

## **INVESTMENT ADVISER BROCHURE**

### **LIONTREE PARTNERS LLC**

**745 Fifth Avenue, 15th Floor  
New York, New York 10151**

**August 4, 2023**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of LionTree Partners LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 644-4200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

LionTree Partners LLC is an investment adviser that is seeking to become registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

## **ITEM 2 MATERIAL CHANGES**

LionTree Partners LLC (“**LionTree Partners**” or the “**Adviser**”) routinely updates its brochure to improve and clarify the description of its and its affiliates’ business practices and compliance policies or procedures or in response to evolving industry and firm practices.

There have been no material changes to this brochure since the last annual update, filed on March 31, 2023.

Except as otherwise specified, all information set forth in this brochure is as of the date of this document. Subject to the requirements of the Advisers Act, and other applicable laws, LionTree Partners is under no obligation to update any such information.

LionTree Partners encourages all recipients to read this Brochure carefully and in its entirety.

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#### **ITEM 4      ADVISORY BUSINESS**

LionTree Partners is a Delaware limited liability company and a registered investment adviser that began operations in May 2012. LionTree Partners is a private equity firm that focuses on providing co-investment opportunities to qualified investors (“**Investors**”) on select private equity transactions. For each co-investment, LionTree Partners creates one or more special purpose vehicles (each a “**Fund**” and, collectively, the “**Funds**” and, together with any future special purpose vehicles to which LionTree Partners or its affiliates provide investment advisory services, the “**Private Investment Funds**”) to hold the portfolio company co-investment. The Private Investment Funds to which LionTree Partners provides investment advisory services include:

- LionTree Co-Investments LLC
- LTK Co-Invest LLC
- LionTree Ripken LLC
- LionTree Ocelot LLC
- LionTree CL Opportunity LLC
- LionTree West Opportunity LLC
- LionTree PE Co-Investment (QP) LLC
- LT Venture Access Fund LLC
- LT Venture Access Fund A LLC
- LionTree GL LLC
- W Articulate LLC
- LionTree Articulate LLC
- LionTree PB LLC
- LionTree Articulate Blocker LLC

The Adviser and or its affiliate participates in every investment opportunity along with a select group of qualified Investors. The Adviser has in the past formed and may in the future form one or more limited liability companies in connection with the management of a new Fund (each a “**Manager**” and, collectively, the “**Managers**”). The Managers include:

- LTCP CL-OP LLC
- LT West-OP LLC
- LionTree Articulate Manager LLC

In addition, LT Venture Access Manager LLC (collectively with the Managers, the “**LionTree Managers**”) is a relying adviser of LionTree Partners (collectively with the LionTree Managers, “**LionTree**”).

The LionTree Managers are registered under the Advisers Act pursuant to LionTree Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the LionTree Managers, which together with LionTree Partners operate as a single advisory business.

LionTree Partners' investment strategy is to find investment opportunities as a co-investor in the private equity, venture capital and growth space. LionTree focuses on creative industries and the digital economy, including with respect to video gaming, sports betting, e-commerce, consumer packaged goods, financial technology, health and wellness, and audio, among other areas. LionTree also has experience in certain core sub-sectors of global media, such as content creation and distribution. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. LionTree's exercise of discretion in allocating investment opportunities could, and often will, result in disproportionate allocations among investors that have expressed interest in co-investment opportunities, and such allocations will likely be more or less advantageous to some such investors relative to other such investors.

LionTree provides investment advice directly to the Private Investment Funds in accordance with such Private Investment Fund's investment strategy as set forth in its limited liability company agreement (or similar governing document) and/or investment management agreement (each a "**Governing Document**", and collectively, the "**Governing Documents**") and does not tailor its advisory services to the individual needs of a Private Investment Fund's Investors. In addition, the Adviser does not accept Investor-imposed investment restrictions. LionTree's advisory services are further described below under Item 8 "*Methods of Analysis, Investment Strategies and Risk of Loss.*"

LionTree has in the past and will in the future enter into side letters or other similar agreements with certain Investors that have the effect of establishing rights under, supplementing or altering a Fund's limited liability company agreement. Such rights or alterations could be regarding economic terms, fee structures, withdrawal rights, information rights, reporting obligations of the LionTree Managers, transfer rights, or rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an Investor. Certain side letter rights are likely to confer benefits on the relevant investor at the expense of the relevant Fund or of investors as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. For the most part, any rights established, or any terms altered or supplemented govern only the investment of the specific Investor and not the terms of such Fund as a whole. Certain such additional rights but not all rights, terms or conditions are permitted to be elected by certain sizeable Investors with "most favored nations" rights pursuant to the Fund's limited liability company agreement.

***The information provided herein about the investment advisory services provided by LionTree is qualified in its entirety by reference to the Funds' Governing Documents, including limited liability company agreements.***

As of June 30, 2023, LionTree has regulatory assets under management of approximately \$184,100,000. All of LionTree's regulatory assets under management are managed on a discretionary basis. LionTree is principally owned by Aryeh B. Bourkoff.

As used herein, any references to "or" shall mean "and/or" and any references to "including" shall mean "including, but not limited to".

## **ITEM 5 FEES AND COMPENSATION**

In general, LionTree receives a management fee and a performance allocation in connection with advisory services. The specific management fees payable by a Fund or its investors are generally negotiated at the time the Fund is formed or such investor is accepted into the Fund. Except where the governing agreements expressly provide to the contrary, management fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments. Except to the extent LionTree Advisors LLC or its affiliates (collectively, “**LionTree Advisors**”) act as broker or dealer for a particular transaction, LionTree Partners and other LionTree entities or affiliates do not intend to receive any brokerage commissions or other transaction fees in connection with acquisitions, dispositions or financings, or receive from any third parties any additional compensation in connection with an investment or potential investment for the account of the Private Investment Funds. To the extent LionTree Partners earns any such compensation with respect to an investment, such additional compensation will offset in whole the management fees otherwise payable to LionTree Partners. Compensation earned by LionTree Advisors does not offset any management fees payable to LionTree Partners. Investors in the Funds also bear certain Fund expenses which are described in further detail below under “*Expenses Charged to the Funds*”.

The following provides a general description of fees, compensation and expenses for the Funds. With respect to any particular Private Investment Fund, while the description below may be generally applicable, fees and expenses may vary, and the Investors of such Private Investment Fund should review the applicable Governing Documents for further information.

Further specific details of the management fees, performance-based fees or allocations, fund expenses and fee waivers are described below, but more fully set forth in each Fund’s limited liability company agreement.

### ***Management Fees***

The Funds pay LionTree Partners a management fee equal to an amount set forth in the Governing Documents. The Funds generally pay either a one-time upfront fee equal to 2% of aggregate Investor committed capital or a fee of up to 1% of aggregate Investor contributed capital in advance on a quarterly basis. If a Fund investment is sold at a time other than year-end, Investors who have paid their management fee in advance will be entitled to a pro-rata refund based on the time remaining in that management fee billing period. The refund of any portion of Investor contributions as a result of prepaid management fees will be added to the Investors’ capital accounts and returned with the portfolio company liquidation distribution.

As permitted under the applicable limited liability company agreement, LionTree Partners has in the past and will in the future waive or agree to reduce the management fee or agree to different terms with respect to the payment of management fees. Waived or reduced management fees are not subject to any management fee offsets described above.

### ***Performance-Based Fees***

Certain of the Funds have in the past been, and will in the future be, assessed a carried interest or performance fee that is allocable to the managing member of such fund, a LionTree

Manager, LionTree Partners, or an affiliate, as applicable. The carried interest is allocated periodically according to each such Fund's Governing Documents, typically after the receipt by the Fund of proceeds from the disposition of a portfolio investment, and is paid out of cash proceeds otherwise distributable to Investors. Carried interest is typically measured as a percentage of the profits of the Fund and is negotiated separately for each Private Investment Fund. Investors in the Funds are generally subject to a carried interest charge of up to approximately 10-20% with a hurdle rate. Because carried interest distributions may be made prior to the end of a Fund's life, certain of these distributions are subject to giveback obligations, as set forth in the applicable Governing Documents.

### ***Other Fees and Potential Conflicts of Interest***

LionTree expects to exempt past or present principals, employees, members, partners or managers or their respective family members from payment of all or a portion of management fees and/or performance allocation. LionTree also has in the past and will in the future reduce management fees and/or performance allocation through side letter arrangements in certain instances, for example where certain Investors have made an early investment, a large investment or any other material concession to one or more of the Private Investment Funds.

Principals of LionTree (the "**Principals**") or other employees have in the past, and will in the future, directly or indirectly receive a portion of the performance allocation or other compensation received by LionTree Partners and its affiliates. Certain Investors may in the future, receive, as financial consideration for their investment in the Funds, a portion of the performance allocations through a direct or indirect participation in LionTree Partners, a LionTree Manager or an affiliate or such other means as determined by LionTree Partners, a LionTree Manager or an affiliate in its discretion.

LionTree and its personnel can also be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Funds, which will not be subject to management fee offsets or otherwise shared with the Funds and/or their Investors. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty or status programs, and such benefits will accrue exclusively to LionTree or its personnel (and not to the Funds and/or their Investors) even though the cost of the underlying service is borne directly by a Fund and indirectly by the Investors in such Fund.

LionTree Advisors, in its capacity as a registered broker dealer, has received, and could in the future receive, advisory fees in connection with certain investments made by the Funds. Such advisory fees are not subject to management fee offsets.

### ***Expenses Charged to Funds***

In addition to the management fee and performance allocation payable to LionTree, each Fund typically bears fees, costs, expenses and other liabilities incurred in the organization of such Fund in accordance with the specific Governing Documents, including legal and accounting costs, fees and expenses, travel and related costs and expenses (which may include private air travel, charged to the Fund at business class rates), meal, communication and certain entertainment expenses, filing costs and fees incurred in the formation and organization of the Fund. In addition,

each Fund generally bears all of the fees, costs, expenses and other liabilities or obligations relating to or arising from its operations, activities and investments, including without limitation legal fees, audit fees, fund administration fees, tax preparation fees, management fees, placement fees and expenses, the out-of-pocket expenses incurred in connection with maintaining the existence of such Fund, the applicable LionTree Manager and LionTree (in so far as such expenses relate to the Fund), all fees, costs and expenses of outside legal counsel, consultants, advisers, accountants, administrators, custodians, appraisers, depositaries, record-keepers, brokers, dealers, underwriters, investment bankers and transfer agents. Each Fund generally bears all amounts paid in connection with the termination, cancellation or abandonment of a potential Investment that is not consummated (including expenses from any legal, financial, accounting, consulting or other advisors or any lenders, investment banks and other financial sources) (“**Broken Deal Expenses**”). Except as provided for in the applicable limited liability company agreement, the Funds generally do not reimburse LionTree for salaries, office rent and other general overhead costs of the LionTree Managers or LionTree Partners. In addition, in certain instances, a Fund has borne and will in the future bear expenses in respect of an existing or prospective portfolio company that was not or will not be borne by other owners or investors in such portfolio company, where LionTree has determined such arrangement to be in the best interest of the Fund (e.g., the Fund engages or pays for a consultant for services in respect of a portfolio company without reimbursement by other owners of the portfolio company). None of these expenses offset any management fees. The Governing Documents of each Fund set forth the particular expenses that may be borne by such Fund. Brokerage fees may be incurred in accordance with the practices set forth in Item 12 below, “*Brokerage Practices*.”

LionTree allocates expenses in a manner it believes is fair and reasonable and consistent with the applicable Funds’ Governing Documents. Where the applicable Funds’ Governing Documents do not specify how certain expenses are to be allocated across multiple Funds, expenses are generally allocated among the Funds (or portfolio companies, as applicable) as follows:

- Expenses incurred with respect to a particular Fund or portfolio company that are separately identifiable are allocated to such Fund or portfolio company.
- Investment-related expenses are allocated among participating Funds (including among co-investors or co-investment vehicles) on a pro rata basis.
- With respect to Broken Deal Expenses, LionTree takes into account the degree of certainty relating to a Fund’s participation in the broken deal.
- With respect to certain non-investment-related expenses that benefit more than one Fund, LionTree examines a variety of factors when determining how to allocate such expenses and/or considers allocation ratios among Funds commensurate with usage by, or perceived benefit to, a particular Fund or Funds, as determined by LionTree.

LionTree has in the past, and will in the future, call capital from Investors for the payment of each Fund’s expenses. The timing of these payments is governed by the Governing Documents. Some Funds have a cap on the maximum amount of Fund expenses that Investors pay.



The expenses described above do not include every possible expense the Funds may incur. Prospective and existing Investors are advised to review the applicable Governing Documents for a more extensive description of the fees and expenses associated with an investment in the Funds.

#### **ITEM 6      PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under Item 5 “*Fees and Compensation*,” LionTree has received in the past, and will receive in the future, performance-based fees and/or distributions based upon the performance of the Funds. LionTree has waived or reduced the performance allocation with respect to certain persons as described above and will do so in the future.

The fact that LionTree is in part compensated based on the performance of the Funds may create an incentive for LionTree to make investments on behalf of a Fund that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. LionTree believes this conflict is mitigated because the Principals and designees of LionTree LLC, or any of their respective affiliates, have made significant personal investments in the Funds, which align the interests of LionTree personnel with those of the Funds. In addition, the method of calculating the carried interest poses potential conflicts of interest between the applicable general partner and a Fund with respect to the management and disposition of investments, as well as the determination of the timing, method, and amount of distributions by a Fund, and the use of fund-level credit facilities.

#### **ITEM 7      TYPES OF CLIENTS**

LionTree’s clients are the Private Investment Funds, including the Funds. Investment advice is provided directly to such Private Investment Funds and not individually to the Investors. The Private Investment Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**1940 Act**”). The Investors may include high net-worth individuals, family offices, banks or thrift institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also may include, directly or indirectly, past or current service providers, principals or other employees of LionTree.

Typically, the Funds require minimum investment amounts ranging from \$5,000 to \$500,000, but such amounts have been and in the future will be reduced with the prior agreement of LionTree, subject to applicable legal requirements

Any Fund interests will be offered and sold generally to Investors that are (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and/or (ii) “qualified purchasers” as defined in Section 2(a)(51)(A) of the 1940 Act, or other “knowledgeable employees” of LionTree.

## **ITEM 8        METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***General***

Each Fund's investment objective is to achieve significant, long-term capital appreciation primarily through minority investments in companies in which the Funds will generally, but not always, have influence in the management, operations and strategic direction of the business. LionTree tends to focus on companies in creative industries operating within the digital economy and/or the telecommunications, media and technology industries (the "**Target Sector**").

The Adviser targets investments with a typical holding period of five to ten years which may vary based on each transaction. For certain larger transactions, the Funds may seek co-investment partners. The Funds' investments are primarily in the form of minority positions in companies achieved through growth equity transactions, co-investment in leveraged acquisitions, creation of platforms, recapitalizations, and occasionally restructurings. LionTree may also consider investments in corporate debt.

LionTree carefully reviews and conducts due diligence to identify attractive investment opportunities and seeks stable cash flows and strong risk adjusted and predictable returns primarily in the Target Sector. The Funds can use leverage directly and/or indirectly subject to any provisions in each Fund's Governing Documents.

There can be no assurance that LionTree will achieve the investment objectives of the Funds and a loss of investment is possible.

### ***Risk of Loss of Capital***

Investing involves the risk of loss that an investor in a Fund should be prepared to bear. The discussion below of risks associated with an investment in the Funds does not purport to be an exhaustive list of all such risks. Please see the confidential offering memoranda of the Funds for a more detailed discussion of risks.

### ***Risks of Investment***

The Funds and their Investors bear the risk of loss that LionTree's investment strategy entails. While the discussion below often refers to "Fund," it enumerates certain risk factors that apply generally to an investment in the Funds, however, the following discussion does not describe all of the risks that may potentially be faced by the Funds. Prior to making any investment in a Fund, Investors should review the Fund's offering document, if applicable, for additional information regarding risks and conflicts of interest specific to the Fund.

### ***General Risks***

Long-Term Nature of Investment; Illiquidity. An investment in a Private Investment Fund requires a long-term commitment, with no certainty of return. Generally, a Private Investment Fund's investments will be illiquid, and there can be no assurance that a Private Investment Fund will be able to realize on such investments in a timely manner or at all. Consequently, disposition of such investments may require a lengthy time period or may result in distributions in kind to the

Limited Partners. In such circumstances, there is a potential conflict of interest between a general partner (and its beneficial owners) and the relevant Private Investment Fund's investors. For example, the general partner and its beneficial owners may intend to hold securities distributed in-kind for a different time period than LionTree deems suitable for the Private Investment Fund. In addition, there may be little or no near-term cash flow available to the investors.

A Private Investment Fund typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act, as amended (the "**Securities Act**"), or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. In addition, in some cases, a Private Investment Fund may be prohibited or limited by contract from selling certain investments for a period of time, and, as a result, may not be permitted to sell an investment at a time it might otherwise desire to do so.

Additionally, the realizable value of a highly illiquid investment may be less than its intrinsic value. While an investment may be sold at any time (subject to any relevant restrictions), it is generally not expected that partial or complete dispositions of investments will result in a return of capital or the realization of gains (if at all) for a number of years after an investment is made. A variety of factors (including economic conditions, asset conditions, political and regulatory considerations and public opinion) could affect the ability of a Private Investment Fund to buy or sell investments on favorable terms. An investor generally will not be permitted to withdraw from a Private Investment Fund or be excused from participation in any Fund investment, unless such participation would cause such investor to violate applicable law.

Therefore, a Private Investment Fund may make investments that it is unable to realize advantageously prior to the date that such Private Investment Fund is to be wound-up, either by expiration of its term or otherwise. Although the LionTree GPs and LionTree Manager generally aim for all investments to be realized prior to the end of a Private Investment Fund's term or to be suitable for distribution in-kind at the end of the term, the General Partner and LionTree Manager have limited authority to extend the term of the Private Investment Funds, and a Private Investment Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of the expiration of such Private Investment Fund's term.

At the expiration of the term of a Private Investment Fund, investments in privately-held companies may be distributed in-kind so that Limited Partners may then become minority shareholders in a number of privately-held companies which are intrinsically riskier than publicly-held companies as the privately-held companies may be smaller, more vulnerable to changes in markets and technology and dependent on the skills and commitment of a small management team. When such investments are distributed to Limited Partners, such Limited Partners may then become minority shareholders and may be unable to protect their interests effectively. A public market for such investments may never develop and it may be difficult to liquidate such investments or find prospective buyers in the private market. If "in-kind" distributions will be made to the Limited Partners of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the Governing Documents. An independent appraisal generally will not be required and is not expected to be obtained.

Co-Investments. The Funds will co-invest in companies with other private equity firms' private funds, making minority equity investments in companies where the Adviser may have limited influence. Such investments may involve risks in connection with such third-party involvement, including, for example, the possibility that the private equity firms' private funds may have interests or objectives that are inconsistent with those of a Fund or the risk that the outcomes of collaborative decision-making will vary adversely from those that LionTree would have reached themselves. In addition, a third-party or co-investor might become bankrupt or have other financial, legal or regulatory difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to a Fund's investment objectives. If such co-investor or partner defaults on its funding obligations, it may be difficult for a Fund to make up the shortfall. If a Fund is required to make additional contributions in respect of such shortfall, the diversification of such Fund's overall investments could be reduced. A Fund may in certain circumstances be liable for the actions of its third-party co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. In addition, in negotiating an investment through a joint venture or other similar arrangement, a Fund may have to agree to less favorable terms (e.g., bearing a disproportionate share of expenses) than might be present in a direct investment. However, as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the Funds' investments. In addition, the Funds may in certain circumstances be liable for the actions of the private equity firms' private funds.

Past Experience Not Indicative of Future Results. The performance of prior investments made by LionTree or any of its affiliates is not indicative of a Fund's future results. While the general partner intends to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that the historical internal rate of return ("IRR") generated by prior investments made by LionTree will be achieved by any Fund. On any given investment, total loss of the investment is possible.

A Fund is a newly formed entity and has no prior operating history on which an investor can base its prediction of future success or failure. Although LionTree has had significant experience and success in making investments in portfolio companies, the past performance of these investments is not indicative of the future results of any Fund's investments.

Business Risk. The companies or projects in which the Funds will invest may involve a high degree of business and financial risk. These companies or projects, in some cases, may have significant variations in operating results, may be engaged in a rapidly changing business environment with products subject to a substantial risk of obsolescence, may require significant additional capital to support their operations, or may otherwise have a weak or unstable financial condition. Further, investments in portfolio companies subject the Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the portfolio company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors.

Equity and Equity Related Investments. A substantial portion of the Funds' investments will be in securities which by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial losses. There can be no assurance that LionTree will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's activities. As a result, the Adviser's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Dependence on Key Personnel. The success of a Fund depends in substantial part upon the skill and expertise of the members of the investment team of LionTree and the other individuals employed to assist them and LionTree. There can be no assurance that the partners will continue to be partners of or employed by the general partner or LionTree. The loss of service to a Fund of one or more partners or other personnel could have a material adverse effect on the success of such Fund.

Uncertainty of Financial Projections. The general partner will generally establish the capital structure of portfolio companies based on financial projections for those portfolio companies. Projected operating results will typically be based mainly on management judgments. In all cases, projections are only estimates of future results that stem from assumptions made when the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Leverage. The Funds' investments may involve leveraged acquisitions (including use of subscription lines) which, by their nature, require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to adverse micro and macroeconomic factors that result in declines in revenues and increases in expenses. Utilization of leverage is a speculative investment technique and involves risks to Investors. Further, these risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. Except where otherwise required by the relevant governing documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund may enter into a subscription line with one or more lenders in order to fund its operations, including without limitation to finance the Fund's investments. Amounts borrowed under a subscription line are often secured by pledges of the relevant general partner's right to call capital from Investors. Consequently, Investors may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or defaults thereunder.

In addition, the Funds may maintain additional leverage at the Fund or aggregator level with one or more financial institutions. The Funds may make investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors: subscription lines) before calling capital commitments. The interest expense and other costs of any such borrowings will be borne by the applicable investors in each Fund and therefore may decrease net returns of such Fund and its investors. Interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the applicable Fund. Given the foregoing, LionTree has an incentive to cause such vehicle to borrow in this way rather than draw down capital commitments, subject to the operating and offering documents of each Fund. In addition, because amounts borrowed under a subscription line typically are secured by pledges of the relevant general partner's right to call capital from the limited partners, limited partners may have to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default.

Certain Risks and Costs of Leverage Below a Fund. Even though it presents many of the same risks as Fund-level borrowing, indebtedness of entities other than a Fund will not be treated as Fund-level borrowing for purposes of the governing documents, even if the special purpose vehicles or other entities incurring such leverage engage in borrowings that are cross-collateralized with or among multiple investments such that multiple investments and a substantial portion of a Fund's value are at risk. As a result, these borrowings will not be subject to any limitations on Fund-level borrowing in the governing documents. Since LionTree has more flexibility to engage in these structures, LionTree is incentivized to incur significant leverage at the level of holding companies beneath a Fund. The negative performance of one asset may materially and adversely impact the performance of other investments or a Fund as a whole.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which could be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that could be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its general partner, or LionTree who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for LionTree to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Other Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes could occur that may adversely affect or impact a Fund at any time during its term. The legal, tax and regulatory environment for private equity funds is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased

criticism of the private equity and alternative asset industry by regulators and politicians and market commentators, may materially adversely affect the ability of a Fund to pursue its investment strategy and the value of the investments held by such Fund. Market disruptions, such as the type experienced in 2008, and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental and regulatory (as well as self-regulatory) scrutiny of the private equity and alternative investment fund industry in general, and certain legislation proposing greater regulation of the private equity and alternative investment fund management industry has periodically been and may be considered or acted on by governmental or self-regulatory bodies of both U.S. and non-U.S. jurisdictions. It is impossible to predict what, if any, changes may be instituted on the regulations applicable to a Fund, its general partner, LionTree, their respective affiliates, the markets in which they operate and invest or the counterparties with which they do business, or what effect such legislation or regulations may have. There can be no assurance that a Fund, its general partner, LionTree or its respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations that restrict the ability of a Fund to implement its investment strategy could have a material adverse impact on such Fund and its portfolio.

Turnaround or Underperforming Companies. A portion of the Funds' investments may involve turnaround or underperforming companies, or companies identified by the Adviser as needing additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged, and any investment in them may involve a high degree of risk.

Private Securities. Most of the Funds' investments are expected to involve private securities. In connection with an investment in private securities, the Funds may co-invest in portfolio companies subject to contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations, or environmental actions, among other things.

Illiquid and Long-Term Investments; Lack of Transferability. Although the Funds' investments may generate current income, the return of capital and the realization of gains, if any, from such investments is expected to occur upon their disposition. While investments may be sold at any time, it is generally expected that the disposition of investments will not occur for several years after investments are made. It is unlikely that there will be a public market for the securities held by the Funds at the time of their acquisition, and such securities may require a substantial length of time to liquidate. The Funds generally will be unable to sell the securities it holds of any investment publicly unless their sale is registered under applicable securities laws, or unless an exemption from those registration requirements is available. In addition, in some cases, the sale of such investments may be prohibited or limited by contract for a time, and so we may not be permitted to sell such investments at a time we might otherwise desire to do so.

Although, under normal circumstances, the Funds intend to make distributions in cash or publicly traded securities, perhaps in some cases (including the liquidation of a Fund) distributions may be made in kind and could consist of securities for which there is no readily available public market.

Early Termination of a Fund. Under the limited partnership agreement, a Fund is permitted to be dissolved and terminated prematurely, and so may be unable to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (causing limited partners not having their capital invested or deployed in the manner originally contemplated).

Risks Upon Dispositions of Investments. In connection with the disposition of a portfolio investment, a Fund may need to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. It may also need to indemnify the purchasers of such investment if any such representation turns out to be inaccurate. These arrangements in certain cases will cause contingent liabilities of a Fund, which might ultimately have to be funded by the limited partners if such contingent liabilities exceed the reserves and other assets of the Fund and such limited partners have received prior distributions from the Fund.

Recourse to a Fund's Assets. A Fund's assets, including any investments made by such Fund are available to satisfy all liabilities and other obligations of the Fund. If a Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset, such as the investment leading to the liability.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive portfolio investments is long and complex and involves a high degree of uncertainty, especially for timing. In addition, searching for appropriate investments is highly competitive. Even if investment opportunities are identified, there can be no assurance that the Funds' bids to acquire interests in such investments will succeed; and, upon a successful bid, legal or contractual transfer restrictions, including rights-of-first-refusal, change-of-control, and similar provisions applicable to such investment may prevent a Fund from acquiring all or a portion of such investment. In addition, LionTree may be unable to obtain as favorable terms as it would otherwise in a less competitive investment environment. The availability of investment opportunities generally will be subject to market conditions as well as the prevailing regulatory or political climate. In addition, the current private equity environment has become even more competitive as other market participants, including hedge funds and special purpose acquisition companies, have been competing for investment opportunities that have traditionally been targeted by private equity funds. The Funds will be competing with other investors, private equity funds, financial institutions and corporate or strategic buyers, some of which will have greater resources than the Funds, for the investments that the Funds will make. Furthermore, additional Funds with similar investment objectives may be formed in the future by other unrelated parties. As a result, there can be no assurance that the Funds will be able to identify and complete portfolio investments that satisfy their investment objectives or realize the value of those portfolio investments, or that they will be able to fully invest their commitments. Even so, limited partners will need to pay management fees based on aggregate commitments during the commitment period. The difficulty identifying and gaining access to attractive investment opportunities also applies to the management teams of portfolio companies, who may not be able to fully invest all the capital committed to those portfolio companies by a Fund. The Funds and the portfolio companies may incur significant expenses investigating potential investments that are ultimately not



consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the general partner of each Fund and LionTree will monitor the performance of each portfolio investment, there can be no assurance that the existing management team, or any successor team or member, will be able to successfully operate the portfolio company in accordance with such Fund's plans. Additionally, portfolio companies need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, despite general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, a Fund may be adversely affected thereby. Additionally, LionTree may rely on portfolio company management to comply with laws and regulations as they relate to such portfolio company. There can be no assurance that portfolio company management will assure such compliance.

Concentration of Investments. Each Fund generally invests in one portfolio company and, as a result, its returns may be affected by the performance of a single investment. Furthermore, because we have broad discretion to invest much of a Fund's assets in a single investment, and all of the Fund's assets in a particular industry, adverse movements in the value of a single investment or the health of a particular industry could harm such Fund than would be the case if we could not concentrate investments to such an extent. The asset mix of each Fund differs from what would result if diversification was a Fund's primary investment focus. If a Fund concentrates investments in a particular geographic region, security, investment sector or stage of investment, investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, sector or stage of investment.

Non-Controlling or Minority Investments. Our Funds may hold, non-controlling or minority equity investments in portfolio companies where a Fund may have limited influence and a limited ability to protect its position in those portfolio investments. Those portfolio companies may have economic or business interests or goals inconsistent with those of such Fund, and such Fund may be unable to limit or otherwise protect the value of such Fund's investment in those portfolio companies. Our Funds' control over the investment policies of those portfolio companies may also be limited. This could lead to a Fund's investments being frozen in minority positions that incur substantial losses. It could also prevent a Fund from realizing the value of its investments and distributing proceeds promptly. In addition, if the Funds take a minority position in publicly traded securities as a "toehold" investment, such publicly-traded-securities may fluctuate in value over the limited duration of the investment in such securities, which could reduce returns. There can therefore be no assurance that the Funds will be able to realize the value of any such investments and distribute proceeds promptly. In addition, the Funds may generally seek board representation in connection with its minority portfolio investments, there is no assurance that such representation, if sought, will be obtained. Even so, appropriate rights generally will be sought there to protect the interests of the Funds.

Indemnification. The general partners, manager, partners, members of the investment team and their respective members, partners, shareholders, directors, officers, employees, agents and affiliates, will have a right to indemnification from the Funds, except in certain circumstances. The assets of a Fund and unfunded commitments will be available to satisfy these indemnification obligations, and partners may need to return distributions to satisfy such obligations. Such obligations will survive the dissolution of a Fund.

Certain Risks Associated with Non-U.S. Investments. A Fund may invest in portfolio companies organized and operating primarily in certain countries outside the United States. Such non-U.S. investments may involve risks and special considerations not typically associated with U.S. investments. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation, (ii) social, economic and political uncertainty, including corruption, war and revolution, (iii) dependence on exports and the corresponding importance of international trade, (iv) price fluctuations, market volatility, less liquidity and smaller capitalization of securities markets, (v) currency risks, including exchange rate fluctuations, devaluation and the costs of currency conversions, (vi) rates of inflation, (vii) controls on, and changes in controls on, foreign investment, limitations on repatriation of invested capital, proceeds from the sale of securities and other remittances, and on a Fund's ability to exchange local currencies for U.S. dollars, (viii) governmental involvement in and control over such non-U.S. economies, (ix) governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies, (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers, (xi) less extensive regulation of the securities markets, (xii) longer settlement periods for securities transactions, (xiii) less developed corporate laws regarding fiduciary duties and the protection of investors, (xiv) adverse effects of local withholding and foreign tax requirements on repatriation of income from and investments in entities that are organized or domiciled in non-U.S. jurisdictions, (xv) less reliable judicial systems to enforce contracts and applicable law, (xvi) foreign restrictions and prohibitions on ownership of property by U.S. entities and changes in foreign laws relating thereto, and (xvii) incidents of terrorism.

Accuracy of Third-Party Information. LionTree or the general partners may select investments for the Funds, in part, based on information and data made available directly or indirectly by third parties. LionTree or the general partner may be unable to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Effects of Bankruptcy. A Fund may make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks that are faced in bankruptcy cases that must inform the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, a Fund could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing may adversely affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist before the investment was made by a Fund. In general, bankruptcy laws may be expected to have many adverse impacts on the value

of a Fund's investments and the timing and amount of any distributions a Fund can receive. In addition, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made as debt as equity contributions.

Public Disclosure Obligations. A Fund in certain circumstances will need to disclose confidential information relating to its portfolio investments and its financial results to third parties that could request such information if and to the extent required by federal, state or local law or regulation applicable to the Fund or any of its limited partners, including those limited partners that are public agencies or governmental bodies. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. In addition, to comply with regulations and policies to which a Fund, a general partner, the manager, portfolio companies or service providers (including financial institutions) are or could become subject, or to satisfy regulatory or other requirements in connection with transactions, the Fund, general partners or the manager could be required to disclose information about the limited partners, including their identities. The disclosure obligations in certain cases will adversely affect certain limited partners, particularly limited partners who are not otherwise subject to public disclosure of information relating to the private holdings of Funds in which they invest.

Freedom of Information Act. A general partner or the manager may withhold all or any part of the information otherwise to be provided to a limited partner (pursuant to the limited partnership agreement or otherwise) in some cases to prevent public disclosure of such information under the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state, provincial or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

Investments in Public Companies. A Fund may take private portfolio companies public. Investments in public companies may subject the portfolio company to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information on such companies, limitations on the ability of a Fund to dispose of such securities at certain times (including because of the possession by the Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include the partners and other members of the LionTree team, regulatory action by the domestic or foreign securities regulators and increased costs associated with each of the risks.

Limited Access to Information. Limited partners' rights to information on a Fund will be specified, and strictly limited, in the limited partnership agreement. In particular, a general partner will obtain certain material information from investments that will not be disclosed to limited partners because, in part, such disclosure is prohibited by contractual, legal or other obligations. Decisions by a general partner to withhold information may harm limited partners in various circumstances. For example, a limited partner that seeks to transfer its interests may have trouble determining an appropriate price for such interests. Decisions to withhold information also may make it difficult for investors to monitor the general partner and its performance. It is also expected

that limited partners who designate representatives to participate on a limited partnership advisory committee may, because of such participation, have more information about a Fund and investments at times than other limited partners generally and may be disseminated information before communication to other investors generally.

Regulatory Status. LionTree is registered as an investment adviser under the Advisers Act and, as such, is subject to the Advisers Act. Failure to comply with the requirements imposed on us because of its current registrations or requirements that may be imposed as a result of future registrations may have a material adverse effect on LionTree's ability to perform its duties to the Funds. LionTree's ability to source and execute transactions for the Funds may also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to LionTree, any affiliate of LionTree or any of their respective investment professionals.

Increased Scrutiny of Private Fund Advisers. The regulatory environment for private funds and other financial entities is evolving. Changes in law or regulations may adversely affect the value of instruments held (directly or indirectly) by a Fund, may affect the ability of such Fund to pursue its investment strategies, or may restrict or prevent LionTree from continuing to perform services for a Fund in the manner currently contemplated. The SEC has recently increased its scrutiny of the private equity industry, including conducting several examinations and bringing several enforcement actions against private fund managers. The effect of any regulatory changes or regulatory scrutiny of LionTree, any Fund, or any investor, could be substantial and could adversely affect the Funds, their investments, or LionTree, or result in material amendments to the terms of the Funds' governing documents.

Expedited Transactions. Investment analyses and decisions by the Adviser may be undertaken on an expedited basis in order for a Fund to take advantage of available co-investment opportunities. In such cases, the information available to LionTree at the time of an investment decision may be limited, and the Adviser may not have access to the detailed information necessary for a full evaluation of the investment opportunity.

Lack of Diversity. A Fund may participate in a single investment and, as a consequence, the aggregate returns of such Fund will be substantially affected by the unfavorable performance of a single investment. Since each Fund may only make a single investment and since the Funds' investments generally will involve a high degree of risk, poor performance by an investment may materially affect the total returns to Investors. On any given investment, loss of all or a portion of the Investors' capital is possible.

Valuation of Investment Opportunities. The Funds may make investments relying upon projections developed by LionTree or a company concerning such company's future performance and cash flow. Projections are inherently uncertain and subject to factors beyond the control of LionTree and the company in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of a portfolio company to realize projected values and/or cash flow.

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

Available Opportunities and Competitive Marketplace. The success of the Funds depends on the availability of appropriate investment opportunities and the ability of LionTree and the Principals to identify, select, close and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of their committed capital or that such investment opportunities will lead to completed investments by the Funds. The Funds will be competing with other private equity funds, as well as institutional investors and strategic investors for investments in prospective portfolio companies. As a result of this competition, there can be no assurance that the Funds will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital.

Uncertain Exit Strategies. Due to the illiquid nature of the investments which the Funds expect to make, there can be no assurances as to what, if any, exit strategy will ultimately be available for any given investment position. Exit strategies which appear to be viable when an investment is initiated may be precluded when the investment is deemed to be ready for realization due to economic, legal, political or other factors. The larger the transaction, the greater the risk to a Fund's total returns and success if there is uncertainty around such Fund's exit strategy.

Environmental, Social & Governance ("ESG") Matters. ESG matters have been the subject of increased focus by regulators in the US and EU, among other jurisdictions. While the Advisers strive to implement ESG practices, there can be no assurance that the Advisers will be able to identify all ESG issues or will be able to successfully implement its ESG policies. The use of ESG metrics in the investment process may be subjective and are not subject to uniform standards, and, as such, there is no guarantee that the Advisers will be able to accurately assess and measure the ESG risks and ESG compliance of a Fund's investments and/or potential investments. In evaluating an investment's ESG characteristics, the Advisers may also rely on information and data from third party providers, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Advisers could incorrectly assess an investment or potential investment. There is also a risk that the Advisers may not apply the relevant ESG criteria correctly or that a portfolio could have indirect exposure to issuers that do not meet the relevant ESG criteria used by such portfolio. While the Advisers view ESG considerations as having the potential to contribute to an investment's long-term performance, there is no guarantee that such results will be achieved. ESG-based exclusionary criteria may result in a Fund foregoing opportunities to make certain investments when it might otherwise be advantageous to do so, and/or selling certain investments due to their ESG characteristics when it might be disadvantageous to do so. The use of ESG criteria may affect a Fund's investment performance (including by increasing expenses) and, as such, a Fund may perform differently compared to similar Funds that do not use such criteria. Additionally, it should not be assumed that any ESG practices or standards will apply to

every investment in which the Funds invest or that they have been applied to all of the Funds' prior investments. ESG is only one of many considerations that the Advisers take into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG information provided is intended solely to provide an indication of ESG initiatives and standards that the firm applies when seeking to evaluate and/or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments may exhibit characteristics that are inconsistent with the practices or standards described herein.

Enacted or proposed “anti-ESG” legislation in certain states require that relevant state entities or the administrators of state investments base their investment decisions solely on financial factors or investment returns without consideration of certain ESG factors. In addition, other potential investors could voluntarily implement strategies to limit their investments in such funds. To the extent such state laws apply to prospective investors in the Funds or a significant number of such prospective investors adopt strategies to limit their investments in private funds that consider ESG factors in their investment process, LionTree may be required to modify or eliminate its ESG policies to the extent LionTree targets such investors for investment in the Funds, or limit its investor base to exclude such investors, which could materially affect the amount of capital a Fund has available for implementing its investment objectives. In addition, the evolving nature of ESG and sustainability-related regulations and practices means that there is likely to be in the future a degree of divergence as to the regulatory and market meaning of such terms, as well as the divergent views on the degrees to which such matters contribute to long-term performance.

Cybersecurity Risk. LionTree, each Fund, portfolio companies and service providers to LionTree, rely on the Internet, computer networks, and various software and hardware (collectively, “information technology” or “IT” systems) for both internal and external-facing operations. LionTree manages certain IT systems but also relies on third-party service providers and vendors that manage other IT systems and provide products and services critical to our business.

All IT systems are subject to cybersecurity threats, risks and vulnerabilities. While we have taken steps to protect our IT systems and confidential information, threat actors are increasingly sophisticated and using advanced tools and techniques to circumvent security controls, obfuscate data access and delete forensic evidence, which impacts our ability to timely and effectively detect, investigate and mitigate attacks and incidents. Additionally, continued remote and hybrid working arrangements present potentially increased risks associated with the prevalence of social engineering attacks and vulnerabilities inherent in many non-corporate and home networks.

The confidentiality, integrity and availability of our IT systems and confidential information is increasingly subject to the risk of cyberattacks, computer viruses (for example, ransomware), network failures, computer and telecommunication failures, infiltration by unauthorized persons, software “bugs” and vulnerabilities, usage errors, employee negligence, social engineering (for example, third parties inducing employees, investors, service providers or other users of our IT systems to gain access to our confidential information or that of a Fund's investors), power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any security systems, counter measures or other controls designed to mitigate

cyber-related risks are compromised, are disrupted or cease to function properly, LionTree, each Fund and their respective affiliates may incur significant costs and liability due to the theft of Fund assets (including proprietary information and intellectual property) and/or numerous other events including, but not limited to: disruption to our operations or the operations of any Funds, portfolio companies or critical third parties; litigation and regulatory enforcement; fines and penalties; increased preventative and protective costs; increased remediation and compliance costs; reputational or brand damage, including the loss of current and future investors; and the loss of liquidity. Any of the foregoing could materially impact LionTree's business prospects and/or financial position, as well as each Fund's ability to achieve their investment objectives and/or conduct their operations, and there is no guarantee that any insurance policy would partially or fully cover such exposure.

Global Economic Conditions; Market Dislocation. General global economic conditions could affect a Fund's activities. Interest rates, general levels of economic activity, fluctuations in the market price of securities and participation by other investors in the financial markets could affect the value and number of investments made by a Fund. The instability in the securities markets could increase the risks in portfolio investments made by a Fund. If a Fund's portfolio companies participate in such markets, the results of their operations could suffer. In addition, if marketplace events continue (or worsen), this could harm the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of a Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund could lose both invested capital in and anticipated profits from those portfolio companies.

In addition, current global economic conditions have the potential to materially and adversely affect (i) the ability of a Fund, its portfolio companies or their respective affiliates to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with a Fund or its affiliates, (iii) a Fund's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) consumer spending and demand for the products and services offered by a Fund's portfolio companies, (v) growth opportunity for a Fund's investments, (vi) a Fund's ability to exit its investments at desired times, on favorable terms, or at all, (vii) availability of reliable insurance on favorable terms or at all, and (viii) the ability of a Fund's investors to meet their obligations to a Fund promptly or at all.

Russia-Ukraine Conflict. The Russian Federation invaded Ukraine on February 24, 2022. Geopolitical tensions have mounted in response and the U.S., the United Kingdom, European Union ("EU") member states, and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the effect of these events or how long they will last. Depending on direction and timing, the Russian Federation-Ukraine conflict could significantly exacerbate the normal risks associated with a Fund and lead to adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping, energy and transportation costs and supply chain constraints; (iii) interest

rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for investments; (v) available credit in certain markets; (vi) import and export activity from certain markets; and (vii) laws, regulations, treaties, pacts, accords and governmental policies. Economic and military sanctions related to the Russian Federation-Ukraine conflict, or other conflicts, could affect markets, global supply and demand, import/export policies, and the availability of labor in certain markets. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. It is also expected that the Russian Federation-Ukraine conflict could spark further sanctions or military conflicts which will impact other regions. The foregoing could seriously impact each Fund's operations and its ability to realize its investment objectives timely.

Inflation. Certain countries have experienced and could in the future experience substantial, and in some periods extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates have had and may continue to harm the economies and securities markets (both public and private) of certain countries in which the Funds may invest. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of the Funds.

Data Privacy Risk. The General Data Protection Regulation ("GDPR") governs the processing of personal data and is directly applicable in all EEA member states. The GDPR has been imposed into UK law as the UK General Data Protection Regulation ("UK GDPR") and sits alongside the UK Data Protection Act 2018 (together the "UK DP Laws"). To the extent that LionTree actively offers investment opportunities to, or monitors the behavior of, natural persons located in the EEA and the UK, LionTree will be: (i) deemed a "controller"; (ii) required to comply with the GDPR, UK DP Laws and any applicable local derogations; and (iii) subject to certain rules with respect to cross-border transfers of personal data from the EEA and the UK. For non-compliance, the GDPR imposes fines of up to €20 million (£17.5 million) or 4% of a company's total worldwide annual turnover of the preceding financial year, whichever is higher. In relation to any alleged non-compliance, LionTree may therefore incur additional costs, become subject to regulatory investigations or fines, face civil claims (including representative actions and class action type litigation) and experience serious reputational damage – all of which may affect how LionTree conducts its business, reducing capital and time that can be deployed for making investments.

Alternative Data. LionTree is permitted to obtain and use alternative data in its investment process. Alternative data could consist of datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases (this data is sometimes referred to as "big data" or "alternative data"). LionTree reserves the right to apply this alternative data to better anticipate micro- and macroeconomic trends and otherwise to develop or improve trading or investment themes. No assurance can be given that LionTree will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for LionTree and the Funds in numerous jurisdictions. LionTree cannot



predict what, if any, regulatory or other actions could be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to LionTree or to the Funds. Conversely, any future limitations on the use of alternative data could have a material adverse impact on the performance of the Funds.

Natural Disasters, Terrorist Acts and Similar Dislocations. Upon the occurrence of a natural disaster such as a flood, hurricane, or earthquake, or upon an incident of war, riot or civil unrest, or an epidemic, the impacted country may not efficiently and quickly recover from such event, which can have a materially adverse effect on portfolio companies and other developing economic enterprises in such country. Terrorist attacks and related events can result in increased short-term economic volatility. U.S. military and related actions in the Middle East, and terrorist actions worldwide could have significant adverse effects on U.S. and other economies and securities markets. The effects of future terrorist acts (or threats thereof), military action or similar events on the economies and securities markets of countries cannot be predicted. Such disruptions of the world financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to a Fund's investments.

Business Continuity Plan. In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, LionTree is likely to initiate its business continuity plan to safeguard employee access to the resources and technology necessary to continue their responsibilities and meet portfolio company and investor needs. The business continuity plan is tested to ensure that appropriate measures are put in place to manage any such catastrophic events. However, LionTree is not able to predict the level of disruption that such catastrophic events could have on its operation or the ability of the plan to succeed in a time of crisis. Thus, its business continuity plan could be insufficient to continue operating the LionTree's business as usual. The failure of the business continuity plan for any reason could cause significant interruptions in the general partners', LionTree's, the Funds' and/or a portfolio company's operations. Similar types of operational risks are also present for the portfolio companies in which a Fund invests, which could have material adverse consequences for such companies and could cause a Fund's investments to lose value. While LionTree have limited ability to control these risks at the portfolio-company level, LionTree will work with portfolio companies to implement their own business continuity plans.

LionTree initiated its business continuity plan in response to the spread of COVID-19. Although LionTree's personnel have generally returned to the office and have resumed domestic travel, there is no assurance that in response to any COVID-19 resurgences or future crisis that LionTree's personnel will not resume working remotely and/or with restricted travel. While working remotely, employees have the necessary technology to continue meeting investor and portfolio company needs, including access to laptops with remote working capabilities and audio and video conferencing technology, and LionTree's servers are capable of handling its workforce working remotely. LionTree has limited non-essential overseas travel, and the investment team remains in ongoing communication with each other and with portfolio companies. While the implementation of the business continuity plan has not impaired LionTree's operations to date, the ongoing implementation of the business continuity plan could affect in the future the ability to operate effectively, including the ability of personnel to function, communicate and carry out LionTree's investment strategies and objectives. For example, LionTree's ability to conduct due

diligence on potential portfolio company investments and monitor its current investments will be limited until its operations and the operation of portfolio companies and potential portfolio companies are no longer disrupted by the COVID-19 pandemic.

Banking System Volatility. As of March 2023, the U.S. banking system has experienced, and could continue to experience, significant volatility. The closing of Silicon Valley Bank (“SVB”) and Signature Bank will negatively impact the availability of certain financial services to their respective former clients, which could include LionTree, the general partners, the Funds, a portfolio company or service providers and could require former clients to establish new bank relationships. These closures, and any additional closures that could occur within the banking system, could significantly increase LionTree, the general partners’ and the Funds’ costs, negatively impact the Funds’ ability to execute on pending transactions, including with respect to the ability to draw down amounts under credit facilities, and divert LionTree’s time, attention and resources away from the pursuit of a Fund’s investment strategy. Furthermore, these closures, and any additional closures that could occur within the banking system, have the potential to also increase counterparty risk, including raising the likelihood of defaults or bankruptcies by counterparties and their major customers that rely on such bank relationships. Depending on ongoing developments, regulatory guidance and timing, the closing of SVB and Signature Bank could significantly exacerbate the normal risks associated with a Fund and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iii) demand for investments; (iv) availability of credit in certain markets; and (v) laws, regulations and governmental policies. Furthermore, the closing of SVB and Signature Bank could lead to financial system and participant regulatory reform, and such increased regulatory oversight could impose additional administrative burden on LionTree, the general partners and the Funds. The foregoing could materially adversely impact a Fund’s operations and its ability to realize its investment objectives in a timely manner, and it is currently unclear what the ultimate effect of the situation will be on the private equity industry and global markets as a whole.

Access to Deposits. LionTree maintains the majority of its and the Funds’ cash and cash equivalents in accounts with major U.S. financial institutions, and LionTree’s and the Funds’ deposits at these institutions are expected to, from time to time, exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where LionTree maintains its and the Funds’ cash and cash equivalents, there can be no assurance that LionTree would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect LionTree’s or the Funds’ business and financial positions.

Material Non-Public Information. Despite the maintenance of restricted lists and other internal controls, perhaps the internal controls relating to the management of material non-public information could fail and lead to LionTree, or one of its investment professionals, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could harm LionTree’s reputation, lead to the imposition of regulatory or financial sanctions, and so harm LionTree’s ability to perform its investment management services on behalf of a Fund.

Diseases, Pandemics and Epidemics. The impact of disease and epidemics, including coronavirus, may have a negative impact on our business, the Funds, their portfolio companies and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or governmental authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and those of the Funds or portfolio companies could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on our business, the Funds and underlying portfolio investments.

Cryptocurrency / Digital Assets. Digital currencies and Digital Assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital currency and Digital Asset exchanges have been closed due to fraud, failure or security breaches. Any of a Fund's assets that reside on an exchange that shuts down may be lost.

Several factors may affect the price of digital currencies and Digital Assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital currencies/Digital Assets or the use of digital currencies/Digital Assets as a form of payment. There is no assurance that digital currencies and/or Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of digital currency/Digital Assets payments by mainstream retail merchants and commercial businesses will grow.

Digital currencies and Digital Assets are created, issued, transmitted, and stored according to protocols run by computers in the digital currency and Digital Assets network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all assets held by the Funds. There may also be network scale attacks against these protocols which result in the loss of some or all of the assets held by a Fund. Some assets held by the Funds may be created, issued, or transmitted using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the assets held by the Funds. Neither LionTree nor the Funds makes any guarantees about the reliability of the cryptography used to create, issue, or transmit assets held by the Funds.

Trading on the Digital Currency and Digital Assets Networks. Certain of the Funds will convert U.S. dollar contributions made by Investors to stablecoins, Bitcoins, and/or other alternative digital currencies and Digital Assets over the Bitcoin Network or a network specific to a particular digital currency or Digital Asset, as applicable. A Fund may use certain digital currencies and/or Digital Assets to purchase other digital currencies and/or Digital Assets. Many digital currency and Digital Assets network are online, end-user-to-end-user networks that host a public transaction ledger, known as the blockchain, and the source code that comprises the basis

for the cryptographic and algorithmic protocols governing such networks. In many digital currency and Digital Assets transactions, the recipient of the digital currency and/or Digital Assets must provide its public key, which serves as an address for the digital wallet, to the party initiating the transfer. In the data packets distributed from digital currency and/or Digital Assets software programs to confirm transaction activity, each digital currency and Digital Assets user must “sign” transactions with a data code derived from entering the private key, which signature serves as validation that the transaction has been authorized by the owner of such digital currency and/or Digital Assets. This process is vulnerable to hacking, malware, and implementer and operator error, especially by nation-state actors or other non-state actors with significant resources and capabilities, and could lead to theft of a Fund’s digital wallets and the loss of a Fund’s digital currencies and Digital Assets. Many digital currency and Digital Asset exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such digital currency and Digital Asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such digital currency and Digital Asset exchanges.

Amendments to a Digital Asset Network’s Protocols and Software Could Adversely Affect the Fund’s Investment and Trading Activities. Digital currency and Digital Asset networks (collectively, “**Networks**”) are typically based on protocols that govern peer-to-peer interactions between computers connected to a digital currency’s or Digital Asset’s Network. Generally, the code that sets forth a digital currency’s or Digital Asset’s protocol is informally managed by a development team known as the core developers. A digital currency’s or Digital Asset’s core developers, miners, and/or users (each such core group in respect of a particular digital currency or Digital Asset, the “**Community**”) can propose amendments to a Network’s source code through one or more software upgrades that alter such digital currency’s or Digital Asset protocols, the software that govern its Network and the properties of the digital currency or Digital Asset itself, including, but not limited to, the irreversibility of transactions and limitations on the mining/creation of new digital currency or Digital Asset units. To the extent that a majority of a Community installs such software upgrade(s), such digital currency’s or Digital Asset’s Network could be subject to new protocols and software that may adversely affect a Fund’s investment and trading activities. If less than a majority of a Community installs such software upgrade(s), such digital currency’s or Digital Asset’s Network could “fork.”

Many digital currencies and Digital Assets are open source projects and, although there may be an influential group of leaders in a specific Community, there may be no official developers or group of developers that formally control the applicable Network. For many digital currencies and Digital Assets, any individual can download the applicable Network software and make any desired modifications, which are proposed to the relevant digital currency’s or Digital Asset’s Community through software downloads and upgrades. However, the Community must usually consent to those software modifications by downloading the altered software or upgrade that implements the changes; otherwise, the changes do not become a part of that Network. A developer or group of developers could potentially propose a modification to a Network that is not accepted by the applicable Community, but that is nonetheless accepted by a substantial portion of such Community. In such a case, a “fork” in the blockchain could develop and two separate Networks could result, one running the pre-modification software program and the other running the modified version (i.e., a second such Network in respect of the same digital asset). Such a fork in the blockchain typically would be addressed by Community-led efforts to merge the forked

blockchains. This kind of split in a Network could materially and adversely affect the value of a Fund's investments and, in the worst-case scenario, harm the sustainability of the applicable digital currency's or Digital Asset's economy.

Withdrawal of the United Kingdom from the European Union. The United Kingdom ("UK") withdrew from the EU on January 31, 2020 ("Brexit"). In connection with Brexit the UK and the EU agreed to the Trade and Cooperation Agreement ("TCA") which took effect from January 1, 2021, that governs the future trading relationship between the UK and the EU in specified areas. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual EU member state regulations and cooperation/recognition arrangements. There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on the Funds and their investments, including the ability of the Funds to achieve their investment objectives. The ongoing effects of Brexit may result in significant 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 LionTree to manage, operate and invest the Funds and increased legal, regulatory or compliance burden for LionTree or the Funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Funds.

## **Conflicts of Interest**

The Principals manage several other investments similar to those in which the Private Investment Funds will be investing, and may direct certain relevant investment opportunities to those investors in accordance with LionTree's policies and procedures. The Principals may focus their investment activities on other opportunities and areas unrelated to a Fund's investments.

In addition to the Funds, LionTree has and may in the future advise additional Private Investment Funds and other investment vehicles and, from time to time, LionTree may be presented with investment opportunities that would be suitable not only for a Fund, but also for other Private Investment Funds and other investment vehicles operated by advisory affiliates of LionTree. In determining which investment vehicles should participate in such investment opportunities, LionTree and its affiliates are subject to conflicts of interest among the Investors in such investment vehicles. LionTree will attempt to resolve such conflicts of interest in light of its obligations to Investors in its Private Investment Funds and the obligations owed by LionTree's advisory affiliates to Investors in investment vehicles managed by them, and will attempt to allocate investment opportunities among the Funds, other Private Investment Funds and such investment vehicles in a fair and equitable manner, subject to the provisions set forth in each Fund's Governing Documents, as applicable.

In addition to the time devoted to the Funds, the Principals may engage in certain permitted other activities, including involvement with personal and family investments, investments made by LionTree Partners or its affiliates and certain other business activities. Further, subject to any restrictions under the Governing Documents, LionTree Partners and its affiliates have established, sponsored or managed, and may in the future establish, sponsor or manage one or more other investment funds or other pooled investment vehicles, investment structures or accounts or engage in any other business.

### Secondary Transactions

We could propose to a Fund's Investors one or more transactions that would enable such Investors to monetize or restructure all or a portion of their interests in a Fund, including through the use of a continuation vehicle (each such transaction, a "**Secondary Transaction**"). The sale of an investment to a continuation vehicle could result in certain Investors, the general partner and/or members of the firm (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all Investors of such Fund and otherwise taking actions with respect to such investments that are different than the actions taken by other Investors. We could be subject to other conflicts of interests in connection with a Secondary Transaction, including with respect to investment valuations, allocation of fees and expenses and the offering of investment opportunities to the Funds and co-investors.

### Portfolio Company Board Participation

It is expected that employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of LionTree Partners, the LionTree Managers and their respective affiliates may serve as directors of certain of the portfolio companies and, as such, may have duties to persons other than a Fund. Although such positions in certain circumstances may be important to a Fund's investment strategy and may enhance LionTree Partners' and the LionTree Managers' ability to manage investments, they may also have the effect of impairing a Fund's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject LionTree Partners, the LionTree Managers and the 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 employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of LionTree, the LionTree Managers and their respective affiliates from such claims.

From time to time, certain principals of LionTree Partners, including the Principals, serve as board members of or organize or sponsor one or more special purpose acquisition companies ("**SPACs**"), either on behalf of LionTree Partners or separately, for the purposes of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. Although such principals of LionTree Partners will continue to devote their time and attention to the investment activities of the Funds, they will have other obligations with respect to the SPACs as board members. In addition, such principals of LionTree Partners may regularly obtain confidential information regarding various target companies and other investment opportunities that would be imputed to LionTree Partners. Therefore, if any such principal of LionTree Partners receives confidential information with respect to a company, the Funds may face certain restrictions on their ability to pursue a transaction with that company or dispose of an investment.

A Fund may invest in or facilitate the acquisition of one or more entities by a SPAC that is organized or sponsored by LionTree (each such SPAC, a "**LionTree SPAC**"). For example, a Fund could acquire equity interests (including through a private investment in public equity transaction) or preferred or similar instruments in, or provide debt financing to, a LionTree SPAC or its acquisition target or a SPAC or acquisition target in which one or more other Funds hold an

equity interest. In no event, will a SPAC or its operating company be treated as a Fund or other LionTree client for this or any other purpose.

### Portfolio Company Relationships

Certain of the Funds' portfolio companies may be counterparties to or participants in agreements, transactions or other arrangements with or alongside other portfolio companies, including portfolio companies of other Private Investment Funds. In addition, the portfolio companies or any other Private Investment Funds, may transact amongst themselves in the ordinary course of their respective businesses on customary commercial terms.

### Former Employees and Seconded

Former employees of LionTree Partners may become employees, officers or directors of, or otherwise engaged by, portfolio companies. Current employees of LionTree Partners may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. Those companies may pay such persons' directors' fees, salaries, consultant fees, other cash compensation, stock options or other compensation and incentives and may reimburse such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. LionTree Partners may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by LionTree Partners to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the management fee paid or carried interest distributed by a Fund to LionTree Partners or the general partners will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by LionTree or such affiliate and reimbursed by a portfolio company) will not be treated as fees and will not be offset against the management fees otherwise payable to LionTree. All or a portion of any such compensation and incentives will be borne by such Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be characterized as an employee or former employee of LionTree Partners, or a seconded employee may be unclear. In such cases, LionTree Partners will make a determination in good faith based on its evaluation of the relevant facts and circumstances.

### Service Providers or other Consultants

LionTree and its affiliates may engage in business with certain service providers, including, for example, investment banks, outside legal counsel and insurance providers, who are investors in the Funds and/or who provide services to LionTree, a Private Investment Fund, portfolio companies of the Funds or businesses that are competitors of LionTree. Such engagement may be concurrent with a service provider's admission to a Private Investment Fund as a limited partner or during the term of such service provider's investment in such Private Investment Fund. LionTree may have conflicts of interest with the Private Investment Funds or their portfolio companies in recommending the retention or continuation of a service provider to a Private Investment Fund or portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in such Private Investment Fund or will provide LionTree information about markets and industries in which LionTree operates. In these

instances, LionTree uses reasonable efforts to mitigate such conflicts and uses good faith efforts to negotiate market terms for such law firm and service providers' services.

#### Use of Placement Agents or Other Advisors

A Private Investment Fund, its general partner or LionTree are permitted to engage one or more placement agents or other advisors in respect of the offering of interests to certain prospective investors. Any such placement agents or advisors would act for a Private Investment Fund, the general partner or LionTree, and not as an investment adviser to prospective investors in connection with the offering of interests in the Private Investment Fund. Prospective investors must independently evaluate the offering and make their own investment decisions. In making those decisions, prospective investors should be aware that a placement agent would be paid a placement fee based upon the amount of capital commitments to a Private Investment Fund by investors that such placement agent introduces to the general partner or a Private Investment Fund. In the event any placement agent or other advisor is engaged in respect of a Private Investment Fund, prospective investors should also note that at various times such placement agent or other advisor will likely act as placement agent or advisor for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with the general partner or its affiliates, including those which offer interests that are similar to the interests. Such unaffiliated fund sponsors may pay placement fees on terms different from the fees placement agents may receive in respect of a Private Investment Fund, and such differences in fees can influence a placement agent's decision to introduce prospective investors to a Private Investment Fund. Furthermore, a placement agent or other advisor can seek to do business with and earn fees or commissions from portfolio companies of a Private Investment Fund and affiliates of the general partner (e.g., in connection with financing or investment banking services, or lending or arranging credit). Accordingly, prospective investors should recognize that each placement agent's participation as a placement agent for the interests and each other advisor's participation as an advisor to the general partner or LionTree can be influenced by its interest in such current or future fees and commissions. Prospective investors should also be aware that affiliates or employees of a placement agent or other advisor could invest in a Private Investment Fund on their own behalf and/or on behalf of their clients.

#### Conflicts Related to Continuation Funds, GP-Led Secondary Transactions and Other Similar Transactions

In certain circumstances, a general partner of a Fund is permitted, pursuant to the Governing Documents, to structure the realization of an investment in a manner that offers one or more investors (and/or one or more co-investors or other direct or indirect investors in such investment) the ability to retain a direct or indirect interest in such investment, including by way of making a distribution in kind to such investor or organizing a liquidation vehicle.

Without limiting the foregoing, the general partner, LionTree and their respective affiliates are permitted to establish one or more funds, vehicles accounts or other arrangements for purposes of acting as a continuation vehicle with respect to one or more investments and holding long-dated investments, evergreen investments, investments expected to generate a lower return than that sought by a Fund, investments that have not reached an appropriate level of maturity or still hold significant future upside, market or industry-specific conditions, and/or investments requiring



capital that a Fund is not able and/or willing to provide, among other purposes. LionTree or its affiliates will be permitted to invest and participate in any such continuation vehicle. In such circumstance, a Fund is permitted to sell one or more of its assets to any such continuation vehicle or LionTree (or a subsidiary thereof), or a Fund is permitted to effect a transfer through any alternative structure, including through an in-kind distribution and/or contribution of assets, or a merger of a Fund or a related vehicle with another entity, or otherwise; provided that the consideration for such transaction has been validated pursuant to (a) a valuation by an independent appraiser or other valuation firm or expert, (b) a transaction of a third party if, at a reasonably contemporaneous time, such third party is selling or buying the same class of interests in such transaction, a Fund's sale price being consistent with such third party's sale or purchase price (as applicable), or (c) a competitive auction process; and provided, further, that such transaction shall also be submitted to a Fund's board of advisors for approval. Notwithstanding the foregoing, the general partner shall have the discretion not to provide an option to investors to continue their participation in such investments at all, or on the same terms as set forth in a Fund's partnership agreement.

Furthermore, LionTree can also elect to provide post-exit advisory, management or other services to a buyer of a portfolio company, or the portfolio company itself, whether or not any of the foregoing transactions have occurred.

Subject to applicable legal, tax, regulatory, accounting, political, national security or similar reasons, the general partner will have the discretion to offer investors the right to participate in any such continuation vehicle pro rata based on their investment percentages with respect to the assets being sold (or otherwise transferred or contributed) to such continuation vehicle. It is possible that new investors will be subscribing for interests in the continuation vehicle alongside investors that will be rolling or reinvesting their interests in the underlying investments and that new investors will participate in any such continuation vehicle on terms that are more or less favorable than the terms offered to other investors, resulting in additional conflicts of interest between the interests of new investors and other investors. In addition, new investors are permitted to participate on terms that could result in dilution of the other investors' indirect interests in the relevant underlying investments and could adversely affect returns to such other investors. Also, as a consequence of the potential for new investors to be offered preferred economics in the continuation vehicle, the amount and timing of returns to another investor from a continuation vehicle often will not be the same as those for the new investors, which in certain cases would be paid in priority to returns to the other investors. Similarly, the terms applicable to any investor's continuation interest could be less favorable than the terms applicable to other interests in the relevant underlying investment that are sold by a Fund.

The affiliated nature of the transactions described above and a Fund's general partner's, LionTree's and/or their respective affiliates' involvement with both the selling and purchasing entities gives rise to conflicts of interests. If a Fund is approaching the end of its term and the general partner, LionTree and their respective affiliates will have an incentive to maximize the purchase price for the investments on behalf of a Fund which would benefit LionTree and its affiliates by potentially making it more likely that the general partner and its affiliates will earn carried interest (or will earn more carried interest) with respect to a Fund to the detriment of the continuation vehicle. Furthermore, following a continuation transaction, general partner, LionTree and/or their respective affiliates will likely be entitled to receive management fees and potentially

carried interest with respect to the continuation vehicle that they would not receive if the investments were sold to an unrelated third-party. Any such management fees or carried interest will not be considered a fee, will not reduce the management fee and will not otherwise accrue to the benefit of a Fund or the investors. Accordingly, continuation transactions benefit the general partner, LionTree and their respective affiliates because the general partner, LionTree or their respective affiliates will have the opportunity to receive an aggregate amount of fees and carried interest greater than they otherwise would have received in a sale transaction to an unrelated third-party.

A continuation transaction also gives rise to conflicts relating to the initial allocation of the transferred investments. A Fund's investment could be subject to allocations elected by other investors, which will reduce the portion of an investment available to a continuation vehicle. As a result, a continuation vehicle could be allocated a smaller or larger amount of an investment than LionTree originally anticipated. Further, there often will not be a third-party market check or bidding process involved in a continuation transaction. Accordingly, the consideration paid by a continuation vehicle could be more or less than what the transferred investments are ultimately worth had they been sold to one or more other buyers in one or more separate transactions, including an outright sale to a third-party.

Following a continuation transaction, a vehicle managed by LionTree could be invested in the same portfolio company as another vehicle managed by LionTree. Investments in the same, overlapping of different levels of a portfolio company capital structure following a continuation transaction give rise to the conflicts of interest. Furthermore, as part of a continuation transaction, one or more of a Fund and a continuation vehicle could be required to exit an investment at the same time and on the same terms. A conflict of interest exists because one vehicle will have differences in strategy, existing portfolio, maturity of investments, or liquidity needs relative to the continuation vehicle and could be forced to exit an investment based on the strategy, existing portfolio, or liquidity needs of the other vehicle which can be to the detriment of the vehicle. As a result, there can be no assurance that liquidity decisions will not be of greater benefit to other Funds than to a Fund or that such decisions would have been as favorable had such conflict not existed.

#### Conflicts Related to Asset Valuation and Fee Conflicts

The Funds will hold positions in non-marketable investments and assets for which independent valuations are unavailable or are not reliable indications of the fair value of the Funds' positions. In general, each Fund's Manager can value these positions in its discretion, and such Fund is not required to seek independent appraisals or valuations of its positions. Valuing investments for which reliable market quotations are unavailable involves inherent uncertainties, and the resulting values could differ from the values that would have been determined had an active market existed for such investment or the prices at which such investments could be sold. In general, each Fund's Manager has a right to elect to use different valuation methods or to incorporate different assumptions in valuing the same or similar assets over time.

In certain instances, LionTree or its affiliates have the right to receive management fees or performance-based compensation. The existence of this compensation presents conflicts of interest. For example, in certain instances, the performance-based compensation will create an incentive for LionTree to recommend that a Fund or client make an investment that is riskier or more speculative than those made under a different compensation arrangement or cause such Fund or client to hold an investment for a longer term. In certain cases, the Managers also have an incentive to value such investments at a higher level to enhance performance reporting. In connection with a Manager's discretion in valuing assets, such Manager maintains discretion to determine whether certain assets have experienced an impairment in value. In certain cases, a permanent write-off of an investment eliminates the basis from which the management fee or other fees are calculated. Consequently, in such cases, the Managers have an incentive to hold onto assets or other investments that have poor prospects for improvement or avoid or otherwise delay determining that an investment has experienced a permanent write-off in order to receive ongoing management fees and other fees in the interim.

#### **ITEM 9        DISCIPLINARY INFORMATION**

None of LionTree, the Principals or other management persons have been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **ITEM 10       OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

LionTree Partners is affiliated with the LionTree Managers, which are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to LionTree Partners' registration. LionTree Partners together with the Managers and LT Venture Access Manager LLC, which is a relying adviser of LionTree Partners, operate as a single advisory business and serve as managers or general partners of private investment funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions. All of these advisers are under common control and subject to LionTree Partners' code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

LionTree Partners is under common control with LionTree Investment Management, LLC and certain of its affiliates. LionTree Investment Management, LLC is a registered investment adviser, which also advises private funds.

LionTree Partners is also under common control with Tenere Capital, LLC ("**Tenere Capital**") and certain of its affiliates. Tenere Capital is a registered investment adviser that advises private investment funds which are hedge funds.

LionTree Partners is under common control with LionTree Advisors and certain of its affiliates, including LionTree Advisors UK LLP and LionTree Advisors France SCS. LionTree Advisors is a registered broker-dealer and a member of the Financial Industry Regulatory Authority, Inc. As described above, LionTree Advisors has in certain cases received, and could in the future receive, compensation in connection with certain investments made by the Funds. LionTree Advisors UK LLP is registered with the Financial Conduct Authority in the United Kingdom. LionTree Advisors and its affiliates engage, or may engage in the future, in a broad

spectrum of financial advisory and consulting services to certain portfolio companies of one or more Private Investment Funds or other LionTree investment vehicles.

**ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

LionTree has adopted a Code of Ethics and Securities Trading Policy and Procedures (the “Code”), which sets forth standards of conduct that are expected of the Principals and LionTree’s employees, and addresses conflicts that arise from personal trading. The Code requires certain LionTree personnel to report their personal securities transactions, requires LionTree personnel to obtain pre-approval from LionTree’s Chief Compliance Officer in order to acquire, directly or indirectly, beneficial ownership of securities in a limited offering or initial public offering, and may prohibit LionTree personnel from directly or indirectly acquiring or disposing of beneficial ownership of certain securities without first obtaining approval from LionTree’s Chief Compliance Officer. A copy of the Code will be provided to any Investor or prospective Investor upon request to LionTree’s Chief Compliance Officer at [WModlin@liontree.com](mailto:WModlin@liontree.com). Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

LionTree and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an Investor’s decision to buy, sell or hold a security. Under applicable law, LionTree and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of LionTree.

Accordingly, should LionTree or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, LionTree would be prohibited from communicating such information to clients and may be prohibited from engaging in a transaction that it would otherwise undertake on behalf of a client. LionTree will have no responsibility or liability for failing to disclose such information to, or undertake a transaction on behalf of, Funds as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of LionTree personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

As previously discussed, LionTree forms the Funds as co-investment vehicles to participate alongside other private equity firms’ private funds in making portfolio company investments. LionTree offers to a select group of prospective Investors the opportunity to participate in these investments through the Funds for which the Adviser’s related persons act as managing members. The Adviser is also an Investor in every Fund alongside these third party Investors. As a result, the Adviser believes its interests are aligned with the interests of the other Investors in the Funds.

In some situations, LionTree owns an interest in a portfolio company through its participation in a Fund and also owns a different class of shares of the same portfolio company directly outside of the Fund. This situation presents a potential conflict of interest where the interests of different share classes’ may not be aligned. LionTree will attempt to address any such

potential conflicts of interest in a fair and equitable manner, subject to the provisions set forth in each Fund's Governing Documents, as applicable.

In addition, a vehicle has been created for LionTree's supervised persons who are qualified purchasers to participate in certain Fund co-investments as an Investor in the Funds. LionTree believes it has addressed any potential conflict of interest with this arrangement by ensuring that all third party Investors receive their requested allocation before the opportunity to invest is offered to these supervised persons.

LionTree and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

## ***ITEM 12***      **BROKERAGE PRACTICES**

Because LionTree Partners focuses on making co-investments in private securities on behalf of the Funds, and investments are made on a negotiated basis, opportunities for trade executions are rare. On those rare occasions that LionTree Partners engages in public securities transactions, LionTree Partners will follow the "best execution" brokerage practices described below.

If LionTree Partners buys or sells publicly traded securities on behalf of a Fund, LionTree Partners is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by LionTree Partners. In selecting a broker to execute client transactions, LionTree Partners may consider a variety of factors in seeking to obtain best execution, including, among other things: (i) execution capabilities with respect to the relevant type of order; (ii) confidentiality considerations; (iii) commissions charged; (iv) the reputation of the firm being considered; (v) responsiveness to requests for trade data and other financial information; (vi) LionTree Partners' overall relationship with the broker-dealer, including past transaction experiences; and (vii) such broker's provision of certain investment-related services and research that LionTree believes to be of benefit to such Fund. LionTree may retain LionTree Advisors or one or more other broker-dealers or investment banks, the costs of which have been borne, and will in the future be borne, by the Funds and/or their portfolio companies.

LionTree Partners does not have any duty or obligation to seek competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although LionTree Partners generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with LionTree Partners seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although LionTree Partners generally does not make use of such services at the current time and has not made use of such services since its inception.

In LionTree Partners' private company securities transactions on behalf of the Funds, LionTree Partners may retain LionTree Advisors or one or more other broker-dealers or investment banks, the costs of which will be borne by the Funds and/or their portfolio companies. In doing so, LionTree Partners may consider a variety of factors, including (i) capabilities with respect to the type of transaction being contemplated, (ii) commissions or fees charged, (iii) reputation of the firm being considered, (iv) responsiveness to requests for information, and (v) LionTree Partners' overall relationship with the broker-dealer, including past transaction experiences. As a result, although LionTree Partners generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not necessarily select the broker-dealer or investment bank that charges the lowest commission or fee for such services.

#### **ITEM 13      REVIEW OF ACCOUNTS**

LionTree Partners actively monitors and manages the assets and performance of its clients, as well as evaluates potential dispositions and other means of adding value for Investors with respect to the invested assets. Reviews are incorporated into periodic reports to LionTree's Investors and such reports typically contain financial information and summaries, performance, current investments, recent acquisitions, portfolio activity, detailed investment activity, and relevant developments in the property and financial markets.

Each Fund expects to provide in accordance with such Fund's Governing Documents the following information to their Investors: (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each Investor's tax return and (iii) quarterly reports reviewing the Fund's unaudited performance for each calendar quarter.

In addition to the information provided to all Investors, LionTree may provide certain Investors with additional information or more frequent reports that other Investors will not receive.

#### **ITEM 14      CLIENT REFERRALS AND OTHER COMPENSATION**

From time to time, LionTree may enter into placement arrangements pursuant to which it compensates third parties for referrals that result in a potential Investor becoming an Investor in the Fund.

Any fees and expenses payable to any such placement agents will generally be borne by LionTree either directly or, in the case of the Funds, indirectly through a dollar-for-dollar offset against the management fee as described in Item 5, "*Fees and Compensation*" above. Any such placement agents soliciting third-party Investors in the U.S. will be registered as broker-dealers with the SEC and placement agents soliciting third-party Investors outside the U.S. will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

LionTree Advisors and its registered representatives have acted and in the future will act as a placement agent for the Funds; provided, however that in no event will LionTree Advisors receive a placement fee for such service.

#### **ITEM 15 CUSTODY**

LionTree uses a qualified, unaffiliated third-party custodian to hold the Funds' funds and, to the extent required pursuant to the Advisers Act and SEC guidance, certificated securities. Although LionTree Partners is deemed to have custody of the underlying assets of the Funds, LionTree relies on the "pooled investment vehicles" exemption from the reporting and surprise audit obligations imposed by the SEC's custody rule. Accordingly, the Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying Investors of the Funds within 120 days of the end of the fiscal year.

#### **ITEM 16 INVESTMENT DISCRETION**

LionTree has investment discretion over the investments included in the Funds. LionTree has and will in the future source, conduct due diligence, and approve prospective co-investments for inclusion in the Funds. However, if after presenting the co-investment opportunity to potential Fund Investors there is no interest to participate in the co-investment, the Adviser will not proceed on its own with the investment.

#### **ITEM 17 VOTING CLIENT SECURITIES**

LionTree Partners has adopted proxy voting policies and procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Funds' investments. The Proxy Policy seeks to ensure that LionTree Partners votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. LionTree Partners believes that its interests are generally aligned with those of the Funds' Investors, and therefore will not seek Investor approval or direction when voting proxies. However, in the event that there is or may be a conflict of interest in voting proxies in a particular instance, the Proxy Policy provides that LionTree may address the conflict using several alternatives, including by seeking the approval or concurrence of the applicable Fund on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by LionTree when voting proxies on behalf of the Funds.

LionTree does not consider service on portfolio company boards by LionTree personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In the event that there is a conflict of interest between LionTree and a Fund in voting proxies, the Proxy Policy provides that LionTree addresses the conflict using certain procedures, including by seeking the approval or concurrence of the Fund's limited partner advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy.

A copy of LionTree's Proxy Policy will be provided to any client, prospective client or any Investor in the Funds upon request to Wendy K. Modlin, LionTree Partners' Chief Compliance Officer, at [WModlin@liontree.com](mailto:WModlin@liontree.com). Information regarding how LionTree Partners voted proxies

for specific portfolio companies or investments will be provided to any client, prospective client or Investor in the Funds upon request.

***ITEM 18***      **FINANCIAL INFORMATION**

LionTree does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure. None of LionTree has been the subject of any bankruptcy petition.