditor committees. The expense of defending against any claims by third parties and paying any amounts pursuant to settlements or judgments will generally be borne by a Fund.

Service on Boards of Directors, Material Non-Public Information, Etc.

Individual members of the Adviser may serve as officers or directors of portfolio companies. In their capacity as officers or 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 which adversely affect a Fund, and may subject the Adviser and a Fund to claims they would not otherwise be subject to, including claims of breach of duty of loyalty, securities laws claims and other director related claims. In general, the Funds will indemnify the Adviser for such claims.

For example, a Fund may be unable to sell or otherwise dispose of an investment if a professional of the Adviser is in possession of material, non-public information ("material non-public information") relating to the issuer thereof. Nevertheless, the Organizational Documents will not preclude professionals of the Adviser from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies. Conversely, the Organizational Documents will not require that professionals of the Adviser serve

as officers or directors of portfolio companies, and there can be no assurance that the Adviser will have a legal right to influence the management of any portfolio company.

Lack of Control in Certain Investments

A Fund's investments will in certain circumstances permitted by the Organizational Documents represent a minority position in portfolio companies, without power individually to exert significant control over such portfolio companies' boards of directors, management, operations and strategic direction. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of a Fund, and a Fund may not be in a position to limit or otherwise protect the value of a Fund's investment in such portfolio companies. In such cases, a Fund will rely significantly on the existing management and boards of directors of such companies, which may include representatives of other investors with whom a Fund is not affiliated and whose interests or views may conflict with the interest of a Fund. This could result in a Fund's investments being frozen in minority positions that incur substantial losses. Therefore, there can be no assurance that a Fund will be able to realize the value of its investments and distribute proceeds in a timely manner. In addition, although a Fund will generally seek board representation in connection with its minority investments, there is no assurance that such representation, if sought, will be obtained.

Additionally, and subject to the Organizational Documents, a Fund will from time to time invest alongside third parties, including through direct investments, partnerships, joint ventures or other similar arrangements, and such third parties may have larger ownership interests than or similar ownership interests with a Fund or may otherwise share control of the relevant portfolio company with a Fund. Such investments may involve additional risks relating to such third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on the portfolio investment, may have economic or business interests or goals that are inconsistent with those of a Fund or may be in a position to take or block action in a manner contrary to a Fund's investment objectives. In such case, a Fund may not be in a position to take action to protect the value of a Fund's investment in the entity.

Third-Party Involvement

A Fund is expected to, from time to time, co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements in accordance with the Organizational Documents. These investments involve risks that would not otherwise be present in investments where a third-party is not involved. Such risks include, among other things, the possibility that the third-party may have differing economic or business goals than those of a Fund, or that the third-party may be in a position to take actions that are inconsistent with the investment objectives of a Fund. There may also be instances where a Fund will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third-party would be equal to and not less than the return of any other fund participating in such transaction, or that such return would have been as favorable as it would have been had such third-party not been involved.

Special Risks Associated with Non-U.S. Investments

A Fund may invest a portion of its capital commitments in portfolio companies that are headquartered and that have their principal operations outside of the United States in accordance with the Organizational Documents. These investments involve special risks not typically associated with investments in the securities of issuers located in the United States, including (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation, (iii) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation, (iv) obtaining foreign governmental approvals and complying with foreign laws, (v) the possible imposition of non-U.S. taxes and tax-filing obligations, (vi) less developed corporate laws regarding fiduciary duties and the protection of investors and (vii) increased exposure to liabilities arising from a portfolio company's breach of applicable anti-corruption or other foreign laws or regulations. A Fund's returns on domestic investments may not be indicative of the results it may achieve on investments located in foreign countries. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. There may be no prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a portfolio company's assets, or otherwise materially affect the value of the company without the consent of the company's shareholders. Anti-dilution protection also may be very limited. The legal systems in these countries may offer no effective means for a Fund to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

A Fund may, but is not required to, engage in currency hedging transactions. There can be no assurance, however, that a Fund will engage in such hedging transaction at any given time or from time to time, or that such hedging transactions will be available or be available at a reasonable cost, or that such hedging transactions will be effective and actually eliminate the applicable currency risk. Such hedging transactions may even exacerbate any negative impact on a Fund resulting from changes in currency exchange rates. While such transactions may reduce certain risks, such transactions themselves entail certain other risks. Thus, while a Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for a Fund than if it had not entered into such hedging transactions.

Third-Party Advice

The Funds and the Adviser utilize the services of attorneys, accountants and other consultants and experts in their operations. The Funds and the Adviser generally rely upon such advisors for their professional judgment with respect to legal, tax and other regulatory matters. Nevertheless, there exists a risk that such advisors may provide incorrect advice from time to time. Neither the Funds nor the Adviser will have any liability to limited partners of a Fund for any reliance upon such advice.

Formation of Additional Funds

Subject to certain restrictions contained in the Organizational Documents, the Adviser may establish additional funds which may have an investment strategy similar to that of a Fund, or other types of funds, and there can be no assurance that the creation of such additional funds will not give rise to conflicts of interest between the limited partners of the respective funds.

Currency Exchange Risk

Capital contributions to each Fund are payable in U.S. dollars and each Fund's assets will be valued in U.S. dollars. A portion of a Fund's investments may be denominated in the currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar. A Fund's portfolio investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar, as well as the transaction costs associated with converting foreign currencies into U.S. dollars. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of such investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The Funds are not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Funds may implement.

Custody and Banking Risks

The Funds will maintain funds with one or more banks or other depository institutions ("banking institutions"), which may include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Funds, their portfolio companies, the General Partner and/or the Adviser transact may inhibit the ability of the Funds or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds. In the event of such a failure of a banking institution where the Fund or one or more of its portfolio companies holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Funds and their affected portfolio companies may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds or their portfolio companies. One or more investors or a Fund's General Partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Fund's General Partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer

assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

Financial Market Fluctuations; Political Measures

Each Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, social and technology environment within which such Fund operates may undergo substantial changes. In particular, the financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances. General fluctuations in the market prices of securities may affect the value of a Fund's investments and instability in the securities markets will also likely increase the risks inherent in a Fund's investments. There can be no assurance that such economic and market conditions will be favorable in respect of both the investment and disposition activities of a Fund. Unpredictable changes in social patterns and trends may have an impact on consumer behavior and create a negative effect on the profitability of a Fund's investment program.

A Fund's ability to realize investments depends not only on the portfolio companies and their historical results and prospects, but also on political, market, social and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance that a Fund will be able to exit from its investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so. Renewed volatility in the financial sector may have a material adverse effect on the ability of a Fund to buy, sell and partially dispose of its portfolio company investments. A Fund may be adversely affected to the extent that it seeks to dispose of any of its investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise. A Fund's portfolio companies may depend on the availability of capital financed from third parties and to the extent such capital is not available on reasonable terms or at all, those of a Fund's portfolio companies that rely on such capital may be adversely impacted in a manner that they would not have been had they been able to access such capital. In addition, political measures taken in response to market practices or renewed economic instability in the United States or abroad may have an adverse impact on a Fund's investments.

Political and Regulatory Environment Related to Financial Markets

The range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict. The effect of any such political, regulatory, economic or market outcomes on a Fund could be adverse. For example, in reaction to economic events, regulators in the United States and several other countries have undertaken in the past and may undertake in the future regulatory actions and implement other measures to ensure stability in the financial markets.

Despite these efforts and the efforts of securities regulators of other jurisdictions, global financial markets could become and remain extremely volatile.

Certain of a Fund's investments may be materially adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant new regulations that could limit a Fund's activities and investment opportunities or change the functioning of capital markets. Consequently, a Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing their risks.

Market Disruptions; Governmental Intervention

The Funds are subject to the risk that geopolitical and other events (e.g., pandemics, wars, natural disasters, social unrest, and terrorism, among many others) will disrupt financial markets and adversely affect global economies and markets, thereby decreasing the value of a Fund's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs (e.g., the marked decline in oil prices that are currently occurring) may have material and unexpected effects on both global financial markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of a Fund's investments.

Terrorism in the United States and around the world has increased geopolitical risk. The terrorist attacks on September 11, 2001 resulted in the closure of some U.S. securities markets for four days, and similar attacks could occur in the future. Markets may be susceptible to market manipulation or other fraudulent trading practices, which could disrupt the orderly functioning of markets or reduce the prices of investments traded on them, including assets held by a Fund.

While the U.S. government has always honored its credit obligations, a default by the U.S. government (as has been threatened in recent years) would be highly disruptive to the U.S. and other financial markets and could significantly reduce the value of a Fund's investments. Similarly, political events within the United States at times have resulted, and may in the future result, in a shutdown of government services, which could adversely affect the U.S. economy, decrease the value of many Fund investments, and increase uncertainty in or impair the operation of the U.S. or other financial markets. Uncertainty surrounding the sovereign debt of several European Union countries, as well as the continued existence of the European Union itself, has disrupted and may continue to disrupt markets in the United States and around the world. If a country changes its currency or if the European Union dissolves, the world's financial markets likely will be significantly disrupted.

Pandemics, war, terrorism, economic uncertainty, climate change, social unrest and related and unrelated geopolitical and other new or novel market disrupting events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Likewise, natural and environmental disasters, such as the earthquake and tsunami in Japan in early 2011, and systemic market dislocations of the kind surrounding the insolvency of Lehman Brothers in 2008, if repeated, would be highly disruptive to economies and markets, adversely affecting individual companies and industries, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the market value of a Fund's investments.

Market disruptions, including sudden government interventions, can also prevent a Fund from implementing its investment program and achieving its investment objective. To the extent a Fund has focused its investments in a particular region, adverse geopolitical and other events in that region could have a disproportionate impact on a Fund.

Continuing market uncertainty may have a significant impact on the Funds. Among other things, the level of investment opportunities may decline from the Adviser's current expectations. As a result, fewer investment opportunities may be available for a Fund. In addition, a slowdown in the global economy and increases in the prices of oil and gas, raw materials and agricultural commodities may affect inflation rates and currency exchange rates, which may in turn have a negative impact on a Fund.

Brexit

The UK left the European Union ("EU") on January, 31 2020 (commonly referred to as "Brexit"). During an 11 month transition period, the UK and the EU agreed to a Trade and Cooperation Agreement which sets out the agreement for certain parts of the future relationship between the EU and the UK from January, 1 2021. The Trade and Cooperation Agreement does not provide the UK with the same level of rights or access to all goods and services in the EU as the UK previously maintained as a member of the EU and during the transition period. In particular the Trade and Cooperation Agreement does not include an agreement on financial services which is yet to be agreed. Accordingly, uncertainty remains in certain areas as to the future relationship between the UK and the EU.

From January 1, 2021, EU laws ceased to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the EU and the UK on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on the Fund and its investments. Such changes could be materially detrimental to investors.

The uncertainty caused by the UK's departure from the EU could lead to prolonged political, legal, regulatory, tax and economic uncertainty and wider instability and volatility in the financial markets of the UK and more broadly across Europe. It may also lead to weakening corporate and financial confidence in such markets as the UK renegotiates the regulation of the provision of financial services within and to persons in the EU. Brexit could lead to market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of the Adviser and the General Partner to manage, operate and invest in the Fund and increased legal, regulatory or compliance burden for the Adviser and the General Partner and/or each Fund, each of which may have a negative impact on the operations, financial condition, returns or prospects of each Fund.

LIBOR Replacement and Other Reference Rates Risk

Payment obligations, financing terms and investments in many financial instruments (including debt securities and derivatives) may be tied to floating rates, such as the London Interbank Offered Rate ("LIBOR"). In 2017, the UK Financial Conduct Authority ("FCA") announced its intention

to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies (e.g., the Secured Overnight Financing Rate for U.S. dollar LIBOR and the Sterling Overnight Interbank Average Rate for GBP LIBOR). Various financial industry groups have been planning for the transition away from LIBOR, and markets are developing in response to these new rates, but questions around the liquidity of the new rates and how to appropriately adjust these rates to eliminate any economic value transfer at the time of transition remain a significant concern. It is difficult to predict the full impact of the transition away from LIBOR on the Partnership. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR. The transition may also result in a reduction in the value of certain LIBOR-based investments held by the Partnership or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses for the Partnership. Since the usefulness of LIBOR as a benchmark could also deteriorate during the transition period, effects could occur at any time.

Environmental, Social and Governance Matters

While ESG is only one of the many factors the Adviser will consider in making an investment, there is no guarantee that the Adviser will successfully implement and make investments in companies that creates positive environmental, social or governance (“ESG”) impact while enhancing long-term shareholder value and achieving financial returns. To the extent that the Adviser engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Adviser will depend on the Adviser’s skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Adviser’s view of certain ESG-related and other factors, carries the risk that the Adviser may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company’s performance than that anticipated by the Adviser.

Consideration of ESG factors may affect the Funds’ exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the Funds’ performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Adviser or any judgment exercised by the Adviser will reflect the beliefs or values of any particular investor. In evaluating a company, the Adviser is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess a company’s ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry

and issue and are evolving accordingly, and a company's ESG-related practices or the Adviser's assessment of such practices may change over time.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and the Adviser's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. The Adviser's ESG policies could become subject to additional regulation in the future, and the Adviser cannot guarantee that its current approach will meet future regulatory requirements.

Foreign Trade Policy

If the U.S. federal government continues to make significant changes in U.S. trade policy, including imposing tariffs on certain goods and raw materials imported into the United States, such actions may trigger retaliatory actions by the affected countries, resulting in "trade wars," which may cause increased costs for goods and raw materials imported into the United States, or in trading partners limiting their trade with businesses in the United States, either of which may have material adverse effects on a portfolio company's business and operations. Such "trade wars" may cause significant losses for a Fund and/or one or more of its portfolio companies.

Cyber Security Risk

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as a Fund, its portfolio companies and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of a Fund, the Adviser, a Fund's portfolio companies and/or any of their third-party service providers may adversely impact a Fund or its limited partners. For instance, cyber-attacks may interfere with the processing of limited partner transactions, impact a Fund's ability to value its assets, cause the release of private limited partner information or confidential information of a Fund, impede trading, cause reputational damage, and subject a Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of a Fund's limited partners. A Fund may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. A Fund and its limited partners could be negatively impacted as a result. While a Fund or a Fund's service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which a Fund invests, which could result in material adverse consequences for such issuers, and may cause the portfolio investments therein to lose value.

Legal Risk, Litigation and Regulatory Action

The Funds, the Adviser and their affiliates are subject to a number of risks, including changing laws and regulations, developing interpretations of such laws and regulations, and increased scrutiny by regulators and law enforcement authorities. Some of this evolution may be directed at the private fund industry in general or certain segments of the industry, and may result in scrutiny or claims against the Funds, the Adviser or their affiliates directly for actions taken or not taken by a Fund or the Adviser. These risks and their potential consequences are often difficult or impossible to predict, avoid or mitigate in advance, and might make some investment opportunities unavailable to a Fund or result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against a Fund, the Adviser or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm a Fund, its General Partner, the Adviser or their respective affiliates' reputations, which may adversely affect a Fund's investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. In addition, the securities market is subject to comprehensive statutes and regulations. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect on a Fund, the Adviser or any affiliate of any such legal risk, litigation or regulatory action could be substantial and adverse.

Certain of a Fund's investments may be materially adversely affected by such events in the future. In the longer term, there may be significant new regulations that could limit a Fund's activities and investment opportunities or change the functioning of capital markets. Consequently, a Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing their risks.

The enactment of these reforms or other similar legislation could nonetheless have an adverse effect on the private investment funds industry generally and on the Adviser or a Fund specifically, and may impede a Fund's ability to effectively achieve its investment objectives. The foregoing events could have an adverse impact on the Adviser or otherwise impede a Fund's ability to effectively achieve its investment objectives. Any further increases in the regulations applicable to private investment funds generally or a Fund or the Adviser in particular may result in increased expenses associated with a Fund's activities and additional resources of the Adviser being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for limited partners of a Fund or have an adverse effect on the ability of a Fund to effectively achieve its investment objective.

Economic Sanctions Laws

Economic sanction laws in the United States and other jurisdictions may prohibit the Adviser, the Adviser's professionals and a Fund from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals,

specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict Fund's investment activities in certain emerging market countries.

Anti-Corruption & Anti-Boycott Considerations

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

U.S. Data Privacy and Security Laws

The U.S. is in a period of active consideration of additional data privacy and cybersecurity laws. These include the California Consumer Privacy Act ("CCPA"), effective since January 1, 2020; the New York SHIELD Act, aspects of which took effect on October 23, 2019 and other aspects of which took effect on March 21, 2020; a range of proposed additional laws at the federal and state level. The cumulative effects of CCPA and other recently adopted laws include an increased ability of individuals, relative to companies, to control the use of their personal data; increased obligations of companies to maintain the security of data; and increased exposure to fines or damages for non-compliance or in the event the company experiences a data breach. The Adviser will endeavor to maintain systems that promote compliance with CCPA and these other laws, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with the CCPA and such other laws. In the event of fines or damages due to noncompliance with such data privacy and cybersecurity laws, there may be a business impact on a Fund.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various limited liability companies (the “General Partners”) serve as general partners of the Funds, and are related persons of the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers and employees, as well as officers, principals and employees and other personnel of the Adviser, as well as officers, principals, employees and other personnel of its affiliates and certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: compliance@longrangepartners.com.

Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser may invest in the Funds through the General Partners. These investors are not expected to pay Management Fees or Carried Interest. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Conflicts of Interest

Subject to the Organizational Documents, the Adviser and its related persons engage in a broad range of activities, including investment activities for their own account and in the future for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time conflict with the interests of the Adviser, its personnel, other Funds that may be advised in the future or their respective

affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment. Subject to the Organizational Documents, in resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) The Adviser will consider the appropriateness of an investment from the viewpoint of a Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
- (3) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- (4) The Adviser has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

While the Adviser endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions.

Allocation of Investment Opportunities

Subject to the Organizational Documents, in connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities (including follow-on investments) among various clients and other persons, which may include, but are not limited to, the following:

- Funds currently advised and any Funds that may be advised by the Adviser in the future;

- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the co-investors or investors in such co-investment vehicles which may include individuals and entities that are not investors in any Funds (“Third Parties”));
- Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser currently advises only one Fund. In the event the Adviser advises more than one Fund (to the extent permitted under the Fund’s Organizational Documents) or is otherwise required to make allocation determinations among the persons listed above, the Adviser makes allocation determinations consistent with the Funds’ Organizational Documents and in accordance with its written policies and procedures. As described in Item 5 above, it is anticipated that the Adviser will, from time to time, establish certain investment vehicles through which certain co-investors may invest alongside one or more Funds in one or more investment opportunities, which co-investment vehicles may pay Management Fees or Carried Interest to a Fund, the Adviser or its related persons. As a result, there can be no assurance that a Fund will be allocated the entirety of each opportunity that falls within its investment objectives. In making such allocation determinations, the Adviser may consider some or all of a wide range of factors, including but not limited to a Fund’s investment objectives, transaction sourcing, liquidity and reserves, diversification (including the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio), available capital and projected future capacity for investment, and legal, contractual or regulatory constraints, including those applicable to specific investors in a Fund. Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements are generally set forth in the Fund’s Organizational Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds and/or other parties are eligible to participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure, which are typically reflected in such Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund. Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds.

- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Adviser identifies the Funds that are eligible to participate in a particular investment, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing (and with respect to an investment opportunity originated by a third-party, the relationship of a particular Fund to or with such third-party);
- Each Fund's liquidity and reserves (including whether a Fund is able to commit to invest all capital required to consummate a particular investment opportunity);
- Each Fund's diversification (including the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio);
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment (including whether a Funds is able to invest all capital required to consummate a particular investment opportunity);
- The size, liquidity and duration of the investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund's portfolio and each Fund's investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics);
- The suitability as a follow-on investment for a current portfolio company of a Fund or to upsize and existing investment;

- Timing expected necessary to execute an investment;
- The use of leverage in the proposed capital structure;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- The centrality of an investment to a Fund's strategy;
- Asset class restrictions;
- The seniority of an investment and other capital structuring criteria;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax and accounting implications;
- Whether an investment opportunity requires additional consents or authorizations from the Fund, investors or Third Parties;
- Whether an investment opportunity would enable a Fund to qualify for certain programmatic benefits or discounts that are not readily available to other Funds including, but not limited to, the ability to enter into credit arrangements with certain financial or governmental institutions;
- Legal, contractual or regulatory constraints, including those applicable to specific investors in a Fund; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. The Adviser makes allocation determinations based solely on the Adviser's expectations at the time such investments are made, however investments and the characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight. Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons derive, directly

or indirectly, higher fees, compensation or other benefits. Notwithstanding the foregoing, the Adviser will not allocate investment opportunities among the Funds based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund.

In addition, Adviser Personnel invest indirectly in Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and, in the event the Adviser advises more than one Fund, may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Allocation of Co-Investment Opportunities and Secondary Transactions

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' Organizational Documents or, to the extent not addressed in such Funds' Organizational Documents, in accordance with the following paragraphs. Subject to the Organizational Documents, there may be circumstances where the Adviser determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular Fund is instead allocated to one or more co-investors.

Certain investors in a Fund are entitled to a right of first refusal with respect to co-investment opportunities. Subject to the foregoing, any Investment Allocation Requirements or other contractual agreements with Fund investors, in general, (i) investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities will from time to time be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested and an investor may be offered fewer co-investment opportunities than other investors in the same Fund, with the same, larger or smaller capital commitments to such Fund, and (iv) certain persons other than investors in the Funds (e.g., consultants, joint venture partners, persons associated with a portfolio company, other Funds, and other Third Parties, including persons who the Adviser believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to the Adviser, a Fund and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more investors in a Fund, will, from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, and (v) co-investors may generally purchase their interests in a portfolio company at the same time as the Funds or may, on occasion purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Each co-investment opportunity (should any

exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, as described above, the Adviser from time to time agrees to give particular investors, Funds, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect the Adviser's decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among potential co-investors, the Adviser may consider some or all of a wide range of factors, which include, but are not limited to, its own interests and/or one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise, and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and the Adviser's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;

- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to the Adviser and assume a passive role in governing a portfolio company);
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether a particular co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expecting to provide value to the business or operations of a portfolio company post-closing;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity);
- Whether the potential co-investment party will make commitments to invest in other Funds (including concurrently with the applicable co-investment) as well as commitments to future funds raised by the Adviser; and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Funds and/or the Adviser and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or the Adviser.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors and Third Parties, and in the manner discussed above often will not, result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether the Adviser and/or the applicable general partners are entitled, under arrangements made with certain potential co-

investment parties, to additional Carried Interest based on the availability of co-investment opportunities offered to such parties). While the Adviser determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial, and the Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

The Adviser or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Fund which may have more favorable rights and/or terms than the Funds and/or other co-investors. Any such vehicle will be established at the Adviser or its affiliates' sole discretion.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;

- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Fund (including any commitment into a future fund);
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Conflicts Related to Purchases and Sales

Subject to the Organizational Documents, to the extent the Adviser advises more than one Fund, Funds can be expected from time to time to invest in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Conflicts may arise in connection with such investments. Investment opportunities are from time to time appropriate for more than one Fund or other client (including certain vehicles formed to invest in a single deal that may bear Management Fees or Carried Interest) at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and the Adviser may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund. In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

Certain clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In the event that such investments are made by a Fund, the interests of such Fund will at times conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Fund holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm another Fund's equity investment in the portfolio company. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds

may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and, if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In the event one Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund may be obligated to fund more than its share of such amount. In such event, one Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. The returns of each Fund may be negatively impacted as a result of the foregoing. Investments by more than one Fund of the Adviser in a portfolio company also raises the risk of using assets of a Fund of the Adviser to support positions taken by other Funds of the Adviser, or that a Fund may remain passive in a situation in which it is entitled to vote. In addition, there may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. In addition, where more than one Fund of the Adviser (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time and on the same terms. For example, because the Adviser may have an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) or because one Fund's term may expire before the end of another Fund's term, such Funds may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if the Adviser determines it is advisable for a Fund to exit an investment at the same time as another Fund of the Adviser or its affiliates, the term of which may expire sooner than the former Fund's, such Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments.

The application of a Fund's Organizational Documents and the Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds or clients in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

From time to time the Adviser is expected to, in its discretion, enter into transactions with investors in one or more Funds, co-investors or Third-Parties to dispose of, or "sell down," all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser will comply with the requirements set forth in the Organizational Documents of the applicable Fund(s), or to the extent not addressed in the Organizational Documents of the applicable Fund(s), the Adviser may consider some or all of the factors listed above under "*Allocation of Co-Investment Opportunities and Secondary Transactions*". The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser and the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, which means the Adviser may not obtain the highest price for the transaction. Furthermore, subject to the Organizational Documents, the

Adviser may charge (or may decide not to charge) a purchasing party interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable purchasing party. 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 applicable Fund(s).

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements where such Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Fund are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Funds' Organizational Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or guarantees and, in any event, are not obligated to pay their proportionate share of any reverse termination fee. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Fund to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Fund would be held responsible for the entire equity purchase price or other applicable obligations.

Subject to the Organizational Documents, the Funds, from time to time, co-invest with Third-Parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a Third-Party is not involved. Such risks include, among other things, the possibility that the Third-Party may have differing economic or business goals than those of the Fund, or that the Third-Party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such Third-Party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a Third-Party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Cross-Transactions

Subject to the Organizational Documents, to the extent the Adviser advises more than one Fund, the Adviser may, from time to time cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may, from time to time, have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment).

The Adviser and its affiliates expect to receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Organizational Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Organizational Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. Subject to the Organizational Documents, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Management of the Funds

The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Fund.

Subject to the restrictions set forth in a Fund's Organizational Documents and in the Adviser's Code of Ethics, it is expected that Adviser Personnel responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser that may be raised in the future or to personal investments made by Adviser Personnel. Conflicts of interest arise in allocating time, services or functions of these Adviser Personnel. Such Adviser Personnel have an incentive to allocate more time, services or functions to Funds from which such personnel derive a higher economic benefit and/or better performing Funds.

In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as "big data". This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a

portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies, and otherwise develop investment strategies or identify specific investment or business opportunities. The Adviser also intends to utilize such data for purposes of identifying new investments opportunities for the Funds. Information from a portfolio company owned by a Fund may enable the Adviser to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Adviser and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Further, data is expected to be aggregated across the Funds and their respective portfolio companies and, in connection therewith, the Adviser is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Adviser (which expenses are indirectly borne by the Funds). The Adviser is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use of distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, the Adviser is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of the Adviser and other Funds. The sharing and use of "big data" and other information present potential conflicts of interest. The Adviser is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, the Adviser may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated.

The Adviser is also expected to enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow the Adviser, the Funds and the Funds' portfolio companies to better discern economic or other trends and developments. Though it is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information, the Adviser believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Adviser's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and the Adviser. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by the Adviser and its affiliates, without the source of the data being directly compensated.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a

portfolio company in which another Fund has previously invested. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

Adviser Personnel from time to time make capital investments indirectly in or alongside certain Funds. These investments may be at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

Subject to the Adviser's Code of Ethics, in addition, Adviser Personnel have in the past purchased (and may in the future purchase) securities in private equity funds, hedge funds and real estate funds, including those managed by former employers of such Adviser Personnel, which may pursue similar strategies to the Fund, and such Adviser Personnel may have ongoing commitments to such investments. Such Adviser Personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Funds and there may be situations in which such investment vehicles purchases securities from, or sells securities to, a Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. Such personnel may be incentivized to cause a Fund to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such vehicles

Subject to the Organizational Documents, it is possible that the Funds may invest in companies in which such other investment vehicles invest, which raises a potential conflict of interest in that the Adviser may have an incentive to make an investment that supports the investment of the other investment vehicle. The Organizational Documents address the process of resolving these potential conflicts prior to an investment being made. In addition, the Adviser may compete against, or engage in business with (e.g., through co-investments or joint ventures) other investment advisers with which the Adviser or its personnel have a relationship (including former employers of such personnel) or, subject to the consent of certain limited partners, from which the Adviser or its personnel otherwise derive financial or other benefits, or may invest in the investment vehicles managed by such investment advisers. Such relationships create a conflict of interest because they can influence the Adviser in determining whether to transact with such other investment adviser. In addition, to the extent Adviser personnel receive material non-public information regarding an issuer in connection with investments made or to be made by the other investment adviser, the Funds could be restricted in its investment activities with respect to such issuer.

By reason of their responsibilities in connection with other activities of the Adviser, certain Adviser Personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such

information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

In addition, Funds from time to time invest in securities of companies in which Adviser Personnel have previously invested for their own accounts. While the significant interests of the Adviser Personnel generally align the interests of such persons with the Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

Adviser Personnel may have family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies.

The transactions of Adviser personnel described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments.

Fee Structure

Because the Advisory Fee is payable through liquidation of a Fund and there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances, there is an incentive to deploy capital when the Adviser would not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation, particularly as the Carried Interest rate may be subject to increase upon certain performance benchmarks. However, the investment made by the Adviser or its affiliates in a Fund, the clawback obligation of the General Partner (as described below), the clawback escrow, and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of the Adviser's personnel.

Pursuant to the Organizational Documents, the General Partner may be required to return excess amounts of Carried Interest as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

In addition, the General Partner is incentivized to hold on to investments that have poor prospects for improvement in order to receive a more likely or larger Carried Interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the General Partner.

From time to time, Adviser Personnel may invest in funds or other entities managed by limited partners of a Fund, which could incentivize such Adviser Personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

Fund Level Borrowing

The Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors). If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. The Funds may also utilize subscription facilities to benefit co-investment parties and joint venture partners. For example, a Fund will borrow to fund a co-investment party's and joint venture party's pro rata share of an investment or expense related to an investment. While the Adviser expects that all parties participating in an investment (including the general partner and any co-investment party and/or joint venture partner) will bear its pro rata share of the interests expenses but not necessarily origination and other costs allocable to the extension of credit, the Fund will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds may impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net IRR calculations higher than they otherwise would be without such fund-level borrowing (as these calculations generally depend on the amount and timing of capital contributions); however, the Adviser expects to use such borrowed funds infrequently and for relatively short time periods, and will not use such a borrowing to manage net IRR calculations or to effect portfolio company borrowing. In addition, while the Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings; however, this conflict is partially mitigated as the Adviser intends to operate the subscription line in such a manner that any outstanding balance on the borrowing will be paid down within ninety days.

While unlikely for Funds whose use of the subscription facility is subject to short time limitations, the batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand to a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater

defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by the Fund will generally be secured by capital commitments made by the Limited Partners to the Fund, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing.

Providers of Operations Support

The Adviser and/or the portfolio companies will from time to time retain other companies and third-party individuals ("Operations Support Providers"), which is likely to include third party consultants (including specialized consultants, advisers, industry specialists, external executives, industry advisory roundtable members, and similar professionals), third-party "operating partners" or third-party "senior advisors".

The Operations Support Providers are engaged to provide operational support, due diligence, research, specialized operations and consulting services and similar or related services, most often in respect of one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies (such services collectively, "Operations Support Services"). These services may be high level insight or extensive day-to-day roles, and may include support to the general partner on behalf of the Funds, or portfolio companies regarding, among other things, the company's management (including serving in management positions or participating in determining corporate strategy), the company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, company production and development activities, finance (including generating metrics and reporting and business restructuring), regulatory matters, human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational issues. It is expected that the services provided by the Operations Support Providers will expand over time.

The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider are expected to vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to the Funds and/or the portfolio companies. These arrangements are expected to be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. Operations Support Providers may be offered the ability (or may have a preferred right or requirement) to co-invest alongside Funds or maybe offered the opportunity directly by the portfolio company to invest in the company, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Fees, compensation, expenses and any attributable overhead associated with Operations Support Services (collectively, “Operations Expenses”) are generally paid by portfolio companies, but may also be paid by the Adviser, which may then be reimbursed by a portfolio company. Operations Expenses are expected to be determined at the discretion of the general partner taking into account the particular Operations Support Services, may include reimbursement of reasonable out of pocket expenses for travel and overhead, a retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on predetermined targets or milestones, a profits or equity interest in the portfolio company or other incentive-based compensation (e.g., Carried Interest) to the Operations Support Provider, and may be determined in accordance with amounts charged by other providers. The determination of whether an Operations Support Service provider is a third party or an affiliate of the Adviser will be made by the Adviser, in its sole discretion. Operations Expenses are also likely to be incurred in respect of portfolio companies prior to the closing of the investment. Operations Expenses borne or reimbursed by portfolio companies are not Offset Fees, as they are not compensation received by the Adviser or its affiliates. The determination of whether an Operations Expense is paid by a portfolio company or the Adviser will be made by the Adviser in its sole discretion. It may be difficult to distinguish services provided by the Operations Support Providers from the investment advisory services provided to the Funds by the Adviser and its affiliates. Operations Support Providers will, from time to time, be offered the ability to invest in a particular investment as a co-investor on preferred economic terms (including on a no-fee/no-carry basis).

Business with and Among Portfolio Companies and Investors and Prospective Investors

Given the collaborative nature of the Adviser’s business and the portfolio companies in which Funds invest, there are often situations where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company, though any such fees, commissions, servicing payments and/or discounts will be negotiated by the portfolio companies on an arms-length basis. The Adviser will generally have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

Service Providers

Services required by a Fund (including some services initially provided by the Adviser or its affiliates to the funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software providers, in each case in the discretion of the Adviser or its affiliates. This can create a conflict of interest because the Adviser and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Adviser personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur

universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by the Adviser to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future, subject to any requirements or restrictions set forth in the Organizational Documents. Such services may also supplement or be performed alongside services performed by the Adviser. The costs and expenses of any such third-party service providers will be borne by the relevant Funds.

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process.

Subject to the Organizational Documents, certain other service providers to the Adviser, the Funds and/or the portfolio companies, or affiliates of such service providers, are also expected to provide goods or services to or have business, personal, financial or other relationships with the Adviser, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source investment opportunities, or be co-investors or commercial counterparties.

The Adviser, its personnel, the Funds and the portfolio companies of the Funds are likely to engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, its personnel, the Funds, and/or the portfolio companies. Though the Adviser does not expect to receive lower rates than the Funds or portfolio companies, in some cases there may be efficiencies (such as a service provider having institutional knowledge about the Funds, the Adviser, portfolio companies and their respective businesses) that leads to lower overall fees to the Adviser as a result of that service provider's previous experience with the Adviser and portfolio companies and such lower overall fees shall result in a reduction of the budgeted Management Fee. This may create a conflict of interest between the Adviser and its personnel, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it, or its personnel, 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 and/or the portfolio companies.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies.

The Adviser and the Funds will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Funds may represent one or more portfolio companies. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the

parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

Positions with Portfolio Companies

Employees of the Adviser may serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an issuer in the event a director receives material nonpublic information by virtue of his or her role, which would have an adverse effect on the Fund. Furthermore, an employee of the Adviser serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such employee may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company. Employees of the Adviser serving as directors may make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciary duties to the two portfolio companies may create a conflict of interest. In addition, employees of the Adviser and Operations Support Providers may leave the employment of the Adviser or its affiliates or its role as an Operations Support Provider and become an officer or employee of a portfolio company, which may shift the burden of compensating such persons from the Adviser to the applicable portfolio companies. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

Certain decisions made by a director may subject the Adviser, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify the Adviser and their partners, principals and employees from such claims. Employees of the Adviser serving in a director or observer role are required to remit any remuneration they may receive as directors to the applicable Fund.

In addition, the employees of the Adviser serving as directors may make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company.

From time to time employees of the Adviser may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such employee's employment with the Adviser. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such employee is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-

investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of the Adviser to take actions with respect to the portfolio company that the Adviser considers to be in the best interests of the Funds.

Other Potential Conflicts

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and its personnel may, from time to time in the future, receive certain intangible and/or other non-economic benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including ordinary course benefits and other discounts provided from service providers; provided, that the Adviser will only receive discounted services from a portfolio company to the extent permitted under the Organizational Documents. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty/status programs to the Adviser and/or its personnel, and such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Subject to the Organizational Documents, any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for an Adviser personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

The Funds may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company ("Holding Company") would be created that would acquire and manage the companies in the platform. The investments in the Holding Company may be managed together (including, for example, the use of common service providers combined and/or otherwise sold together as a part of a single transaction or series of related transaction). The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include current or former senior advisors or consultants to the Adviser and its affiliates. The Holding Company's costs and expenses, initial or ongoing and for any purpose, including compensation for its personnel (which compensation may include, among other things, salary, benefits, retainers and the granting of profit participation in certain investments of Holding

Company and/or a capital interest in such investments or the underlying assets), overhead expenses (including without limitation, rent, property taxes and utilities allocable to the workspaces) and all expenses related to sourcing would be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses will not offset the Management Fee and are in addition to Management Fees and other compensation (e.g., Carried Interest) received by the Adviser. In addition, as the Adviser earns Management Fees and Carried Interest from the Fund, the Adviser will benefit from the assets, income and gains of Holding Company.

The Adviser may represent creditors or debtors in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings. From time to time, the Adviser may serve as advisor to creditor or equity committees. This involvement, for which the Adviser may be compensated (such compensation will be included in the Offset Fees), may limit or preclude the flexibility that the Funds may otherwise have to make investments.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds, the Adviser has, subject to the direction of such Fund’s general partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek “best execution” of the transaction. “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. Best execution is not limited solely to the consideration of the best available commission rate.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser takes into account all factors that it deems relevant to the

broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold. In order to monitor best execution, the Adviser, in consultation with the Adviser's Chief Compliance Officer, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

The Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

Aggregation of Trades

To the extent the Adviser advises more than one Fund, the Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. The Adviser may in the future employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by the Adviser's investment professionals on an on-going basis.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of such Fund, as well as quarterly performance reports within 45 days after each fiscal quarter end. Subject to the Organizational Documents, the Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and any other relevant facts and circumstances the Adviser determines to be appropriate at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Managing Partner, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Generally, neither Funds nor underlying investors can direct the Adviser’s Vote. Further, the Adviser does not vote proxies on behalf of the Funds’ underlying investors.

All Voting decisions initially are referred to the Adviser’s Managing Partner for a voting decision. In most cases, the Managing Partner will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him. The Managing Partner will inform the CCO of any such Voting decision, and if the CCO does not object to such decision as a result of his or her conflict of interest review, the Vote will be voted in such manner.

The Adviser’s CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts

of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts, or to otherwise assist the Adviser in fulfilling all or part of its voting obligations. In this regard, the Adviser can retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to which Voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: compliance@longrangepartners.com.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.