

# CORE

## INDUSTRIAL

**CORE Industrial Partners, LLC**

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This brochure (“Brochure”) provides information about the qualifications and business practices of CORE Industrial Partners, LLC (“CORE”). If you have any questions about the contents of this Brochure, please contact us at (312) 566-4880. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of CORE or its personnel.

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

**Item 2. Material Changes**

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Since CORE's last annual update of the Brochure dated March 21, 2023, the Firm has relocated its primary office to 110 N Wacker Drive, Suite 2200, Chicago, IL 60606.

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#### **Item 4. Advisory Business**

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CORE Industrial Partners, LLC (together with its fund general partners (unless otherwise specified) and relying adviser, “CORE,” or the “Firm”), a Delaware limited liability company, is a Chicago-based private equity firm investing in lower middle market manufacturing and industrial technology companies based in North America.

CORE typically seeks to be the first institutional capital in its investments and utilizes its proprietary sourcing engine to generate a robust pipeline through both direct and intermediary-based channels. The Firm has the experience and skillset to invest in distressed, special situation, corporate carve-outs, and deep value buy and build opportunities, and seeks to deliver superior risk-adjusted returns by leveraging the Firm’s operational and investment backgrounds to apply the CORE Operating Playbook to drive operational and financial improvements in its portfolio companies.

The Firm was founded in April 2017 and is led by Managing Partner John May, as well as Senior Partners Frank Papa, TJ Chung and Partner Matthew Puglisi (collectively, the “Investment Partners”), who have extensive operational and investment experience. The Investment Partners have collectively held 15 Chief Executive Officer (“CEO”) and/or President roles for portfolio companies of well-known private equity sponsors and have been involved in more than 65 transactions representing over \$3.0 billion in enterprise value over the course of their careers.

The Investment Partners are supported by an experienced group of operating advisors (“Operating Advisors”) with a broad range of industrials and functional experience who assist in deal origination, investment analysis, due diligence, strategy development and portfolio company management. The Operating Advisors are a select group of veteran industry executives, all of whom have strong relationships with the CORE team and are committed to the Firm’s Operating Playbook.

The Relying Adviser serves as an investment adviser for and provides discretionary investment advisory services to the following private funds: CORE Industrial Partners Fund I, LP and CORE Industrial Partners Fund I Parallel, LP (collectively, “Fund I”) and to CORE Industrial Partners Fund II, L.P. and CORE Industrial Partners Fund II Parallel, L.P. (collectively, “Fund II” and together with Fund I, the “Funds”). In certain circumstances, as more fully described in Item 7 below, the Firm also permits certain investors and third parties to co-invest alongside a Fund directly into a portfolio company. Such direct co-investments are not considered Funds or clients of CORE. Similarly, CORE also permits employees and affiliates of the Firm to invest alongside a Fund in affiliate co-investment vehicles. Such affiliate co-investment vehicles are not considered Funds or clients of CORE.

Each Fund is controlled by a general partner (a “General Partner”) which has the authority to make investment decisions on behalf of the Funds. CORE Industrial Partners GP I, LLC serves as the General Partner for Fund I and CORE Industrial Partners GP II, L.P. serves as the General Partner for Fund II. Pursuant to SEC guidance, the General Partners are deemed registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to CORE’s registration. The applicable General Partner of each Fund retains investment discretion and investors in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the Funds, the Relying Adviser has been designated the role of investment adviser. This Brochure describes the advisory services provided by CORE as the filing adviser, the Relying Adviser and the General Partners. For more information about the Funds, General Partners and Relying Adviser, please see CORE’s Form ADV Part 1, Schedule D, Section 7.A., Section 7.B.(1) and Schedule R.

The Funds invest through privately negotiated transactions in operating companies, generally referred to as “portfolio companies”, in the manufacturing and industrial technologies industries. Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although the Investment Partners, other personnel and/or Operating Advisors appointed by CORE will generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds. In addition, in some cases, CORE will more directly influence the day-to-day management of the company by recruiting and installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles. CORE’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investment, managing and monitoring investments and achieving dispositions of such investments. Investments are made predominantly in non-public companies although investments in public companies are permitted in certain instances. Specifically, a Fund I portfolio company has been acquired by a public company as part of a reverse merger with a special purpose acquisition company (“SPAC”).

Investment advice is provided directly to the Funds and not to the individual investors in the Funds. CORE manages the Funds in accordance with the investment objectives and limitations set forth in each Fund’s offering memoranda, limited partnership agreement or other governing documents, subscription agreements, side letters and any investment management agreement between CORE and each Fund (together, “Operative Documents”) and investors determine the suitability of an investment in a Fund based on, among other things, the Operative Documents. The advice provided by CORE and its employees is limited to the types of investments described in the aforementioned Operative Documents.

In accordance with common industry practice, the Funds, the General Partners and/or CORE, without any further act, approval or vote of any investor, have entered into side letters or other similar agreements with certain investors that have the effect of altering or supplementing the terms of a Fund’s Operative Documents. Examples of side letter agreements entered into include, without limitation, fee arrangements, provisions whereby investors have expressed an interest in participating in co-investment opportunities, co-investment rights (with regard to Fund I and only in the event a co-investment opportunity is made available), notification provisions, advisory board representation, reporting requirements and “most favored nations” provisions. These rights, benefits or privileges are not always made available to all investors nor in some cases are they required to be disclosed to all investors, consistent with general market practice. Side letters are negotiated at the time of the relevant investor’s capital commitment, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other investors.

CORE does not participate in wrap fee programs.

As of December 31, 2022, CORE managed approximately \$1,077,479,730 of regulatory assets on a discretionary basis. CORE does not manage any investments on a non-discretionary basis.

## **Item 5. Fees and Compensation**

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CORE and its General Partners receive compensation from a combination of management fees, carried interest allocations and other fees payable by or in respect of portfolio or prospective portfolio companies. Investors in the Funds also bear certain expenses, as described below. Finally, the portfolio companies reimburse CORE or the Funds for certain expenses advanced on their behalf. The below is a brief summary of the fees and compensation CORE is entitled to receive; however, differences exist from Fund to Fund and the Operative Documents for each Fund set forth in greater detail the relevant fee and expense structure. Investors should consult these documents for further information on fees and expenses.

### **Management Fees**

Generally, the Funds pay CORE a management fee (the “Management Fee”) equal to 2% per annum of investor capital commitments which are held by investors not designated as “affiliated partners” by the relevant General Partner. Assessed quarterly in advance, Management Fees are initially calculated based on an investor’s capital commitment. Thereafter, upon the earlier of the expiration of a Fund’s investment period or the date a successor fund (defined as another pooled, multiple-investment vehicle the primary purpose of which is substantially similar to the investment objectives of the Fund) is established and has begun paying Management Fees, or six months after a cessation event (as defined in the Operative Documents) then beginning on the next payment date the Management Fee will equal 2% of invested capital (*i.e.*, the cost basis of portfolio company investments then held by the applicable Fund, reduced by any investments that have been permanently written down). Generally, investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Management Fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, Management Fees are payable during term extensions unless otherwise agreed to with investors.

CORE is permitted, in its discretion, to waive all or a portion of the Management Fee attributable to certain investors. Specifically, none of the General Partners, CORE, their affiliates or any of their respective directors, officers, managers, employees (including those employees investing through a General Partner) or Operating Advisors are expected to bear any portion of the Management Fee.

Management Fees will generally be reduced by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by CORE in connection with the organization of such Fund that exceed a limit as specified in such Fund’s Operative Documents; and (iii) certain supplemental fees and compensation with respect to portfolio investments, including closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors’ fees and other similar fees (whether in the form of cash, securities or otherwise). For Fund II, supplemental fees will not be offset until the aggregate amount of such fees during a calendar year equals an amount as specified in the Fund II Operative Documents. All such supplemental fees received are offset in whole or in part (depending on the Fund) against the Management Fee net of any expenses incurred in connection with generating such fees.

For clarity, the following fees or expenses do not offset Management Fees, in each case as applicable: (i) fees received by or on behalf of Operating Advisors; (ii) reimbursements from a portfolio company; (iii) fees or expenses borne by a Fund; (iv) broken deal expenses; (v) profits interests or compensation to an affiliate (such as an Operating Advisor) that was entered into prior to such person becoming an affiliate of CORE, regardless of when the interests, compensation or amounts crystallize or vest; or (vi) directors’ or board fees paid by a former portfolio company to a CORE employee who remains on a portfolio company’s

board of directors following the Fund's disposition of its investment in the company. Any supplemental fees with respect to an investment or potential investment (including a transaction not consummated) are allocated to a Fund (and offset against the Management Fee as described above) only to the extent of the Fund's relative ownership (or anticipated ownership) of such investment or potential investment, except as otherwise set forth in the Operative Documents. Accordingly, a Fund will only benefit from the Management Fee reduction described above with respect to its allocable portion of any such supplemental fees and not the portion allocable to any other investor (which could include other Funds, third parties, co-investors, portfolio company management or employees and/or others) that holds an economic interest in (or, in the case of a transaction not consummated, would have held an economic interest in) the applicable investment. Any such reduction of a Fund's Management Fee is only applicable to the extent a Management Fee is payable by a Fund currently or in the future. In the event a Fund does not pay a Management Fee or does not have an offset provision requiring the reduction of Management Fees, CORE will retain the credited offset portion of supplemental fees allocable to these Funds without reduction.

CORE generally has discretion over whether to charge portfolio company fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. The amount of such supplemental fees is paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by CORE on a transaction by transaction basis, subject to the terms set forth in each Fund's Operative Documents. In most circumstances, such compensation is not reviewed or approved by an independent third party. There can be no assurance that the amount of fees charged will be proportional to the amount of hours performed on behalf of a portfolio company.

On occasion, in certain circumstances (such as a portfolio company's liquidity needs or otherwise) CORE determines in its discretion to waive, defer or renegotiate, in whole or in part, the amount of supplemental fees received from a portfolio company. CORE endeavors to require the payment of such fees only to the extent permitted by the earnings or cash position of the applicable portfolio company, and CORE will defer or forego the payment of such fees if the portfolio company's earnings or cash position render the payment of such fees too burdensome for the portfolio company or at such time a senior credit agreement prohibits the payment of such fees. In the case of amounts deferred, such payments will generally be payable in the future, which results in a single payment or installments of repayment amounts that are larger than if the fees had originally been paid in increments. CORE makes such determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly situated portfolio companies.

To the extent that an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees; if a credit remains upon dissolution, a payment will be made to investors that have not elected to waive such amount for tax or other reasons. The amount and manner of such reduction is set forth in the Operative Documents of the applicable Fund.

### **Carried Interest**

Each Fund's General Partner is entitled to be allocated carried interest ("Carried Interest") with respect to the Funds, which is generally equal to 20% of all realized profits net of all expenses in excess of an 8% compounded preferred return and catch-up provisions. Each Fund's Carried Interest arrangement differ, and each calculation as well as any clawback provisions are further described (i) in full detail in the relevant Fund's Operative Documents and (ii) more briefly in Item 6, below.

## **Fund Expenses**

Each Fund is governed by its own Operative Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund. The Funds will pay all fees, costs, expenses, liabilities and obligations relating to the Funds' (and their subsidiaries' and intermediate entities') activities, business, portfolio companies or actual or potential investments, including with respect to any vehicle formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as "costs") relating or attributable to: (i) activities with respect to the origination, identification, sourcing, holding and disposing of investment opportunities for the Funds, including attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment exit opportunities and investment banks and other sources of investments and developing and maintaining an investment pipeline; (ii) activities with respect to the pursuing, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private (including with respect to any special purpose acquisition companies (SPACs)), selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments and refinancings) or seeking to do any of the foregoing (including any associated legal, financing, commitment, origination, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, buy-side advisory, finders, lenders, expert networks, third-party diligence and deal sourcing, software and service providers, consultants and similar professionals in connection therewith); (iii) indebtedness of, or guarantees made by, the Funds, CORE, a General Partner or any affiliated partner on behalf of the Funds (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar activities; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, buy-side advisory, finder and similar services; (vi) the registration and ongoing compliance of the General Partners, CORE or any of their respective affiliates as an investment adviser under the Advisers Act or any other state, federal or self-regulatory registration or exemption (including any fees, costs and expenses associated with any filings, reports, consultants (including costs of related external reviews or software), attorneys or advisors related thereto, except to the extent incurred in connection with the annual update to CORE's Form ADV); (vii) brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account, registered office and similar services (including any depository appointed pursuant to the AIFMD and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof); (viii) reporting, filings and other ongoing compliance requirements contemplated by the AIFMD or any similar law, rule or regulation (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (ix) developing, structuring, maintaining, operating and winding up administrative structures in Luxembourg, other European countries and other jurisdictions that are put in place to establish required residence and/or operate the investment activities of the Funds (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith and a Fund's share of any such costs of any such structure involving other entities managed by, or affiliated with, CORE, the General Partners or any of their respective affiliates); (x) legal, accounting, research, expert network, auditing, technology, administration (including costs associated with any third-party administrator and administration, tracking or reporting software), information, appraisal, advisory, valuation (including third-



party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, any Operating Advisor, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax, compliance, cybersecurity, CRM and other professional services (including costs related to the establishment or maintenance of any such activities or services); (xi) reverse breakup, termination and other similar arrangements; (xii) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (xiii) filing, title, transfer, survey, registration and other similar activities; (xiv) printing, communications, mailing, courier, marketing and publicity; (xv) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K 1s or similar forms or other communications with investors, any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports) or other information, including costs of any third-party service providers and professionals related to the foregoing; (xvi) compliance with any tax or financial account reporting regime, including FATCA, the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; (xvii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, CRM platform, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services); (xviii) any activities with respect to protecting the confidential, non-public or personal identifying nature of any information or data, including confidential information (including any costs incurred in connection with the EU Data Protection Law or FOIA, the EU General Data Protection Regulation, any state public records access or information privacy laws, any state or other jurisdiction's laws similar in intent or effect to FOIA or any other similar statutory or regulatory requirement that might result in the public disclosure of confidential information); (xix) to the extent provided in the relevant Operative Documents or otherwise approved by a General Partner in its sole discretion, activities or proceedings of the advisory boards (including any reasonable out-of-pocket costs and expenses incurred by representatives of the General Partners, advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of an advisory board), including the costs of travel, accommodations and meals in connection with such activities or proceedings; (xx) indemnification (including legal and any other costs incurred in connection with indemnifying any partner or other person pursuant to the relevant Operative Documents or otherwise and advancing costs incurred by any such person in defense or settlement of any claim that is subject to a right of indemnification pursuant to the Operative Documents), except as otherwise set forth in the Operative Documents; (xxi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, fine paid or award or settlement entered into in connection therewith, except as otherwise set forth in the Operative Documents; (xxii) any annual, periodic or special meeting of investors and any other conference, meeting or webcast or other video conference with any investor(s) (in each case, including any costs associated with venue, set-up, travel, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), industry roundtables and any periodic executive forum of portfolio company management and other persons, in each case to the extent incurred by the Funds, the General Partners or any other affiliate of the General Partners, regardless of whether all of the individuals attending or otherwise participating in any such meeting are Fund investors or representatives thereof; (xxiii) the Management Fee; (xxiv) except as otherwise determined by a General Partner in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or

reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, any costs incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Funds to the extent not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of any Fund entity; (xxv) the termination, liquidation, winding up or dissolution of a Fund and any entity owned directly or indirectly by a Fund (including portfolio companies) and related entities; (xxvi) defaults by partners in the payment of any capital contributions; (xxvii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Funds, parallel Funds, any entities owned directly or indirectly by the Funds (including portfolio companies), any alternative investment vehicle of the Funds or parallel Funds and, to the extent relating to any of the foregoing entities and/or their respective activities, the constituent documents of the General Partners, the parallel Fund general partners, the ultimate general partner and CORE, including in each case the preparation, distribution and implementation thereof; (xxviii) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of the General Partners or any of their affiliates incurred in connection with the operation of the Funds and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Funds, the General Partners and/or any of their respective affiliates and/or (B) the validation or other confirmation of any payments made to the Funds or the General Partners (including as a result of any anti-money laundering laws, rules or regulations); (xxix) any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such costs or amounts have been determined to be excluded from the indemnification provided for in the relevant Operative Documents; (xxx) any consultants, experts or advisors engaged, including independent appraisers engaged in connection with the Funds considering, making, holding or disposing of, directly or indirectly, an investment in the same entity as one or more investment vehicles (other than the Funds) managed or controlled by the General Partners or any of their affiliates; (xxxi) unreimbursed costs incurred in connection with any transfer or proposed transfer contemplated by the relevant Operative Documents or any investor's name change, internal restructuring or change in trust, registered agent or custodian; (xxxii) any taxes, fees and other governmental charges levied against the Funds and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Funds (except to the extent that a Fund is reimbursed therefor by a reimbursing partner) and any costs of or related to the "partnership representative" of the Funds, as applicable, provided that nothing in this clause (xxxii) shall affect the treatment of any such amount pursuant to the relevant Operative Documents; (xxxiii) distributions to investors and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses; (xxxiv) unreimbursed and unpaid costs of the Operating Advisors; (xxxv) compliance or regulatory matters, except as otherwise set forth in the relevant Operative Documents, including compliance with the Operative Documents and/or any side letter or similar agreement; (xxxvi) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of a General Partner, CORE or any of their respective affiliates at any trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs; (xxxvii) any travel (including, where appropriate as determined by CORE in its sole discretion, the cost of using private aircraft or other private air travel (including the use of a private aircraft owned, partially owned or leased by CORE, any of its affiliates or any of their respective owners, members, managers, shareholders, partners, directors, officers, employees, agents, advisors, assigns, representatives or affiliates) at a cost not exceeding the cost of reasonably comparable first class commercial airfare, other air travel, car or ride sharing services, other modes of transportation, meals, lodging and entertainment) and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxviii) any

of the items listed in clauses (i) - (xxxvii) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that have been offered to co-investors (including co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated); (xxxix) all costs and expenses associated with operating a feeder fund which invests all or substantially all of its assets in a Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder fund's financial statements, tax returns and feeder fund investor reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder fund; (xl) any organizational expenses; (xli) any Placement Fees; and (xlii) any other costs approved by an advisory board.

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio company or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions ("broken deal expenses") are paid by the relevant Fund(s) selected as proposed investors in such transaction.

### **Expense Reimbursement**

Certain expenses related to CORE's oversight of portfolio companies incurred on behalf of the Funds are reimbursed by a portfolio company pursuant to a management services agreement with the portfolio company. These expenses are paid by CORE and reimbursed by a portfolio company or paid directly by a portfolio company. Such expenses can include, without limitation: (i) travel expenses, which often will include expenses for chartered or first-class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) use of premium black car and other car services, which from time to time includes waiting time and (b) social and entertainment events, including closing dinners and mementos with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings, conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) premium meals (including outside normal business hours); (iv) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (v) indemnification expenses; (vi) insurance; (vii) corporate filings; (viii) certain legal expenses; (viii) similar out-of-pocket expenses; (ix) consulting fees; and (x) other consideration and expenses.

In addition, to the extent a Fund or CORE initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, CORE will determine, subject to its ultimate discretion, whether to cause such other Fund or portfolio company to reimburse the initial Fund or CORE for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by CORE, a General Partner or their respective affiliates will not be offset against the Management Fee payable by the Funds.

### **Operating Advisors**

As mentioned in Item 4, CORE and its affiliates engage and retain Operating Advisors who are functional experts across areas including lean manufacturing, operations, supply chain, financial controls, revenue growth and technology, and who CORE believes can seamlessly integrate into a portfolio company to help formulate value creation opportunities and identify and manage risk. Operating Advisors are not employees of CORE and assist CORE on various matters related to the Funds, including individual portfolio company investments and management teams, business opportunities and general market trends. Operating Advisors frequently take on extensive roles at portfolio companies, serving as executives or members of the board or

management of portfolio companies, including as Chairman and/or CEO. There can be no assurance that any of the Operating Advisors will continue to serve in such role and/or continue their arrangement with CORE and/or any portfolio company throughout the terms of the Funds.

From time to time, Operating Advisors will receive direct compensation, which can include, without limitation, salary, benefits, an annual fee or retainer, a finder's fee, transaction fees, a discretionary bonus or a success fee (in the form of cash or equity) based on pre-determined targets or milestones, directors' fees, board fees, co-investment rights (including in investments in which they are not involved), equity allocations (including stock), a profits interest, options in a portfolio company or a percentage of the carried interest in either a portfolio company or a Fund. Certain fees payable to Operating Advisors are associated with a particular transaction and will typically be included in the closing costs payable by the applicable portfolio company. Other fees, such as board fees, are paid directly by a portfolio company to the Operating Advisor. In the event an Operating Advisor provides work directly to a portfolio company in addition to board service, any such fees are generally paid by the portfolio company directly to the Operating Advisor. Over time, certain existing and former employees of CORE (including senior personnel) may transition to an Operating Advisor role, which would shift the burden of compensating such persons from CORE to the Funds and/or their portfolio companies. The determination of the appropriate form and amount of compensation for such services takes into account a variety of factors but will ultimately be at the discretion of CORE and/or the portfolio company, as applicable. Work performed by Operating Advisors for unconsummated transactions is borne by the Fund(s) that was to have participated in such transaction as part of broken deal expenses.

Operating Advisors typically incur expenses while working with CORE portfolio companies or potential portfolio companies, including but not limited to, the cost of travel to portfolio companies and other out-of-pocket costs, and such expenses are paid or reimbursed by the relevant portfolio company (generally in the case of consummated transactions) or the relevant Fund (generally in the case of unconsummated transactions). Some Operating Advisors are also investors in the CORE Funds and participate as direct investors and/or receive equity grants in portfolio companies in which they are involved.

None of these fees, bonuses, profits interests, other compensation or reimbursements received by Operating Advisors are offset against Management Fees.

### **Co-Investment Expenses**

As described above, in certain circumstances, CORE permits certain investors and third parties to co-invest directly into a portfolio company, subject to CORE's sole discretion and related policies and procedures, the relevant Operative Documents and/or side letter(s) or similar arrangements. In the event a proposed transaction is not consummated, the full amount of any fees and expenses generated in the course of evaluating such investments, including any broken deal expenses, would generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. Co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. Broken deal expenses incurred in connection with a follow-on investment for an existing portfolio company for which the co-investment was originally created are generally recorded at such portfolio company and therefore borne indirectly by the Fund and co-investors on a pro rata basis according to their respective investment in the portfolio company.

Employee co-invest vehicles are expected to pay for their pro rata portion of expenses, however similar to the above for third-party co-investments, employee co-investors are not expected to pay for their share of broken deal expenses.

### **Fee Receipt Allocation**

From time to time, CORE, a Fund or a portfolio company agrees to pay a supplemental fee, portion of the Management Fee, Carried Interest, equity grant or other fee to a third party, such as a consultant, Operating Advisor, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments based on the applicable portfolio company meeting certain success hurdles. Such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on a Fund's investment and indirectly reduces the proceeds available for distribution to the relevant Fund at the time of such portfolio company's sale. None of these fees or compensation offset Management Fees payable by a Fund.

### **Expense Allocation**

CORE will allocate fees and expenses to be borne by each Fund in accordance with the Operative Documents or, to the extent the Operative Documents do not expressly provide for a method of allocation, as determined by CORE in good faith and in its fair and reasonable discretion in accordance with its internal policies and procedures. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Operative Documents, the portion of the expense attributable to such Fund(s) will be borne by CORE.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

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When certain performance hurdles are met, the General Partners, Relying Adviser or the Firm, as applicable, are generally entitled to receive a distribution of the investment proceeds as performance-based incentive compensation (any such compensation is referred to in this Brochure as the “Carried Interest”).

CORE will allocate a portion of the net realized investment profit of each Fund to the capital account of the respective Fund’s General Partner as Carried Interest. The precise manner of calculation of such Carried Interest is further disclosed in the relevant Operative Documents received by each investor prior to investment in such Fund. Generally, 20% of the investment profits of a Fund are allocated as Carried Interest to the applicable General Partner subject to the return to investors of a portion of its capital contributions and a preferred return of 8% compounded annually. Calculated based on cumulative realized gains and income only, Carried Interest is allocated to the relevant General Partner as portfolio holdings are liquidated or otherwise monetized and is generally subject to reimbursement of relevant Fund expenses, including Management Fees, General Partner catch-up provisions as well as clawback provisions enforced against such General Partner in the event the General Partner has received excess cumulative distributions.

The General Partners are permitted, in their sole discretion, to waive all or a portion of the Carried Interest that is attributable to a Fund or to certain investors in a Fund. Specifically, none of the General Partners, CORE, their affiliates or any of their respective directors, officers, managers or employees are expected to bear any portion of Carried Interest.

The Carried Interest is structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act. Accordingly, CORE seeks to ensure that investors in a Fund that is directly or indirectly assessed a Carried Interest satisfy the qualifications of Rule 205-3 and have been advised of the terms of such performance-based fees and the associated risks.

The fact that a General Partner’s Carried Interest allocations are based on the performance of each Fund can create an incentive for CORE to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher Carried Interest, if applicable. The Firm believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Operative Documents create limitations on the ability of CORE to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring them to purchase and sell investments contemporaneously if they share an investment through a contemporaneous initial investment; (iii) any losses a Fund sustains will reduce the applicable General Partner’s Carried Interest distribution; (iv) Carried Interest is generally calculated only after investors have received as distribution 100% of their capital contributions plus a preferred return; (v) a General Partner often makes a substantial commitment to a Fund to invest its own capital alongside the investors; and (vi) CORE’s ability to attract future investors is tied to the performance of its investments.

CORE manages multiple Funds with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to CORE’s allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although CORE generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is substantially invested or committed as more fully described in the applicable Fund’s Operative Documents, management of side-by-side Funds can create an incentive for the Firm or its personnel to favor a Fund in which CORE or an affiliate has a greater financial interest. To the extent that CORE has Funds with varying Carried Interest terms (including

amount, timing waterfall conditions or other terms) and/or CORE personnel are assigned varying percentages of Carried Interest from a Fund, CORE and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, CORE allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with CORE's policies and procedures regarding investment allocation, applicable Operative Documents and taking into consideration certain factors, as determined in the Firm's sole discretion, which include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by CORE. CORE's procedures are designed to ensure that all investment decisions are made in accordance with CORE's fiduciary duties to its Funds and without consideration of CORE's (or its affiliates' or employees') pecuniary interest. CORE will not allocate investment opportunities based in whole or in part on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. Investment allocations decisions are determined by the Investment Committee.

## **Item 7. Types of Clients**

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CORE provides discretionary investment advice to the Funds, which are private investment vehicles that are exempt from registration pursuant to section 3(c)(7) the Investment Company Act of 1940, as amended (the “Investment Company Act”).

The investors participating in the Funds come from a diversified base of institutional investors including university endowments, insurance companies, public pensions, corporate pensions, foundations, asset managers, family offices and fund of funds. They also include CORE employees, members of their families and Operating Advisors.

Interests in Funds are sold only to investors who meet qualification requirements under applicable securities laws. With the exception of the employee affiliate vehicles, the Funds generally limit their respective investors to (i) “accredited investors” as defined in the Securities Act of 1933, as amended (“Securities Act”) and (ii) “qualified purchasers” or “knowledgeable employees,” each as defined in the Investment Company Act. Investors in the Funds must also meet certain other suitability qualifications. Fund interests are not made available to the general public; their securities are not registered or required to be registered under the Securities Act; and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to CORE and/or the Funds.

The Funds typically require capital commitments from each investor of at least \$5 million, depending on the Fund, although the applicable Fund’s General Partner has, in its sole discretion, accepted lesser amounts.

CORE will generally pursue all appropriate investment opportunities through its Fund vehicles, subject to certain limited exceptions. As referenced in Item 4 above, from time to time, CORE offers co-investment opportunities to certain investors who make their investment directly into a portfolio company or its holding or operating company. CORE also permits employees and affiliates of the Firm to invest alongside a portfolio company in an affiliate co-investment vehicle. CORE does not consider these direct or employee and affiliate co-investments to be a Fund or a client, does not act as the investment manager to such co-investments, does not charge Management Fees and/or Carried Interest to the co-investments, does not have custody of the co-investments and does not include the amount of assets of such co-investments in the Firm’s regulatory assets under management. In such direct co-investment opportunities, CORE will perform management, advisory and other services for the portfolio companies in which these co-investment vehicles invest alongside the Funds, generally at no additional cost to such vehicles except portfolio company fees and expenses (which such fees and expenses are recorded at such portfolio company).

Opportunities to participate in co-investment transactions arise when CORE has the opportunity for an investment in an existing or prospective portfolio company and CORE determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in a Fund’s Operative Documents or otherwise or (iv) CORE believes the Fund will benefit from the participation of the co-investor(s). Such determinations are based on the provisions of the applicable Operative Documents, including side letter agreements, agreements with lenders and such other factors as CORE will consider in its sole discretion, including those specified in its policies on investment allocation and co-investments.



While one or more investors in the Funds are on occasion invited to co-invest in a Fund's portfolio companies, CORE is authorized in its sole discretion to offer any or all of a co-investment opportunity to investors that are not investors in the Funds. Opportunities to participate in a co-investment will often be made to investors as well as to third parties, including, without limitation, management or founders of the applicable portfolio company, co-sponsors, strategic investors, lenders, investment bankers, deal sources (including finders and consultants), other sponsors (including other private equity or venture capital firms), service providers, Operating Advisors, sector experts, strategic advisors, other persons or entities affiliated, associated or otherwise known to CORE or its personnel. Additionally, certain individuals who source transactions or provide financing have in the past and are expected in the future to negotiate co-investment rights or co-investment priority rights as a component of their compensation. Subject to any restrictions contained in the Operative Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund (which in the case of Fund I, grants co-investment priority rights to certain investors), in general no investor has a right to participate in any co-investment opportunity. CORE's exercise of discretion in allocating co-investment opportunities often will not always result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment opportunities are offered, it is possible that the size of the investment opportunity otherwise available to CORE's Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment will acquire such interest on terms that do not reflect the then-current value of such investment. In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. In addition, to the extent that CORE engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as investors in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction. Finally, as Management Fees are offset based on each Fund's invested capital in an investment, the inclusion of co-investors presents a conflict of interest in that CORE could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement. CORE seeks to address any such potential conflict of interest by investing in accordance with its policies and procedures governing investment allocation and co-investments.

In the event CORE is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make such Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with

respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant Operative Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

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

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### **Investment Strategy**

The Funds typically seek to be the first institutional capital in their investments and utilizes CORE's proprietary sourcing engine in an effort to generate a robust pipeline through both direct and intermediary-based channels. The Firm believes it has the experience and skillset to invest in distressed, special situation, corporate carve-outs, and deep value businesses, and seeks to deliver superior risk-adjusted returns by leveraging the Investment Partners' operational and investment backgrounds and applying the CORE Operating Playbook to drive operational and financial improvements in its portfolio companies.

CORE seeks to make investments in North American-headquartered businesses that the Firm has classified as being lower middle market, value-oriented manufacturing and industrial technology and services companies with \$5 million to \$20 million of EBITDA and \$15 million to \$200 million of revenue. The Funds will typically make equity investments of \$30 million to \$60 million, including follow-on investments.

Fundamental to CORE's investment approach is its disciplined investor and operator mindset. With a team that has over 100 years of combined investment and operating experience, CORE is focused on making investments in sectors in which the Investment Partners and Operating Advisors have domain expertise and investment and operating experience. CORE's ability to generate high quality investment opportunities, critically assess and value investment opportunities, manage downside risk and create added value is based on this investment discipline.

Most of the opportunities that CORE targets are family-owned, entrepreneur-led businesses or corporate carve-outs that CORE believes are undermanaged and where the sales price alone is not always the most important factor for an owner-operator. As a general matter, these businesses typically have some historical record of success, are fundamentally sound with good products and services, have attractive customers and have a "reason to exist." However, despite these positive tailwinds, these prospective portfolio companies also often have ownership looking to exit due to succession planning difficulties, lack of capital investment, poor management and/or operational issues or challenges. These are all issues that CORE has experience in resolving effectively and efficiently.

To source its investments, CORE utilizes an integrated, Firm-wide origination effort, led by CORE's business development team. CORE believes its complementary mix of investment and operational backgrounds gives it a differentiated advantage in sourcing attractive investment opportunities. These skillsets also help the Firm in identifying opportunities where CORE believes it can maximize value creation through its Operating Playbook.

### **Risk Factors**

An investment in the Funds should be based on a prospective investor's careful analysis of its overall portfolio and its own objectives and needs in the areas of diversification, liquidity, return on investment and risk management. Set forth below, as well as in other items in this Brochure, is a summary of some of the investment risks. An investment in the Funds involves a high degree of risk, including the risk of a partial or total loss of capital, and investors must be prepared to bear capital losses which might result from investments. An investment in the Funds is speculative, illiquid and long-term in nature, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Funds. Please refer to each Fund's Operative Documents for more information on

these and other risks relating to CORE's business and investments in the Funds. Different or new risks not addressed below can arise in the future and, therefore, the following list is not intended to be exhaustive. Risks and potential conflicts of interest include, but are not limited to, the following:

### Investment Risks

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

*Concentration of Investments; Lack of Diversification.* The Funds reserve the right to invest up to a specified amount of their aggregate capital commitments in any single portfolio company (including its direct or indirect subsidiaries and guarantees or other credit support), and will likely participate in a limited number of overall investments. If a Fund co-invests with another private equity fund, an investor invested in such other fund will have exposure to a single portfolio company through more than one fund, potentially multiplying such investor's losses.

Given the Investment Partners' experience in certain core industries and the structural requirements of operating the Funds, it is likely that the Funds will make investments in a single industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, each of which would have the effect of creating the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As a result of the foregoing, it is possible that a Fund's investment portfolio will become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of a Fund's investments, can substantially affect a Fund's aggregate return. In addition to the foregoing, because the Funds will only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect total returns. If certain investments perform unfavorably, then in order for the Funds to achieve above-average returns, one or a few of its investments must perform very well, and there can be no assurances that this will be the case.

*Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing private equity transactions is highly competitive. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds and other private equity funds, investing directly or through affiliates. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds likely will be formed in the future by other unrelated parties. Some of these competitors will have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than CORE, the Funds and their respective affiliates.

CORE expects that competition for appropriate investment opportunities can increase, which while unlikely, could potentially require a Fund to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to a Fund and/or adversely affecting the terms upon which such investments are made.

To the extent that a Fund encounters significant competition for investments, it is possible that returns to investors will decrease. In addition, it is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified and consummated. Regardless of the extent to which

the commitments of investors are invested, investors will be required to bear Management Fees through the applicable Fund during the investment period based on the entire amount of the investors' commitments and other expenses as set forth in the Operative Document.

*Illiquidity; Lack of Current Distributions.* An investment in the Funds should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. It is possible that losses on unsuccessful investments will be realized before gains on successful investments are realized. The Funds' ability to dispose of investments can be limited for several reasons. Illiquidity can result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by a Fund. It is possible that dispositions of investments will be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Funds invest and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities can be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, the Funds generally will not be able to return capital or realize gains, if any, on an investment in a privately-held entity until the partial or complete disposition of such entity. While an investment can be disposed of at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there will likely be no current return on the investment. Furthermore, it is possible that the expenses of operating the Funds (including the Management Fee payable to CORE) will exceed a Fund's income, thereby requiring that the difference be paid from such Fund's capital, including, without limitation, unfunded commitments.

*Leveraged Investments; Borrowing.* The Funds reserve the right to make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss can be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which can be impacted by regulatory restrictions and guidelines and which are difficult to accurately forecast, and at times it can be difficult to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System (the "Federal Reserve"), the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) have the ability to restrict or otherwise discourage lending that results in companies carrying large amounts of debt. The use of leverage can impose restrictive financial and operating covenants on a company, in addition to the burden of debt service, and can impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Funds would likely suffer a partial or total loss of capital invested in the portfolio company, which can adversely affect the returns of such Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund will likely not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance

its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund will likely hold a larger than expected equity investment in such portfolio company and realize lower than expected returns from the portfolio company that would adversely affect a Fund's ability to generate attractive investment returns for the applicable Fund as a whole. Any failure by lenders to provide previously committed financing can also expose the Funds to potential claims by sellers of businesses which a Fund has been contracted to purchase.

The Funds also reserve the right to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Funds will be compensated for providing such guarantee or exposure to such liability. Any use of leverage by the Funds can result in interest expense and other costs to the Funds that can exceed, or otherwise not be covered by, distributions made to the Funds or appreciation of their investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage remains outstanding. The Funds reserve the right to incur leverage on a joint and several basis and, in connection with incurring such indebtedness, CORE is authorized, in its sole discretion, to cause the Funds to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, if and when a Fund were to seek to enforce any such right, it is possible that any such entity will default on its obligation and/or such right will otherwise be unenforceable. In addition, to the extent the Funds incur leverage or provide any guaranty, such amounts are typically secured by the capital commitments of the Funds' investors and other Fund assets. The inability of a Fund to repay any leverage secured by the capital commitments of such Fund's investors could enable a lender to issue a capital call on behalf of the General Partner of the relevant Fund.

*Subscription Lines.* The Funds reserve the right to enter into a subscription line with one or more lenders in order to finance their operations (including the acquisition of the Funds' investments). Fund-level borrowing subjects investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of a General Partner's right to call capital from investors, it is possible that investors will be obligated 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 thereunder. Moreover, any investor claim against a Fund would likely be subordinate to such Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental Fund expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of a Fund's investors and the terms of the relevant Operative Documents, it is possible that the interest rate will be higher than the interest rate an investor could obtain individually. To the extent a particular investor's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact an investor's overall individual financial returns even if it increases such Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for investors to make contributions to a Fund, which in certain circumstances enhances such Fund's internal rate of return calculations and thereby can be deemed to benefit the marketing efforts of CORE. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of

the use of the subscription line and neither a Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities. However, as noted below, co-investors generally will repay a Fund for the use of the facility.

Some credit agreements contain other terms that restrict the activities of a Fund and investors or impose additional obligations on them. For example, a subscription line often imposes restrictions on CORE's ability to consent to the transfer of an investor's interest in a Fund. In addition, in order to secure a subscription line, CORE is permitted to request certain financial information and other documentation from investors to share with lenders. CORE will have significant discretion in negotiating the terms of any subscription line and is authorized to agree to terms that are not the most favorable to one or more investors.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows CORE to fund investments and pay Fund expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for investors that would not arise had CORE called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring an investor to meet the accumulated, larger capital calls at the same time.

*Transactions with Fund Investors.* On occasion, CORE enters into transactions (such as co-investment opportunities or directed debt purchases) with certain Fund investors such as, for example, investors who are also business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services (including mezzanine and/or other lending arrangements) to the Firm, Funds and portfolio companies. In certain cases, certain Fund investors or their affiliates seek to provide debt financing in connection with a CORE portfolio company investment made on behalf of a Fund. CORE pursues debt financing on terms it believes are advantageous for a Fund when weighing all the factors relevant to the transaction, including the prevailing financing rates and any original issue discount, scope of positive and negative debt financing covenants, prior experience with the applicable counterparty, and such counterparty's execution capability, reputation and expertise within the industry. On such occasions, the Firm receives competitive bids from other debt providers and ensures that the transaction is in the portfolio company's best interest. Notwithstanding the foregoing, CORE is subject to potential conflicts of interest when determining such terms because it is possible that the Firm will benefit from retaining such investors' investment in the Funds.

*Uncertainty of Projections.* The Funds use financial projections to help analyze potential current or future financing for portfolio companies, investor reporting or other transactions. Projected operating results of a company in which the Funds invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by CORE in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results can be significantly different from projections.

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

*Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions.* Before making investments, CORE will conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence entails evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties are often involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and CORE relies on the advice received from such third parties. Investment analyses and decisions by CORE will often be undertaken on an expedited basis in order for the Funds to take advantage of investment opportunities and/or consummate investments. In such cases, the information available to CORE at the time of an investment decision can be limited, and it is possible that CORE will not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

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

*General Economic and Market Conditions.* The private equity industry generally and the success of the Funds' investment activities specifically will likely be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by CORE. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) can have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally can reduce the availability of attractive investment opportunities for the Funds and affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) can also increase the risks inherent in the Funds' investments and can have a negative impact on the performance and/or valuation of the Funds' portfolio companies. The



Funds' performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates can adversely affect the value of investments in portfolio companies and the Funds' performance. Volatility and illiquidity in the financial sector can have an adverse effect on the ability of the Funds to sell and/or partially dispose of their portfolio company investments. Such adverse effects can include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that CORE believes reflect the fair value of such investments. The impact of market and other economic events can also affect the Funds' ability to obtain funding to support their investment objective. Any of the foregoing events can result in substantial or total losses to the Funds in respect of certain portfolio companies, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure and can be magnified by the expected limited geographic diversity of the Funds' investments.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds. Any such changes are expected to materially impact CORE, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

*Geopolitical Risks and Force Majeure.* An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. U.S. military actions around the globe; the threat or occurrence of terrorist attacks in the future; rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof); and the United States' military, economic and political responses to terrorism all can have material consequences on the U.S. and global economies. CORE is not able to predict the extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events can have on investment objectives or the markets where an underlying Fund investment will be located. For example, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for certain commodities and could affect certain portfolio companies' financial results. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence has the potential to increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund's returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Additionally, the Funds or portfolio investments can be affected by force majeure events such as events beyond the control of the party claiming that the event has occurred including, without limitation, fire, flood,

earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some force majeure events may adversely affect the ability of a party, including a Fund, portfolio company or a counterparty to a Fund or a portfolio company, to perform its obligations until it is able to remedy the force majeure event. In certain circumstances, a Fund or a portfolio company may be a party to a contract which does not provide a remedy in favor of the Fund or such portfolio company if a force majeure event occurs. In this event, the Fund or such portfolio company may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance can cause the Fund or such portfolio company to suffer economic loss, and such loss has the potential to be exaggerated if a force majeure event subsists for an extended period of time.

Certain force majeure events, such as war or an outbreak of an infectious disease, could have broader negative impact on the world economy and international business activity generally or in any of the countries in which a Fund has invested. A resulting negative impact on economic fundamentals and consumer confidence can increase the risk of default with respect to particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have an adverse effect on the performance of portfolio investments, the Funds' returns and the ability of a Fund to make and/or dispose of portfolio investments. No assurance can be given as to the effect of these events on the value of, or markets for, portfolio investments, or a Fund's or a portfolio investment's ability to recover therefrom.

*Inflation.* The U.S. economy is currently in a period of high inflation. Investments could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment could earn more revenue but could incur higher expenses. As inflation declines, an investment might not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Accordingly, there can be no assurance that a higher rate of inflation will not have a material adverse effect on the Funds' investments.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, CORE, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets. Any Distress Event has a potentially adverse effect on the ability of CORE to manage the Funds and their investments, and on the ability of CORE, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and

dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of CORE and/or the portfolio companies to make payroll, fulfill obligations and maintain operations.

Although CORE expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event CORE determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “Custody Rule”), even if performed in the Firm’s best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

Many Financial Institutions require, as a condition to using their services or otherwise, that CORE and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) (each, a “Custodian”), which heightens the risks associated with a Distress Event with respect to such Custodians. Although CORE seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, CORE is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

*Public Health Emergencies; COVID-19.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19, can result in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which can result in significant losses to the Funds.

*Environmental, Social and Governance Matters.* CORE recognizes that, for many investors, environmental, social or governance (“ESG”) concerns and the societal impact of their portfolios is an important consideration which cannot be viewed in isolation from overall investment performance. Therefore, the Firm will endeavor to take certain ESG considerations into account in its investment decision process (including the decision to buy, sell or hold an investment) and will, in appropriate circumstances, incorporate similar considerations into the Firm’s ongoing management decisions with respect to certain portfolio companies. However, ESG is only one of the many factors CORE will consider in making investment decisions, and unless otherwise required pursuant to a Fund’s Operative Documents, the weight placed on any such ESG considerations will be in CORE’s sole and absolute discretion. Further, applying ESG standards to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by CORE or any judgment exercised by CORE will reflect the beliefs or values of any particular investor or group of investors. Finally, an assessment of ESG factors is not necessarily determinative and CORE’s investment decisions will always be subject to being made in a manner that is consistent with the Firm’s fiduciary duty to act in the best interests of the Fund’s investors.

In evaluating an investment and executing its ownership strategy, CORE expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause CORE to incorrectly assess a company’s ESG practices and/or related risks and opportunities.

To the extent that CORE engages with companies on ESG-related practices and potential enhancements thereto, there can be no guarantee that (i) such engagements will achieve either or both of the desired financial and social impact or results and/or (ii) the market or other stakeholders (community members, portfolio company employees, customers, etc.) will view any such changes as desirable (either socially or to a Fund's financial health).

There is a risk that the Funds will underperform other funds that do not take ESG-related factors into account or conversely, could underperform specialized funds that are largely or exclusively focused on sustainable investing principles.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and CORE's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. CORE's ESG policy and ESG practices could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

*Deterioration of Credit Markets Can Affect Ability to Finance and Consummate Investments.* In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as the Funds to obtain favorable financing for investments, a Fund's ability to generate attractive investment returns can be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they can have an adverse impact on the availability of credit to businesses generally and can lead to an overall weakening of the U.S. and global economies. Such marketplace events also can restrict the ability of the Funds to realize their investments at favorable times or for favorable prices.

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

*Distressed Investments.* The Funds reserve the right to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that are, have been, or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that CORE will correctly evaluate the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of the company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a

restructuring, recapitalization, or liquidation is required, it is possible the Funds will lose some or all of their investment or will be required to accept illiquid securities with rights that are materially different than the original securities in which a Fund invested.

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

To the extent the Funds invest alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or make a minority investment, it is possible the relevant portfolio companies will be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their investors. Such third parties can be in a position to take action contrary to the Funds' business, tax or other interests, and it is possible a Fund will not be in a position to limit such contrary actions or otherwise protect the value of its investment. Where a Fund holds a minority stake, it can be more difficult for such Fund to liquidate its interests than it would be had such Fund owned a controlling interest in such portfolio company. Even if a Fund has contractual rights to seek liquidity of its minority interests in such portfolio companies, it can be very difficult to sell such interests or seek a sale of such portfolio company upon terms acceptable to such Fund, especially in cases where the other investors in such company have different business and investment objectives and goals. The Funds generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that the Funds will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

#### Investment Structuring and Legal Risks

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

*Director Liability.* CORE expects that the Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests (each, a "Board Representative"). In those instances where a Fund is not the sole shareholder of the applicable portfolio company, a Board Representative can have duties to persons other than the applicable Fund. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Board Representative, and ultimately the applicable Fund, to potential liability. Not all portfolio companies are able to obtain insurance with respect to such liability, and there is no guarantee that the insurance that portfolio companies do obtain will be sufficient to adequately protect against such liability. In addition,

involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

*Litigation.* The transactional nature of the business of the Funds exposes the Funds, the General Partners and their respective affiliates generally to the risk of third-party litigation. In the ordinary course of its business, it is possible a Fund will be subject to litigation from time to time. Under each Fund's Operative Documents, such Fund will generally be responsible for indemnifying its General Partner and certain of its affiliates for costs incurred with respect to litigation not covered by insurance. The outcome of litigation proceedings can materially adversely affect the value of the Funds and can continue without resolution for long periods of time. Additional regulation can also increase the risks of third-party litigation. Any litigation will likely consume substantial amounts of CORE's and the Investment Partners' time and attention, and that time and the devotion of these resources to litigation can, at times, be disproportionate to the amounts at stake in the litigation.

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

### Management Risks

*Reliance on the General Partners.* The Funds are dependent on the General Partners; investors generally have no right or power to take part in the management of the relevant Fund, and control over the operation of the Funds, including decisions with respect to structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Funds, as control over these decisions will be vested with the General Partners. Consequently, the Funds' future profitability and investment performance will depend largely upon the business and investment acumen of the Investment Partners. The loss or reduction of service of one or more of the Investment Partners can have an adverse effect on the Funds' ability to realize their investment objectives. In addition, the Investment Partners manage or advise multiple Funds and devote time to the investment activities of such other Funds, which can pose conflicts of interest in the allocation of the time of the Investment Partners. In addition, certain changes in CORE or circumstances relating to CORE can have an adverse effect on the Funds or one or more of their portfolio companies, including potential acceleration of debt facilities. Investors are reminded that the composition of the professionals making up particular industry sector investment teams will change over time, and it is possible that the professionals included in such teams and who have contributed to the past performance of a Fund will no longer be members of the particular team or serve in the same or similar roles thereon (or will no longer be with CORE, or leave such team or CORE during the life of a Fund). Furthermore, there can be no assurance that the Funds' investments will achieve results similar to those attained by previous investments of the Investment Partners. In addition, each Fund's investments will differ from previous

investments made by the Investment Partners in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure and holding period.

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

*Standard of Care; Indemnification.* Each Fund's Operative Document contains provisions that, subject to applicable law, reduce, modify or eliminate the duties that CORE would otherwise owe to the Funds and their investors. Pursuant to the Operative Documents, the General Partners, the Investment Partners, CORE and certain of their employees and affiliates will be indemnified and held harmless, to the maximum extent not prohibited by applicable law, from losses sustained from any act or omission in connection with the Funds' activities, subject to certain exceptions set forth in the Operative Documents, and are permitted to receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that are subject to a right of indemnification. The application of the foregoing standards can result in investors having a more limited right of action in certain cases than they would in the absence of such standards. As a result, a Fund can bear significant financial losses even where such losses were caused by the negligence of CORE. Such financial losses would likely have an adverse effect on the returns to investors. The fees, costs and expenses (whether or not advanced) and other liabilities resulting from a Fund's indemnification obligations will generally be paid by or otherwise satisfied out of the assets of such Fund, including the unpaid capital obligations of investors. In addition, if the assets of a Fund are insufficient to satisfy such Fund's indemnification obligations, CORE reserves the right to recall distributions previously made to investors, subject to certain limitations set forth in the relevant Operative Documents.

*Limited Access to Information.* An investors' rights to information regarding the Funds or CORE generally will be specified in, and in many cases strictly limited by, the Operative Documents. In particular, it is anticipated that CORE will obtain certain types of material information from or relating to portfolio companies that will not be disclosed to investors because such disclosure is prohibited for contractual, legal or similar obligations outside of CORE's control, or because of other reasons. Decisions by CORE to withhold information can have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interest in a Fund can have difficulty in determining an appropriate price for such interest. Decisions to withhold information also can make it difficult for an investor to monitor CORE's performance. Additionally, it is anticipated that investors that designate representatives to participate on an advisory board will, by virtue of such participation, have more information about the Funds and their investments in certain circumstances than other investors and are

generally expected to be disseminated information in advance of communication to other investors. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not a Fund succeeds in asserting confidentiality for requested documents and other materials, and CORE reserves the right to withhold certain information from investors subject to such laws for reasons relating to CORE's public reputation, business strategy or other reasons.

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

#### Partnership Risks

*No Market for Interests; Restrictions on Transfer; No Right of Withdrawal.* Investor interests in the Funds are not generally permitted to be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of the relevant General Partner, which can be withheld pursuant to the terms of the relevant Operative Documents, and the volume of transfers permitted in any calendar year can be restricted in order to comply with certain safe harbors under the tax regulations promulgated under the Internal Revenue Code of 1986. Voluntary withdrawals from the Funds will not be permitted except in very limited circumstances generally involving situations where retaining an interest in a Fund would violate certain laws or regulations. In addition, interests in the Funds are not redeemable. There will be no public market for interests in the Funds, and none is expected to develop. Interests in the Funds have not been registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Funds will ever be effected. Investors will not be able to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in a Fund for an extended period of time.

*Significant Adverse Consequences for Default.* The Operative Documents provide for significant adverse consequences in the event an investor defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting investor can be forced to transfer its interest in a Fund for an amount that is less than the fair market value of such interest and paid over a long period of time, without interest. Whether and how to exercise CORE's remedies against a defaulting investor will be in the sole discretion of the relevant General Partner, and such General Partner can require the non-defaulting investors to contribute capital to make up for the shortfall created by such defaulting investor.



*Failure to Make Capital Contributions.* If an investor fails to pay when due installments of its commitment to a Fund, and the contributions made by non-defaulting investors and borrowings by such Fund are inadequate to cover the defaulted amount, such Fund will likely be unable to pay its obligations when due. As a result, the Funds can be subjected to significant penalties that will materially adversely affect the returns to investors (including non-defaulting investors).

*Recycling; Reinvestment.* During each Fund's investment period, CORE generally has the right to recall certain capital returned or distributed by such Fund(s) to investors, including to make additional investments. Accordingly, during the term of a Fund, an investor can be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

*Reserves.* As is customary in the industry, CORE is permitted to establish reserves for investments by the Funds, operating expenses of the Funds, Fund liabilities and other matters. Estimating the appropriate amount of such reserves is difficult. Inadequate or excessive reserves would likely impair the investment returns to investors. If reserves are inadequate, a Fund will likely be unable to take advantage of attractive investment opportunities or be unable to pay its liabilities or expenses as they come due. If reserves for liabilities or expenses are excessive, a Fund could be unable to pursue attractive investment opportunities.

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

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

*Investments Longer than Term.* It is possible that the Funds will make investments that cannot be advantageously disposed of prior to the date a Fund is dissolved, either by expiration of such Fund's term or otherwise, or a Fund's term will be extended to facilitate the wind-down of such Fund. Although CORE generally expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, CORE has a limited ability to extend the term of a Fund, and while unlikely, it is possible a Fund will have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. To the extent that such investments are held in trust, the trust will incur operating

and formation expenses. In addition, there can be no assurances with respect to the timeframe in which the winding-up and the final distribution of proceeds to investors will occur.

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

*Delayed Tax Information.* It is possible that a Fund will not be able to provide final tax filing information to investors for any given fiscal year until after the initial tax filing deadlines for investor tax returns. Accordingly, investors should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own advisors as to the advisability and tax consequences of an investment in a Fund.

*Agreements with Certain Investors.* The Funds and/or the General Partners reserves the right to enter into a side letter or other similar agreement with a particular investor in connection with its admission to a Fund without the approval of any other investor, which has the effect of establishing rights under, altering or supplementing the terms of, or confirming the interpretation of an applicable Fund's Operative Documents with respect to such investor in a manner more favorable to such investor than those applicable to other investors, and such rights can be significant. Such rights, terms or confirmations in any such side letter or other similar agreement can include, without limitation: (i) excuse, exclusion or withdrawal rights applicable to particular investments or investors (which can increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, certain investments); (ii) reporting or notification obligations of CORE; (iii) waiver of certain confidentiality obligations; (iv) consent of the relevant General Partner to certain transfers by such investor; (v) side letter rights or preferences or (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such investor. In addition, except where required by the relevant Operative Documents, other investors will not receive copies of side letters or other similar agreements or related provisions, and as a general matter, the other investors have no recourse against a Fund, its General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters or other similar agreements. As a consequence of one or more investors being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating investors can be adversely affected in a material manner by the unfavorable performance of particular investments.

*Conflicts Related to the Interpretation of Operative Documents and Other Legal Requirements.* The Operative Documents of each Fund and related documents are detailed agreements that establish complex arrangements among CORE, the investors, the Fund, the General Partner and other entities and individuals.

Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While CORE will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations CORE adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

*Disclosure of Confidential Fund and Investor Information.* Investors are expected to include entities that are subject to public disclosure requirements, including state public records or similar freedom of information laws which can compel public disclosure of confidential information regarding a Fund, its investments and its investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. The Funds can incur expenses in connection with responding to any such disclosure requests, even if a Fund ultimately succeeds in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that investors have pursuant to the respective Operative Documents to maintain the confidentiality of Fund information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise. In certain circumstances, in an effort to protect any such potential disclosure, CORE can withhold all or any part of the information otherwise to be provided to such an investor, as more fully described in the relevant Operative Documents. There can be no assurance that such information will not be disclosed by the Funds, the General Partners, CORE, their affiliates and personnel, portfolio companies or service providers to any of them including, without limitation, to comply with laws, regulations or policies to which they are or become subject. In addition, under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has the authority to require private equity fund advisers, such as CORE, to file additional reports with the SEC regarding their funds and investment activities. Any public disclosure of Fund information can have an adverse effect on a Fund and its investors, for example, by affecting such Fund's competitive advantage in finding attractive investment opportunities.

*Risk Management; Operational Controls.* The operational controls and risk management techniques used by the Funds involve third parties over whom CORE does not exercise control, including outsourced providers of fund administration, legal, information technology and custody services. The proper operation of a Fund and safekeeping of its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques CORE uses also necessarily include subjective elements, making the judgment and discretion of the Firm's professionals fundamental to the risk management process. The greater the importance of subjective factors, the more challenging it becomes for the Firm to control for risk, which in turn increases the likelihood of unpredictable results with respect to a portfolio company and a Fund's overall performance.

Additional operational risks arise from such factors as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology (including those highlighted below under "Cyber Security Breaches and Identity Theft"), changes in personnel, errors caused by third parties or other disruptive events. While CORE has adopted a business continuity program designed to minimize the disruption these events could otherwise cause to normal business operations, business continuity programs are inherently limited. For example, the Firm could experience unanticipated contingencies or the planned controls and oversight may not function as intended. In addition, certain circumstances, including natural

disasters, war, terrorism, public health crises, power or utility shortages and other system failures and malfunctions, could prevent the Firm and its service providers from performing certain tasks, potentially for extended periods of time, including funding an investment, finalizing valuations, making a distribution or reporting to investors. Any such failure could cause losses to a Fund.

*Cyber Security Breaches and Identity Theft.* The Funds and their portfolio companies' information and technology systems can be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches (including business email compromise attacks), ransomware attacks, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The use of internet or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments. In addition, CORE's systems could be vulnerable to supply-chain attacks, wherein attackers target third parties providing software or services in order to introduce vulnerabilities in CORE's network or systems. Although CORE has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, CORE, the Funds and/or a portfolio company will likely incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason can cause significant interruptions in CORE's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm CORE's, the Funds' and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions or otherwise affect their business and financial performance. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company can be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks can be the subject of civil litigation or regulatory or other action. Any of such circumstances can subject a portfolio company or a Fund to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at CORE or one of its affiliates or service providers holding its financial or investor data, CORE, its affiliates or a Fund will also be at risk of loss.

#### Certain Tax and Regulatory Issues

*Changes in U.S. Tax Law.* Recent or future changes in U.S. federal income tax law can materially affect the tax consequences of an investor's investment in a Fund and the tax treatment of the Funds' portfolio companies. While some of these changes can be beneficial, others can negatively affect the after-tax returns of the Funds and investors. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in a Fund, or of investments made by a Fund, will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of investors.

*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 which generated such gain for more than three years. This can reduce the after-tax returns of the Investment Partners, employees, or other individuals associated with the Funds, CORE or the General Partners who were or are in the future granted direct or indirect interests in Carried Interest, which can make it more difficult for CORE and its affiliates to incentivize,

attract and retain individuals to perform services for the Funds. This could also create an incentive for CORE to cause a Fund to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

### Conflicts of Interest

Prospective investors should be aware that various actual and potential conflicts are expected to arise from the overall investment activities of the Funds, the General Partners, CORE and their respective affiliates. The following discussion identifies certain potential conflicts of interest that should be carefully considered before making an investment in a Fund. In addition, prospective investors should be aware that CORE, its personnel and their respective affiliates are expected in the future to engage in further activities that are expected to result in additional conflicts of interest not addressed below. In particular, CORE expects in the future to identify additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment. There can be no assurance that CORE will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to a Fund.

If any matter arises that CORE determines in its good faith judgment constitutes an actual or potential conflict of interest, CORE reserves the right to take such actions as it believes are necessary or appropriate to ameliorate such potential conflict (and upon taking such actions, the General Partners will be relieved of any responsibility for, and liability related to, such potential conflict to the fullest extent permitted by applicable law and shall be deemed to have satisfied its fiduciary duties related thereto to the fullest extent permitted by applicable law, as modified by the Operative Documents). These actions include, by way of example: (i) disposing of the security giving rise to the potential conflict of interest; (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the potential conflict of interest; or (iii) consulting with the relevant advisory board regarding the potential conflict of interest and either obtaining a waiver from the advisory board of the potential conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the advisory board with respect to such potential conflict of interest.

In addition, prospective investors should note that the Operative Documents contain provisions that, subject to applicable law, (i) reduce, modify or eliminate the duties, including certain fiduciary duties under applicable state law, that the General Partners would otherwise owe to the Funds and investors; (ii) waive duties or consent to conduct of the General Partners that might not otherwise be permitted pursuant to such duties; and (iii) limit the remedies of an investor with respect to breaches of such duties. Additionally, the Operative Documents contains exculpation and indemnification provisions that, subject to the specific exceptions identified therein, provide that the General Partners, CORE and their respective partners, members, officers, employees and affiliates will be, to the maximum extent not prohibited by applicable law, held harmless and indemnified, respectively, for matters relating to the operation of the Funds, including matters that involve one or more potential or actual conflicts of interest.

*Other CORE Funds and Products; Allocation of Investment Opportunities.* CORE currently sponsors and manages the Funds and expects to continue to sponsor and manage a number of investment funds in the future. Certain investment opportunities are expected to be suitable for more than one Fund.

Unless consented to by an advisory board, CORE generally will not commence the operation of another pooled equity investment fund with objectives, strategy, investment criteria and scope substantially similar to those of the Funds until the end of the most recent Fund's investment period or such earlier time as

described in the relevant Operative Documents. However, subject to any other applicable limitations in the relevant Operative Documents, CORE and its affiliates reserve the right to form, market and organize other funds and serve as the general partner or manager of, or entity acting in a similar capacity for, other funds. It is possible that such other funds and/or their respective portfolio companies will compete with the Funds and/or portfolio companies of the Funds.

CORE is committed to allocating investment opportunities among the Funds in a manner that it believes is fair and equitable and consistent with its fiduciary obligations and the Operative Documents of the Funds. Until such time as CORE is permitted to commence the operation of a successor investment fund, CORE will generally present all appropriate investment opportunities that meet the objectives, strategy, investment criteria and scope of the most recently raised Fund, subject to certain exceptions set forth in the relevant Operative Documents. However, it is possible that certain investment opportunities will be suitable for multiple Funds and generally will not be presented to all Funds.

Depending on the objectives, strategy, investment criteria and scope of the Funds, it is possible that one Fund will be permitted to invest side-by-side with another Fund to the extent capital is available, such investment is permitted by the Operative Documents of the Fund(s), and the relevant General Partner deems it advisable. In determining which Fund(s) should participate in investment opportunities, subject to the applicable Operative Documents of the relevant Fund(s), CORE and its affiliates (including the General Partners) are subject to potential conflicts of interest in respect of investors in the Funds. CORE will determine the allocation of investment opportunities among the Funds in such manner as it, in its sole discretion, determines to be fair and equitable, consistent with the Operative Documents of such Funds and the allocation criteria presented above. To determine whether and to what extent the Funds will participate in an investment opportunity, CORE generally assesses whether an investment opportunity is appropriate for each relevant Fund and will also generally consider certain factors, including, but not limited to, the amount of available capital of the applicable Funds, anticipated future capital requirements of an investment opportunity and/or the existing portfolio companies of the applicable Funds, expected time to obtain liquidity, conflicts considerations, limitations on the pace of capital deployment or other limitations in the Operative Documents of the applicable Funds, investment guidelines, diversification limitations, investment strategies and objectives, legal, tax and regulatory considerations, and any other factors deemed relevant by CORE. It is CORE's policy to allocate follow-on investments to the Fund that owns the applicable portfolio company. If a follow-on investment is to be made in a portfolio company owned by more than one Fund, such follow-on investment will generally be made in the same part of the capital structure and in the same proportions as the original investment. As a result of the foregoing policies, it is possible a Fund from time to time will invest in opportunities that another Fund has declined or decline to invest in opportunities in which another Fund has invested or will invest.

CORE's allocation of investment opportunities among the Funds often will not be proportional based on available capital commitments. Therefore, such allocations are expected to be more advantageous to one Fund relative to some or all of the other Funds, or vice versa. While CORE will allocate investment opportunities in a way that it believes is fair and equitable to the applicable Funds, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which such allocation is made, will be as favorable as they would be if the potential conflicts of interest did not exist.

*Transactions Among CORE Funds.* Potential conflicts of interest are expected to arise if a Fund make an investment in a portfolio company in conjunction with an investment made by one or more other Funds. For instance, it is possible a Fund will not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Fund(s). Under those circumstances, this would be expected to result in differences in price, investment terms, leverage and

associated costs between the Funds. There can be no assurance that the Funds will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other Fund participating in the transactions. If additional capital is necessary for the portfolio company as a result of financial or other difficulties, or to finance growth or other opportunities, each Fund reserves the right to provide or not provide such additional capital, and each generally will supply such additional capital in such amounts, if any, as determined in the discretion of CORE, subject to the terms of the relevant Operative Documents.

To the extent permitted under the Operative Documents, the Funds reserve the right to acquire their interests in a portfolio company at the same time or at separate times and on similar or different terms. Examples of such transactions include (i) a Fund making an investment in a pre-existing portfolio company of another Fund and (ii) one or more Funds later investing in portfolio companies in which another Fund has invested. In each case, the foregoing transactions are expected to have an effect (either positive or negative) on the market value of such Fund's investment. In connection with any investment in which another Fund also participates, CORE reserves the right to make independent decisions regarding recommendations of when a Fund should purchase and sell investments. As a result, there is the potential that one Fund will purchase an investment at a time when another Fund is selling the same or a similar investment, or vice versa. There can be no assurance that the return on a Fund's investments will not be less than the returns obtained by any other Funds participating in the investment.

If a Fund enters into any indebtedness or guaranty with another Fund on a joint and several basis, CORE is expected to cause such Fund(s) to enter into one or more agreements that provide each of the Funds with a right of contribution, subrogation or reimbursement. In administering or seeking to reinforce these agreements, CORE expects to be subject to potential conflicts of interest between the Funds. CORE intends to mitigate any potential conflicts by structuring such agreements in a manner intended to cause each of the Funds to bear their proportionate share of the applicable indebtedness.

Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to all Funds.

*Other CORE Products.* CORE reserves the right in the future to expand its investment management services to offer other products, which would give rise to potential additional conflicts of interest not specifically described herein. There can be no assurance that CORE will identify or resolve all such conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds (or any particular Fund). CORE expects that the investment activities of the other products could generally give rise to additional conflicts of interest in connection with allocating investment opportunities. The potential investments and activities of the other products have the potential to increasingly overlap with the potential investments and activities of the Funds, and the possibility that another product will invest in the same portfolio companies as one or more other Funds or in a target that would otherwise be suitable for a Fund does exist. There can be no assurance that all investment opportunities identified by CORE and its affiliates will be made available to a particular Fund. Notwithstanding the actual and potential conflicts of interest that are expected to arise, CORE generally expects to determine the allocation of investment opportunities among the Fund(s) and any other products in a similar manner as described above in "Conflicts of Interest – Other CORE Funds and Products; Allocation of Investment Opportunities." If any other products are formed, investment opportunities would be expected to be allocated in any number of ways between the Funds and/or such other products, and there can be no assurance that the application of CORE's allocation policies and procedures will result in the allocation of any particular investment opportunity to a particular Fund.

*Controlling Investments.* The Funds intend to make controlling investments in portfolio companies. As a result of these controlling interests, CORE typically has the right to appoint portfolio company board members (including current or former General Partner personnel or persons serving at their request, including Operating Advisors), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to CORE in connection with services provided by CORE and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant Operative Document's offset provision, are in addition to the Management Fee or Carried Interest. CORE's authority to appoint or influence the appointment of portfolio company board members who are involved in approving compensation payable to CORE subjects CORE and any such portfolio company board appointees to potential conflicts of interest.

*Time and Attention of the Investment Partners.* The Investment Partners and CORE's investment personnel manage and monitor investments by the Funds. CORE believes that the investment of the Investment Partners in the Funds, as well as the Investment Partners' interest in the Carried Interest, operate to align, to some extent, the interest of the Investment Partners with the interest of investors. At such time as CORE is permitted to operate a successor investment fund, the Investment Partners will continue to manage the Funds' investments, but also likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Unless restricted by the Operative Documents or CORE's policies, CORE personnel are permitted to serve on boards or act in other roles unaffiliated with CORE, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. Such companies are not portfolio companies of a Fund and, as a result, any compensation received by an employee is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or investors.

*Products or Services Received by CORE from Portfolio Companies.* It is possible that certain portfolio companies will provide CORE and its affiliates with products or services that such portfolio companies regularly produce or provide as part of their business operations at reduced rates or without charge.

*Co-Investments.* CORE reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more investors and/or other persons (including Operating Advisors, the General Partners, CORE, any of their respective affiliates and any of their respective partners, employees, officers, members, partners or direct or indirect beneficial owners), in each case on terms to be determined by CORE in its sole discretion. Potential conflicts of interest are expected to arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which can be made to one or more persons for any number of reasons as determined by CORE in its sole discretion, will not necessarily always be in the best interests of a Fund or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, including with respect to allocating a particular investment to and among potential co-investors and determining the terms thereof, CORE will consider some or all of a wide range of factors (some or all of which can benefit CORE or its affiliates), including, but not limited to: (i) the ability of a potential co-investor to react promptly to a co-investment opportunity; (ii) any strategic advantages that result from a potential co-investor's participation in a co-investment opportunity; (iii) a potential co-investor's commitment to a Fund; (iv) the likelihood that a potential co-investor will invest in a Fund and/or a future fund; (v) the potential co-investor's investable assets relative to the size of the co-investment opportunity; (vi) tax, regulatory and/or securities law considerations (e.g., qualified purchaser or qualified institutional buyer status); (vii) confidentiality concerns that arise in connection with providing the potential co-investor with specific information relating to the co-investment opportunity; (viii) whether the potential co-investor's participation in an investment opportunity can subject



a Fund to legal, regulatory, reporting or other burdens or could impair the ability of CORE to execute the relevant transaction in the desired time or on desired terms; (ix) the size of the investment allocation and practicality of dividing it among multiple potential co-investors; (x) lender requirements; and/or (xi) whether CORE believes that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Funds.

Furthermore, CORE reserves the right to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a co-sponsor. Additionally, from time to time, certain service providers (*e.g.*, lenders) seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to CORE, a Fund or portfolio company in connection with the services provided. Co-investment opportunities typically will be offered to some and not to other investors. CORE's allocation of co-investment opportunities generally will not result in allocations that are proportional to the amounts committed, if any, by the relevant potential co-investors to a Fund or any other co-investment vehicle, and such allocations can be more or less advantageous to some persons or entities than to others.

Additionally, conflicts of interest are expected to arise in the allocation of co-investment opportunities to the extent that such allocation benefits CORE instead of, or more than, a Fund or is not in the best interests of a Fund or any individual investor.

Co-investments with third parties through partnerships, joint ventures or other entities or arrangements are expected to involve risks and potential conflicts of interests not present in investments where a third-party is not involved, including the possibility that a third party co-investor will at any time have economic or business interests or goals that are inconsistent with those of the Funds, can have financial difficulties (which likely increases the possibility of default), or are in a position to take or block action in a manner that is contrary to a Fund's investment objectives. In addition, the Funds can in certain circumstances be liable for the actions of a third party co-investor. In those cases in which co-investments with third parties involve a management group, it is possible that third party co-investors will receive compensation arrangements relating to such co-investments, including incentive compensation arrangements. There can be no assurance that a Fund's return from a transaction involving a co-investment will be equal to and not less than the return of any co-investor in such transaction.

CORE reserves the right, in its sole discretion, to charge a Management Fee and/or obtain a Carried Interest in respect of any co-investment. As a result of the fact that co-investments alongside the Funds will not be made through a Fund, any fees or other co-investor related compensation (including supplemental fees as described in Item 5 above) received in connection with co-investments will not arise out of the investment activities of the Funds or actions taken directly or indirectly by CORE on behalf of the Funds and, therefore, none of such fees or other co-investor-related compensation will be applied to reduce the Management Fee. CORE and/or any of its affiliates reserve the right to retain any such fees.

To the extent that a Fund co-invests or commits to co-invest alongside another Fund, any supplemental fees with respect to such co-investment or potential co-investment will be allocated among the Funds pro rata (based on the cost of such co-investment or potential co-investment held or proposed to be held by each), or in such other manner as CORE determines.

In the event that a transaction in which a co-investment was to be sought ultimately is not consummated, all obligations, liabilities and out-of-pocket fees (including any break-up fees), costs and expenses relating

to such unconsummated transaction are expected to be borne by the applicable Fund(s), and not by any potential or expected co-investors, subject to any restrictions set forth in the relevant Operative Documents.

To the extent that a Fund or any other entity or individual co-invests alongside a Fund in any portfolio company investment, supplemental fees will be allocated to such co-investors and/or retained by CORE and/or any of its affiliates. Accordingly, a Fund will, in most cases, only benefit from the Management Fee reduction described in Item 5 above with respect to its allocable portion of any such supplemental fee and not the portion of any fee allocable to any co-investor in a portfolio company.

*Use of Credit Facilities.* The Funds are permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate commitments available to be called. A Fund's use of such facilities will be determined by CORE, and the performance of the Funds can be impacted by how CORE causes a Fund to utilize such facilities. Although the use of such a facility has the potential to increase the Funds' ability to swiftly invest capital, it also will cause the Funds to incur interest expense and other costs. Potential conflicts of interest are expected to arise in that the use of such facilities likely would delay the need for investors to make certain contributions to the Funds, which can enhance a Fund's performance figures and thereby benefit CORE.

In borrowing on behalf of the Funds, CORE is subject to potential conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Funds, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, CORE is expected to have incentives to cause the Funds to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which investors would otherwise be entitled had CORE called capital, and thus can result in CORE receiving Carried Interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, an investor will pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue a preferred return. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to investors will be commensurate with such costs. The General Partners therefore have a conflict of interest in deciding whether to borrow funds because a General Partner has the potential to receive disproportionate benefits from such borrowings and can be deemed to benefit during fundraising from the enhanced internal rate of return.

*Cross Transactions.* CORE reserves the right to arrange for a transaction in which (i) a Fund buys a security from, or sells a security to, the account of one or more Funds or (ii) parallel Funds buy or sell a security from the account of one another in connection with a re-balancing, as provided for in their Operative Documents (each, a "cross transaction"), in each case, when CORE deems such a transaction to be in the best interest of each participating Fund. In doing so, CORE reserves the right to (a) use an unaffiliated broker-dealer or custodian to execute such cross transaction and pay such broker-dealer or custodian in connection therewith, or (b) execute such cross transaction directly without the use of a broker-dealer or custodian, in which case CORE will not receive compensation to effect such transaction. Any compensation expenses or other transaction costs associated with a cross transaction are expected to be allocated among the Funds participating in such cross transaction pro rata based upon the expenses that relate to each, unless CORE determines that a different allocation would be more fair or equitable. When effecting cross

transactions, CORE expects to have conflicting responsibilities with respect to each participating Fund. Such cross fund transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that a Fund will not receive the best price possible or that CORE will have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. In certain circumstances, a cross transaction will be considered to be a “principal transaction” (*i.e.*, a transaction in which CORE acts as principal for its own account and knowingly transacts with a Fund) under the Advisers Act. To the extent that a cross transaction is viewed as a principal transaction, CORE will conduct such cross transaction in accordance with the provisions of Section 206(3) of the Advisers Act. In addition, any cross transaction can be subject to any advisory board consultation or approval as set forth under the Operative Documents of the applicable Funds.

*Allocation of Expenses.* CORE expects from time to time to incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are incurred for the account or for the benefit of multiple Funds, such participating Funds will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of the investment made or proposed to be made by each in respect of the entity to which the expense relates or in such other manner as CORE considers fair and equitable. Although CORE will endeavor to allocate such fees, costs and expenses on a fair and equitable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. Any such determinations are expected to involve inherent matters of discretion and potential conflicts of interest. Notwithstanding the foregoing, CORE reserves the right in the future to change or develop policies and procedures to address the allocation of expenses that differ from its current practice.

There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the Management Fee offset provision. Further, as noted in Item 5 above, portfolio companies reimburse CORE for various fees and expenses, including with respect to Operating Advisors.

A conflict of interest could arise in CORE’s determination of whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, whether such expenses should be borne by CORE or the manner in which CORE allocates expenses. The Funds will be reliant on the determinations of CORE in this regard. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocation, if possible, or such other equitable adjustment believed by CORE to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in CORE’s good faith judgment.

*Employees and Service Providers.* CORE, from time to time, expects to employ personnel with pre-existing ownership interests in, or who were employed by portfolio companies owned by, the Funds; conversely, former personnel or executives of CORE are permitted to serve in significant management roles at portfolio companies or service providers recommended by CORE. Similarly, CORE and/or its personnel maintain relationships with (or on occasion invest in) financial institutions, service providers and other market

participants, and their respective affiliates and personnel, including, but not limited to, managers of private funds, investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), banks, brokers, advisors, finders (including executive finders and portfolio company finders), institutional investors, family offices, co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of CORE, as well as certain family members or close contacts of these persons. Certain of these persons or entities from time to time are expected to invest (or be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, CORE, the General Partners and the Funds. CORE expects to have a potential conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to a Fund or a portfolio company owned by a Fund if such recommendation, for example, is motivated by a belief that such service provider or its affiliate(s) will continue to invest in one or more Funds, will provide CORE or its affiliates information about markets and industries in which CORE operates (or is contemplating operations) or will provide other services that are beneficial to CORE. CORE also expects to have a potential conflict of interest in making such recommendations, in that CORE has an incentive to maintain goodwill between itself and such service providers, while there can be no guarantee that the products or services recommended will necessarily be the best available to a Fund's portfolio companies.

Over the life of a Fund, CORE generally expects to exercise its discretion to recommend to the Funds or to a portfolio company of the Funds that it contract for services with various service providers, potentially including, among others: (i) the General Partners (or an affiliate thereof, which can include other portfolio companies of the Funds) and at rates determined or substantively influenced by CORE; (ii) an entity with which CORE or current or former personnel have a relationship or from which such person derives a financial or other benefit; or (iii) an investor. Such discretion subjects CORE to potential conflicts of interest because, although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, CORE has an incentive to recommend service providers that benefit CORE's financial or business interests. Additionally, there is a possibility that CORE, because of such incentive or for other reasons (including that the retention of certain persons or entities could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer term benefits to CORE, the General Partners and/or the Funds), will favor the retention of such a service provider even if a better price and/or quality of service provider could otherwise be obtained. Whether or not CORE has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that a more qualified and/or lower cost service provider could not be obtained.

*Operating Advisors.* CORE's Operating Advisors are expected to provide services regarding investing, monitoring or managing portfolio companies, and are also expected to become officers or employees of a portfolio company. Operating Advisors are expected to receive a retainer fee to be borne by CORE; however, such persons are also permitted to be compensated or reimbursed directly by the Funds and are authorized to receive directors' fees, finder's fees, profits interests or other remuneration or compensation from portfolio companies, in addition to any retainer referred to above.

*Certain Consultants.* CORE, the Funds and the portfolio companies from time to time are expected to retain other companies and individuals (collectively, "Special Consultants"), some of which will be affiliates of CORE, employees of such affiliates, third party consultants (including individual consultants and external executives), Operating Advisors, "operating partners," "strategic partners," "executive partners" or "senior advisors" primarily to provide services to the Funds or any portfolio company or prospective portfolio company in connection with the identification, acquisition, holding, improvement and/or disposition of portfolio companies, including operational aspects of such portfolio companies ("Services").

Pursuant to the Operative Documents, compensation, fees and reimbursement of certain expenses associated with the Services (collectively, “Consulting Fees and Expenses”) are authorized to be paid and/or reimbursed by applicable portfolio companies or prospective portfolio companies, or directly by the Funds. Consulting Fees and Expenses (including, for avoidance of doubt, Consulting Fees and Expenses paid to Operating Advisors) are not included as supplemental fees and do not reduce or offset the Management Fee payable by a Fund. Consulting Fees and Expenses are expected to include cash fees, profits or equity interests in portfolio companies, shares of proceeds upon the sale of portfolio companies and/or other incentive based compensation to Special Consultants, which are determined according to one or more methods, including the value of a Special Consultant’s time (including an allocation for overhead and other fixed costs), a percentage of the value of a portfolio company, the invested capital exposed to a portfolio company, amounts charged by other providers for comparable services, and/or a percentage of cash flows from a portfolio company. Additionally, Special Consultants can be provided opportunities to co-invest in one or more portfolio companies. Special Consultants can also be permitted to have an interest or profit interest in the Funds, the General Partners, or affiliates of the General Partners.

Although CORE intends to retain Special Consultants with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or otherwise improving portfolio company performance, due to a variety of factors, any such retention can result in limited cost savings, no cost savings or an increase in costs, in which case it is possible that portfolio company performance will be only marginally improved or can be negatively affected, as applicable. There can be no assurance that a more qualified and/or lower cost alternative could not be obtained.

In addition, portfolio companies of the Funds are authorized to pay Special Consultants to perform Services that, directly or indirectly, benefit CORE, its affiliates, the Funds and/or portfolio companies. Consequently, it is possible that CORE, its affiliates and/or portfolio companies will receive Services without being charged or at reduced rates. Conversely, it is possible that portfolio companies of the Funds will benefit from Services that are paid for by CORE, its affiliates and/or portfolio companies. Likewise, certain Funds are expected to pay Special Consultants (including Operating Advisors) to perform services that, directly or indirectly, benefit CORE, its affiliates, the Funds and/or portfolio companies of the Funds.

Relying on Special Consultants creates potential conflicts of interest. For example, CORE typically determines the amount of compensation that will be paid to Special Consultants and portfolio companies or a Fund ultimately pay or reimburse CORE for such compensation. The appropriate level of compensation for a Special Consultant can be difficult to determine, especially if the expertise and services he/she provides are unique and/or tailored to the specific engagement. In addition, given that CORE (and not a Fund) otherwise pays the salaries of CORE employees, CORE has incentives to retain individuals as Special Consultants instead of hiring them as employees, or to convert existing employees to Special Consultants.

*Industry Relationships.* As with other private equity fund sponsors, as part of CORE’s business, the Investment Partners, CORE and its employees have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, finders (including portfolio company finders), professional advisors (such as attorneys and accountants), investors, co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of CORE as well as family members or close contacts of such persons. Certain of these third parties are expected to: (i) introduce investment opportunities to CORE; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking,

consulting, legal or advisory services to CORE, the Funds or portfolio companies. Such third parties on occasion also provide goods or services to or have business, personal, familial, financial or other relationships with the Investment Partners. In other instances, such third parties provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through CORE's entities) to Firm personnel and their estate planning vehicles. In addition, some of the third parties have invested in one or more Funds; co-invested in one or more portfolio companies; or provided other significant business or investment services to CORE, the Funds and/or their portfolio companies. Such third parties can be entitled to receive a portion of a Fund's proceeds in connection with the sale of a particular portfolio company. Such third parties can also on occasion receive discretionary bonuses, transaction-based fees and/or directors' fees from, participation and/or profits or equity interests in a portfolio company or holding company in exchange for providing their services and such discretionary bonuses, fees, participation and/or profits or equity interests are not subject to the Management Fee offsets described in Item 5 above. These relationships have the potential to influence CORE in deciding whether to select or recommend any such third party to perform services for the Funds or a portfolio company. Compensation in the form of profits or equity interests in a portfolio company or immediate holding company will generally have a dilutive impact on a Fund's investment. The cost of any services provided by such third parties are expected to be borne directly or indirectly by the Funds or its portfolio companies, as applicable.

*Valuation of Assets.* There is not expected to be an actively traded market for most of the investments owned by the Funds. When estimating fair market value, CORE applies a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing investments for which reliable market quotations are not available is based on inherent uncertainties and the resulting values can differ from values that would have been determined had an active market existed for such investments and can differ from the prices at which such investments ultimately are sold. The Firm has established a valuation policy, which it will follow when performing portfolio company valuations. Each General Partner will determine the value of the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. While the valuation of the Funds' assets is performed internally by CORE's own team and such valuations are not reviewed by an independent third party valuation consultant, all valuations are subject to an annual review by the Funds' auditors as part of each Fund's annual financial statement audit. CORE's discretion in respect of such valuations is expected to give rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest and the calculation of the Management Fee. Generally, there will be no retroactive adjustment in the valuation of any investment or the fees and/or performance-based compensation paid to the Firm to the extent any valuation proves to not accurately reflect the realizable value of an investment.

*Certain Risks and Conflicts of Interest Related to Public Company Holdings.* In certain cases, a Fund will hold an interest in a public company. Such situations generally arise due to either: (i) taking a portfolio company public (either through: (a) a traditional securities registration and offering process or (b) sponsoring or merging with a SPAC; (ii) the acquisition of a portfolio company by a public company; or

(iii) the acquisition of public company securities within the permitted authority of the Firm under the relevant Operative Documents). In addition, on occasion a Fund has received, or expects in the future to receive, stock of certain portfolio companies as a fee for service of CORE employees on the board of such portfolio company. Although such fees are generally subject to offset as described above, the recipients (including CORE) of such stock generally will be able to determine the timing of the stock's disposition, which creates in certain circumstances a conflict of interest between the Firm and its related persons, on the one hand, and the Fund, on the other.

The acquisition and/or holding of public company securities creates certain risks and conflicts of interest that differ in type or degree from those involved with investments in privately held companies, including but not limited to: (i) volatility in the valuation of investments (which will be dictated based on market volatility, the public markets and the investment decisions of people and entities unaffiliated with the Firm); (ii) limitations on and risks associated with the company's or a Fund's use of 10b5-1 plans and fund trading in general; (iii) limitations on the ability of a Fund to dispose of such securities at certain times or to add to its position of such securities at certain times; (iv) the ability to dispose of interests in such investment (and the price effected for a disposition), including the fact that such dispositions will likely be effected at a different price or valuation than it would have been when such company was private; (v) increased exposure of the Firm or its personnel to material non-public information regarding such company (or its competitors, suppliers or others) which can in turn limit the ability of CORE to be able to purchase (or dispose) of securities of such companies which if it had otherwise been inclined to do so, may have resulted in the applicable Fund avoiding losses or losing out on potential gains; (vi) the allocation of time and resources of the Firm and/or its personnel; (vii) service by CORE personnel on the boards of such companies (including, if applicable, compensation of such board members and fiduciary obligations to shareholders other than the Fund and approval of board compensation from such public company to CORE); (viii) disclosure of Fund interests in such public company including the imposition of new, more frequent and more detailed filing obligations; (ix) increased scrutiny (and "headline risk" associated with a SPAC investment); (x) increased likelihood of shareholder litigation and insider trading allegations against such company, its executives and board members (which as noted above, can include members or representatives of CORE); and (xi) increased costs associated with any of the foregoing.

*Material Non-Public Information.* From time to time, CORE, its affiliates and its personnel, as a result of their operations, as well as in connection with officerships or directorships of CORE personnel, are expected to come into possession of confidential or material non-public information concerning specific companies ("MNPI"). As a consequence of CORE's inability to use MNPI for investment purposes under applicable securities laws and/or CORE's internal policies, the Funds' investment flexibility is expected to be constrained. For example, a Fund can be restricted from buying or selling an investment which, if MNPI had not been known, otherwise would have been undertaken. Each of CORE, the General Partners and the Funds anticipates that, to minimize the impact of such restrictions, it will elect not to receive MNPI in certain situations in which such an election is available.

*Advisory Board.* The General Partners have appointed several investor representatives to an advisory board for each Fund, which have the ability to review and waive compliance with certain provisions of the applicable Operative Documents, including resolving potential conflicts of interest situations, and whose approval is required or can be requested in certain circumstances under the Operative Documents, including certain approvals or consents required by the Advisers Act. Pursuant to the terms of the Operative Documents, all investors are bound by the determinations of the advisory board, regardless of whether an investor is represented by a member of the advisory board. The Operative Documents provide that to the fullest extent not prohibited by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any investors. An advisory board member reserves the right to consider the interests

of the investor it represents over the interests of investors as a whole when voting or consenting to any matter submitted to the advisory board. Members of the advisory board are expected to have potential conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. In addition, members of the advisory board are expected to have various business and other relationships with CORE and its members, partners, managers, directors, officers, employees and affiliates, which relationships are expected to influence their decisions as members of the advisory board. To the extent that an investor is not represented by a member of the advisory board, such investor will have no influence over matters submitted to the advisory board for review or approval.

In addition, members of one advisory board will often be members of another Fund's advisory board. In such instances, a conflict of interest can arise in the event an advisory board on which such members serve is requested to provide consent with respect a transaction involving a conflict of interest between two or more Funds. Advisory board members are not required nor are they likely to recuse themselves from any such vote.

*Conflicting Interests Among Investors.* Investors are expected to have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicting interests that relate to the structuring and timing of investment acquisitions and dispositions. As a consequence, conflicts are expected to arise in connection with decisions made by CORE regarding investments that are more beneficial to certain investors than to others, especially with respect to tax matters. In structuring, acquiring and disposing of investments, CORE generally will consider the investment, tax and other relevant objectives of the Funds and investors as a whole, rather than the investment, tax or other objectives of any individual investor.

*Secondary Transfers of Fund Interests.* To the extent that CORE has discretion to consent to a transfer of an investor interest in a Fund pursuant to the relevant Operative Documents, and subject to any restrictions therein, CORE reserves the right to identify one or more persons (including investors in one or more Funds or persons that are not investors, but will potentially in the future invest, in any Funds) to potentially acquire such interest, and will take into consideration a variety of factors as it deems necessary in exercising its discretion with respect to such a transfer.

*Placement Agents.* CORE has engaged one or more placement agents or other financial advisors to identify investors for the Funds or to satisfy regulatory requirements specific to the marketing of interests in a particular jurisdiction. Such placement agent's relations with the Funds are expected to conflict with the interests of prospective investors due to the fact that placement agents receive compensation for the offering of interests in a Fund. Placement fees payable to any placement agent in connection with the formation of a Fund shall be ultimately borne by the General Partners.

*Research Costs for Investments.* CORE expects that there will be circumstances when it considers an investment on behalf of one Fund and determines not to make such investment; however, CORE could eventually cause another Fund to make such investment. In these circumstances, CORE or such Fund is expected to benefit from research undertaken by the original investment team and/or from costs borne by a Fund in pursuing the potential investment, but while such Fund may, it is not required to reimburse the subsequent Fund for expenses incurred in connection with such research.

*Tangible and Intangible Benefits.* In connection with its services to the Funds and their investments, CORE expects to receive the benefit of certain tangible and intangible benefits. For example, in the course of CORE's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, CORE and its personnel expect to receive and benefit from information, "know-



how,” experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “the CORE Information”). In many cases, CORE Information will include tools, procedures and resources developed by CORE to organize or systematize CORE Information for ongoing or future use. Although CORE expects its Funds and their portfolio companies generally to benefit from CORE’s possession of CORE Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by CORE and its personnel) and not by the Fund or portfolio company from which CORE Information was originally received. CORE Information will be the sole intellectual property of CORE and solely for the use of CORE.

Additionally, CORE and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses often result in “miles” or “points” or credit in loyalty/status programs to CORE and/or its employees, and such rewards or amounts will exclusively benefit CORE and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its investors, or the portfolio companies.

*Employee Investors.* Certain of CORE’s employees and personnel have invested in the Funds directly or as part of the relevant General Partner’s commitment to such Fund. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external Fund investor. For example, employee investors generally will not be subject to a Management Fee and/or Carried Interest with respect to their investment, will receive information regarding investments at different times than other investors and are also likely to benefit from different credit facility arrangements than the Funds.

## **Item 9. Disciplinary Information**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of CORE or the integrity of CORE's management. There have been no legal or disciplinary events to disclose that are material to an investor's or prospective investor's evaluation of CORE's advisory business or integrity of management.

## **Item 10. Other Financial Industry Activities and Affiliations**

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Neither CORE nor any management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. In addition, neither CORE nor any management persons are registered, nor have an application pending to register as, a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

CORE does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business or to its Funds or its investors. CORE has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to the principals, the Funds or their portfolio companies. Additionally, some of these professionals are investors in Funds, either personally or through their company.

As described above in Item 4, CORE is affiliated with the Funds' General Partner and Relying Adviser which are deemed registered with the SEC under the Advisers Act pursuant to CORE's registration. The General Partners and Relying Adviser operate as a single advisory business together with CORE and serve as the General Partner, Relying Adviser, other adviser, affiliate or managing members of private investment funds and share common owners, officers, partners, employees, consultants, Operating Advisors or persons occupying similar positions. The General Partners and Relying Adviser do not have employees of their own.

From time to time, CORE receives training, information, promotional materials, meals, entertainment, gifts and other perquisites from vendors and others with whom it does business or to whom it makes referrals. However, at no time will CORE accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing individual Fund transactions to a specific investment, product or provider. Similarly, CORE employees have in the past, and expect in the future, to speak at or attend conferences and programs for potential investors interested in investing in private funds and other industry events that are sponsored by various investment bankers, broker-dealers or others. Through such capital introduction and other industry events, prospective investors have the opportunity to meet with CORE. Neither CORE nor any Fund compensates these investment bankers, broker-dealers or others for investments ultimately made by prospective investors attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

CORE does not recommend or select other investment advisers for the Funds.

## **Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

### **Code of Ethics and Personal Trading**

Pursuant to Rule 204A-1 of the Advisers Act, CORE has adopted a Code of Ethics (referred to in this Brochure as the “Code”) to ensure that CORE fulfills its role as a fiduciary to the Funds. The interests of the Funds must always be recognized, respected and have precedence over CORE employees. The Code requires that CORE employees act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably practicable and identify and manage conflicts of interest to the extent they arise. CORE employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by CORE or its employees. The Code establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of CORE’s personnel and their covered family members. Because CORE’s business focuses primarily on private market investments, CORE expects that instances of supervised persons having access to material non-public information regarding publicly-traded securities will be relatively infrequent. CORE maintains a restricted list of issuers about which it has or may have material non-public information. The Code requires that personnel and their covered family members pre-clear certain public and private personal securities transactions, report personal securities transactions in accordance with the Code on at least a quarterly basis and submit reports to CORE regarding personal accounts and reportable securities holdings. CORE’s personnel are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information or communicating material non-public information about such securities to others. CORE’s personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by CORE personnel and that CORE personnel in no respect misappropriate any benefit properly belonging to a Fund.

The principals and employees of CORE will occasionally carry on investment activities for their own account and for family members or others, and in connection therewith can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds even if their investment objectives are the same or similar. In addition, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds. For example, in an effort to build relationships with founders and companies, supervised persons at times are expected to make personal investments that are not at that time appropriate for a Fund, such as those that are too small and/or too early stage, in order to form deeper connections with such companies, get insight into their industries and ecosystems over time, and further develop their networks and relationships with the founders, CEOs and boards of such endeavors. All such employee private investments are subject to pre-approval and review by the Chief Compliance Officer.

The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, includes restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items.

Employees are required to provide an annual written certification to CORE as to their compliance with the Code.

With respect to third parties that are not subject to the trading restrictions under CORE’s Code and that may otherwise obtain sensitive and non-public information relating to a Fund deal (e.g., co-investors, legal, financial, diligence, public relations and other similar service providers), such persons typically are subject

to contractual provisions in confidentiality agreements or professional obligations that prohibit the misuse of any such information.

A copy of CORE's Code is available upon request to CORE at 110 N Wacker Drive, Suite 2200, Chicago, Illinois 60606, Attn: Ann Koerner, Chief Compliance Officer or [inquiries@COREipfund.com](mailto:inquiries@COREipfund.com) or (312) 566-4880.

### **Participation or Interest in Client Transactions**

Certain CORE employees and their family members have invested in the Funds through the relevant General Partner and/or as Fund investors. As mentioned in Item 5 above, CORE generally reduces all or a portion of the Management Fee and Carried Interest related to investments held by such persons. CORE does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of investors in such Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. CORE will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This also applies to any affiliates or controlling persons of the adviser (*e.g.*, an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of CORE's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future fund or CORE or a Fund General Partner purchasing the interest of an existing investor.

Cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more different funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of CORE's business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to CORE.

In the event CORE were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating Funds; (ii) the transaction is permitted by the relevant Operative Documents; (iii) proper disclosure is given to the relevant General Partner, advisory board or investors, as appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

### **Other Potential Conflicts of Interest**

If any matter arises that CORE determines in its good faith constitutes an actual conflict of interest, CORE will take such actions as are necessary or appropriate, and as permitted by any applicable Operative Documents, to assess such conflicts. The Operative Documents of each Fund include a description of what CORE believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

## Item 12. Brokerage Practices

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While CORE generally focuses on securities transactions in private companies and purchases and sells such companies through privately negotiated transactions, the Funds on occasion engage broker-dealers and investment bankers to perform various services for the Funds and portfolio companies, such as assisting in the purchase or sale of a private portfolio company, assisting in the purchase or sale of shares of securities of a public portfolio company or purchasing or selling publicly traded securities. CORE has discretion regarding the types of investments to be made by the Funds, subject to each of the Funds' investment strategies and purpose as set forth in the Operative Documents. In such transactions, CORE will seek best execution for the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, in the event that a broker-dealer or investment banker is selected or recommended, CORE employs a due diligence process to ensure that any such transaction is executed in the best interest of the Funds based on CORE's judgment regarding certain factors including but not limited to: CORE's prior experience with the broker-dealer or investment banker; a broker-dealer's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services provided; and the commission rates, among other factors the Firm deems relevant to the specific transaction.

Although CORE generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services. CORE believes the commissions or mark-ups charged are competitive with those that other broker-dealers or investment bankers charge.

CORE does not receive research or have any soft dollar arrangements in connection with securities transactions for the Funds and does not engage in directed brokerage.

In the event CORE were to aggregate the purchase or sale of securities for Fund accounts, it would do so on a pro rata basis.

### Item 13. Review of Accounts

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CORE's Investment Committee reviews and monitors the Funds' investments on an ongoing basis, including with respect to investment decisions as to when to purchase or sell a portfolio company. CORE holds board seats for all of the investments it makes. CORE's investment professionals routinely meet to discuss asset management activities as well as potential new investment opportunities. It is not uncommon for the relevant investment professionals to be in regular, as often as weekly, contact with the portfolio company's senior management team. CORE's Investment Committee convenes as and when necessary to consider and approve new investment opportunities and material investment decisions regarding the Funds' existing investments, including dispositions and refinancings.

More frequent reviews are generally triggered by material changes in key variables that could affect the performance of the portfolios or their investments, including changes in the financial markets and activity and trends in the political or economic environment.

Within 120 days after each Fund's fiscal year-end and in accordance with each Fund's Operative Documents (or earlier as agreed to in the relevant Operative Documents), audited financial statements are prepared by an independent accountant pursuant to Generally Accepted Accounting Principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB") and are distributed to each investor in the Funds (see Item 15). In addition, on an annual basis CORE provides Fund investors with a closing capital account balance for the fiscal year, valuations, a narrative summary of each Fund's investments and tax information necessary for the completion of tax returns (K-1). On a quarterly basis, CORE provides Fund investors with unaudited performance information and a narrative summary of the status of each investment within forty-five days after the end of the first three quarters of each fiscal year. Quarterly reports are based on the unaudited and estimated value of the relevant Fund's investments. The Firm also has contact with investors (*e.g.*, personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence, investors periodically request information pertaining to CORE's investments. CORE responds to these requests, and in answering such requests, provides information that is not always made available to other investors who have not requested such information. Additionally, as it pertains to existing investors, upon request or pursuant to contractual obligations (such as agreed to in a side letter), certain investors receive additional information and reporting that other investors do not receive. The fact that CORE provides such information upon request to one or more investors does not obligate CORE to affirmatively provide such information to all investors. As a result, certain investors will have more information about a Fund than other investors, and CORE has no duty, and does not intend, to ensure that all investors seek, obtain or possess the same information regarding a Fund and its investments and/or portfolio companies.

#### **Item 14. Client Referrals and Other Compensation**

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As described in Item 5 above, CORE receives supplemental fees and reimbursements from the portfolio companies held by the Funds. These fees are generally paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that CORE believes will ultimately enhance the value of the companies and benefit the Funds and their investors.

These types of fee arrangements present potential conflicts of interest and provide CORE with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by CORE or its employees (but not Operating Advisors) in connection with services rendered to portfolio companies or transactions of the Funds are offset in part against Management Fees payable by the Funds, to the extent described above in Item 5 and as detailed in each Fund's Operative Documents.

In connection with raising a new fund, CORE engages a third-party placement agent to introduce prospective investors. Fees for the placement agent include both a fixed, non-refundable advisory fee and a scaled placement fee based on a percentage of capital commitments from investors in excess of stated thresholds with respect to capital raised from specified investors for which placement agent fees are paid pursuant to applicable law. The placement agent fees are paid by the Funds and are reimbursed by CORE on a dollar-for-dollar basis through an offset of CORE's Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund as part of its organizational expenses.



## **Item 15. Custody**

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The Firm or certain affiliates are deemed to have custody of certain Fund assets because the General Partners are not operationally independent from CORE: each General Partner generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4)-2 (the “Custody Rule”), CORE has elected to undergo an annual GAAP financial statement audit by an independent accountant registered with and subject to inspection by the Public Company Accounting Oversight Board for each of the Funds over which it is deemed to have custody, copies which are (or will be, for recently closed Funds) delivered to the Funds and their respective investors within 120 days of fiscal year end (or earlier as agreed to in the relevant Fund Operative Documents). Investors are encouraged to carefully review such financial statements. In addition, upon the final liquidation of a Fund, CORE will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying investors promptly upon completion of the audit.

CORE does not accept physical custody of Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is deposited or wired directly into the relevant Fund’s bank account maintained with a qualified custodian and public securities are held with broker-dealers or transfer agents who act as custodians for such securities. CORE receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds’ qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

## **Item 16. Investment Discretion**

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CORE generally receives and exercises complete discretionary authority to manage investments on behalf of the Funds as per the Operative Documents of each Fund. To become an investor in a Fund, an investor must execute certain Operative Documents, including a subscription agreement and partnership agreement (or similar agreement) with such Fund. Such documents generally contain: (i) various representations, including representations regarding an investor's suitability to invest in an investment pool and (ii) a power of attorney that grants CORE or the applicable General Partner certain powers related to the orderly administration of the affairs of the Funds. Once an investor executes these documents, with limited exceptions discussed elsewhere in this Brochure, CORE is not required to contact such investor prior to transacting business in a Fund.

Generally, CORE's only restrictions with respect to managing a Fund, such as, (but not limited to) the type of securities in which a Fund invests, will be contained in the relevant Fund's Operative Documents. However, an investor can seek to impose limitations on CORE's authority through a side letter or similar agreement, and the Firm and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon CORE's investment authority with respect to an investor's investment must be presented to CORE and the applicable General Partner in writing and agreed to by all applicable parties. Other investors meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights over such agreements.

No investors to date have limited CORE's or a Fund's discretionary authority to provide investment advice.

## **Item 17. Voting Client Securities**

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By virtue of the applicable Operative Documents, CORE has the authority to vote proxy statements on behalf of the Funds. However, given the nature of CORE's advisory business, the Funds do not frequently hold public securities; the majority of "proxies" received by CORE are written shareholder consents or similar instruments for private companies owned by the Funds. Specifically, from time to time, portfolio companies request CORE (usually through the General Partner of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, CORE considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies.

CORE has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. CORE's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value. CORE generally believes its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds. However, in the event that there is a conflict of interest in voting proxies, CORE's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory board on the proposed proxy vote, or through other alternatives as set forth in CORE's proxy voting policy. Investors in the Funds cannot direct how CORE votes proxies or shareholder consents, nor is CORE required to seek investor approval or direction when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by CORE (including Operating Advisors) often sit on the boards of portfolio companies to which CORE provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. CORE does not consider service on portfolio company boards by the aforementioned persons or their receipt of nominal board fees, if any, to create a material conflict of interest in voting proxies with respect to such companies.

CORE will provide a copy of its proxy voting policy to investors upon request to CORE at 110 N Wacker Drive, Suite 2200, Chicago, Illinois 60606, Attn: Ann Koerner, Chief Compliance Officer or [inquiries@COREipfund.com](mailto:inquiries@COREipfund.com) or (312) 566-4880. Investors can also obtain information from the Firm, free of charge, about how CORE voted any previous proxies.

**Item 18. Financial Information**

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CORE does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance.

CORE is not aware of any financial conditions that would be reasonably likely to impair CORE's ability to meet contractual commitments to the Funds.

Neither CORE nor any affiliates have been the subject of a bankruptcy petition at any time during the past ten years.

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