

Item 1 – Cover Page

**Part 2A of Form ADV
Brochure for:**

Seaside Equity Partners, LLC

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November 1, 2023

This Brochure provides information about the qualifications and business practices of Seaside Equity Partners, LLC (“Seaside Equity” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Seaside Equity is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.

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

Item 2 – Material Changes

This Brochure, dated November 1, 2023, has been prepared by Seaside Equity as an amendment to the prior version of its brochure, dated July 21, 2023 (the “Prior Version”).

Item 4 has been updated to reflect Seaside Equity’s current assets under management.

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Item 4 – Advisory Business

A. Description of the Advisory Firm

Seaside Equity Partners, LLC (“Seaside Equity”), a Delaware limited liability company, is a registered investment adviser managing private equity funds based in San Diego, California. Seaside Equity was formed on September 23, 2019. Andrew Thompson is the principal owner and Managing Director of Seaside Equity.

B. Types of Advisory Services

Seaside Equity serves as general partner and investment adviser to private investment funds (the “Funds”). Seaside Equity may decide in the future to sponsor or manage additional private investment funds (collectively with the Funds, the “Clients”).

Pursuant to each Fund’s offering memorandum, limited partnership agreement, and subscription documents (“Constituent Documents”), Seaside Equity is a private equity investment firm that focuses on lower middle market buyout transactions of business services companies in the western United States. The Firm’s investment strategy is generally focused on what Seaside believes are three highly compelling and strategically targeted private equity investment opportunities: (i) the western United States, (ii) the business services industry, and (iii) lower middle market buyout transactions.

The Funds are offering limited partnership interests (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors”).

C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Clients’ investment objectives. With respect to the Funds, Seaside Equity has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Fund or its Investors.

D. Wrap Fee Programs

Seaside Equity does not participate in wrap fee programs.

E. Amounts Under Management

Seaside Equity manages the assets of the Clients and has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$509,533,191	\$24,005,920	June 30, 2023

Item 5 – Fees and Compensation

A. Fee Schedule

The fees and compensation payable to Seaside Equity are negotiable and vary among its Clients. However, the range of compensation is generally as follows:

1. Management Fee

With respect to the Funds, Seaside Equity typically receives a quarterly asset-based management fee (the “Management Fee”) calculated as a percentage of each Investor’s capital account, payable quarterly in advance. The management fee is generally 2%.

3. Transaction Fees

The Management Fee will be reduced by an amount equal to 80% of transaction fees attributable to partners of the Firm not designated as “affiliated partners.” Transaction fees include any: (i) directors’ fees, financial consulting fees or advisory fees paid to the Firm with respect to any Fund investment; (ii) transaction fees paid to the Firm with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the Firm, in each case net of certain expenses (including those described below) as set forth in the Constituent Documents; but not including, in any event, any amount received by the Firm or other person from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company’s business, (C) as compensation for services provided by the Firm or other person as an employee of or in a similar capacity for such portfolio company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by an operating executive or other similar professional to a portfolio company or prospective portfolio company (“Transaction Fees”).

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by Seaside Equity in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees.

To the extent that any other fund or any other entity or individual co-invests alongside the Funds in any portfolio company investment, any Transaction Fees will be allocated among the Funds and the co-investors in proportion to the cost of the investment or potential investment in the portfolio company held (or proposed to be held) by each. Accordingly, the Funds will, in most cases, only benefit from the Management Fee reduction described above with respect to its allocable portion of any such Transaction Fee and not the portion of any fee allocable to any other investor in a portfolio company.

4. Fee Comparison

Client expenses, including the management fee and any other fees may constitute a higher percentage of average net assets than could be found in other investment programs.

B. Payment of Fees

Management fees are deducted from Client assets, and management fees are reduced by an amount as outlined in the Constituent Documents. Management fees, which are paid in advance, are withdrawn at the beginning of the quarter.

C. Third-Party Fees

Clients shall pay such costs and expenses as Seaside Equity shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) the Management Fee; (ii) Transactions Fees; (iii) all general investment expenses (i.e., expenses which Seaside Equity reasonably determines to be directly related to the investment of the Client's assets); (iv) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (v) fees, costs and expenses of third-party service providers that provide such services; and, (vi) any extraordinary expenses, among other expenses.

Seaside Equity's fees are exclusive of brokerage commissions and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to Seaside Equity's Management Fee, and Seaside Equity shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure regarding brokerage.

D. Outside Compensation for the Sale of Securities

Neither Seaside Equity nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with Seaside Equity.

The foregoing discussion in Items 5 represents Seaside Equity's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although Seaside Equity believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

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

Seaside Equity does not receive an incentive allocation with respect to its Funds. Due to the Fund's structure, Seaside Equity allocates investment opportunities to the Funds, and not to individual Investor accounts. Therefore, there are no potential conflicts of interest related to the side-by-side management.

Item 7 – Types of Clients

Seaside Equity provides investment advice and management to the Funds. Seaside Equity may in the future provide the same or similar services to other privately placed investment funds and/or separately managed accounts.

Seaside Equity intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from “investment company” status under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Prospective Investors in the Funds must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund’s Constituent Documents, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ.

The Funds. Each Investor generally must be an “accredited investor” (as defined in Regulation D under the Securities Act of 1933), a “qualified purchaser” (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended), an Investor who is eligible to enter into a performance fee arrangement under state and/or federal law, as applicable, and must meet other criteria as specified in the Constituent Documents. The minimum initial investment is \$5,000,000, subject to waiver at the discretion of Seaside Equity.

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

A. Methods of Analysis

Seaside Equity’s primary methods of analysis are technical analysis using financial newspapers and magazines; inspection of corporate activities; research materials prepared by others; corporate rating services; timing services; annual reports, prospectuses, filings with the SEC; and company press releases, among others.

B. Investment Strategies

Seaside Equity intends to capitalize on the mismatch it perceives between numerous high quality, lower middle market, business services targets in the Western U.S., and the limited number of local private equity investors focused on lower middle market buyouts headquartered in the region. Seaside Equity has built several competitive advantages in its targeted geography that it believes are sustainable. Seaside Equity’s local direct sourcing network, bench of experienced operating executives, and history of transitioning founder/family owned business to institutional quality position Seaside Equity to capitalize on lower middle market business services targets in the Western U.S.

Within business services, Seaside Equity has four primary targeted industry sub-sectors:

1. Professional & Human Capital Services;
2. Technology & Education Services;
3. Commercial & Industrial Services; and

4. Specialty Processing & Distribution.

C. Risks of Investments and Strategies Utilized

Investing in securities involves risk of loss that Clients and Investors should be prepared to bear.

Investment and trading risk factors may include the below list. A complete list of risk factors can be found in the Constituent Documents.

Business Risks. The Funds' investment portfolio is expected to consist primarily of securities issued by privately held companies and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. There can be no assurance that the Funds will generate investment returns commensurate with the prior experience of Seaside Equity principals. An Investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in the Funds will resemble that of the principals' prior experience or the Funds' prior performance. An Investor should only invest in the Funds as part of an overall investment strategy, and only if the Investor is able to withstand a total loss of its investment in the Funds. While Seaside Equity intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which the Funds will invest may 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 the Funds' investments once made.

Concentration of Investments. The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

The Funds may provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Constituent Documents, in which case the investment would be treated as a permanent investment of the Funds. As a result, the Funds' portfolios could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Funds' investment limitations, certain of which exclude bridge financing investments.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. However, Investors will be required to bear management fees through the Funds during the investment period based on the entire amount of the Investors' commitments and other expenses as set forth in the Constituent Documents.

Dynamic Investment Strategy. While Seaside Equity generally intends to seek attractive returns for the Funds primarily through pursuing the investment strategy described herein, it may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. Seaside Equity may pursue investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience.

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. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold 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 may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the management fee) may exceed its income, thereby requiring that the difference be paid from the Funds' capital, including unfunded commitments.

Leveraged Investments. The Funds may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs.

Subscription Lines. The Funds may enter into credit facilities commonly known as "subscription lines." Amounts borrowed under the credit facility are generally secured by pledges of the Firm's right to call capital from, and the right of the Funds to receive amounts funded by, Investors. 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 the Firm's right to call capital from the Investors, Investors may be obligated to

contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Investor claim against the Funds would likely be subordinate to the Funds' obligations to a subscription line's creditors. The credit facility may also be secured by other collateral, including the Funds' investments.

Limited Transferability of Fund Interests. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Constituent Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable. Investors may not be able to liquidate their investments prior to the end of the Funds' term and must be prepared to bear the risks of an investment in the Funds for an extended period of time.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to the Investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Investors. After a distribution of securities is made to the Investors, many Investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Investors may be lower than the value of such securities determined pursuant to the Constituent Documents, including the value used to determine the amount of carried interest available to the Firm with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Funds will be vested with Seaside Equity, and the Funds' future profitability will depend largely upon the business and investment acumen of Seaside Equity's principals. The loss or reduction of service of one or more of the principals could have an adverse effect on the Funds' ability to realize its investment objectives. In addition, the principals currently manage other investments and may in the future manage other investment funds besides the Funds, and the principals may need to devote substantial amounts of their time to such investments and to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the principals. Investors generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of Seaside Equity. In addition, certain changes in the Firm or circumstances relating to the Firm may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Although the Firm will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although 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 management of such companies will be able or willing to successfully operate a company in accordance with the Funds' objectives.

Projections. Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the Firm 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. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities. Numerous jurisdictions have enacted, or have committed to enact, legislation and administrative guidance requiring the collection and sharing of certain information in order to combat tax avoidance. The United States, pursuant to the "Foreign Account Tax Compliance Act" or "FATCA" has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, the Organization for Economic Co-operation and Development ("OECD") has proposed a worldwide tax information exchange standard that is likely to be adopted by many countries for years after 2015. One or more of these information exchange regimes are likely to apply to the Funds and/or alternative investment vehicles, and may require the Firm to collect and share with applicable taxing authorities information concerning Investors (including identifying information and amounts of certain income allocable or distributable to them). An Investor's failure to provide required information may result in withholding taxes, government-imposed penalties, expulsion from the Funds or alternative investment vehicles or other remedies. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity's share of most payments attributable to investments in the United States, including dividends and interest, and the Funds may be required to withhold such taxes from certain non-U.S. Investors, unless an exception applies. Recently issued proposed U.S. Treasury regulations, which can be relied on until final regulations are issued, eliminate the 30% withholding tax on a non-U.S. entity's share of gross proceeds from the disposition of property that can produce U.S. source dividends or interest (prior to the issuance of the proposed U.S. Treasury regulations, withholding on gross proceeds had been scheduled to begin on January 1, 2019).

Conflicting Investor Interests. Investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Firm regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Firm generally will consider the investment and tax objectives

of the Funds and its Investors a whole, not the investment, tax, or other objectives of any Investor individually.

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. 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 its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

U.S. Taxation of Carried Interest. U.S. federal income tax legislation 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 such partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of the principals, employees, or other individuals associated with the Funds or the Firm who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the Firm and its affiliates to incentivize, attract and retain individuals to perform services for the Funds. These same issues may also apply to officers, directors and employees of the Funds' portfolio companies if such persons receive a profits interest in such companies. This could also create an incentive for the Firm to cause the Funds to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful 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 the Funds not to make follow-on investments or its inability to make such investments may 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 may result in a lost opportunity for the Funds to increase its participation in a successful portfolio company or the dilution of the Funds' ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. The Funds may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Funds), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or the Investors with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Fund and/or the Investors.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Hedging Arrangements; Related Regulations. The Firm may (but is not obligated to) endeavor to manage the Funds' or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

Significant Adverse Consequences for Default. The Constituent Documents provides 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 the Funds, a defaulting Investor may be forced to transfer its interest in the Funds for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

Dilution. Investors admitted or that increase their respective commitments to the Funds at subsequent closings generally will participate in then-existing investments of the Funds, thereby diluting the interest of existing Investors in such investments. Although any such new Investors will be required to contribute their pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Funds' existing investments at the time of such contributions.

Transfer by General Partner. To the extent the Firm, its partners, the principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side the

Funds, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Constituent Documents.

Public Company Holdings. The Funds' investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the principals, and increased costs associated with each of the aforementioned risks.

Distressed Investments. The Funds may 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 may have been, are 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 the Firm will correctly evaluate the value of 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 such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Funds may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Funds invested.

Non-controlling Investments. Although the Funds intend to focus on controlling investments, the Funds may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Funds at times may 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 may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Funds hold a minority stake, it may be more difficult for the Funds to liquidate its interests than it would be had the Funds owned a controlling interest in such company. Even if the Funds have contractual rights to seek liquidity of the Funds' minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Funds, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Director Liability. 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 they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

Limitation of Recourse and Indemnification. The Constituent Documents will limit the circumstances under which the Firm and its affiliates will be held liable to the Funds. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Constituent Documents will provide that the Funds will indemnify the Firm and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Funds and may receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that may be subject to a right of indemnification. The fees, costs and expenses (whether or not advanced) and other liabilities resulting from the Funds' indemnification obligations will generally be paid by or otherwise satisfied out of the assets of the Funds, including the unpaid capital obligations of the Investors. In addition, if the assets of the Funds are insufficient to satisfy the Funds' indemnification obligations, the Firm may recall distributions previously made to the Investors, subject to certain limitations set forth in the Constituent Documents. The Firm may cause the Funds to purchase insurance for the Funds, the Firm and their employees, agents and representatives, including to cover actions that would not be indemnifiable under the Constituent Documents, although there can be no assurance that any such insurance will be sufficient, available to satisfy the specific claims that may arise or generally available on commercially reasonable terms. Such indemnification obligations could materially impact the returns to Investors.

Litigation. In the ordinary course of its business, the Funds may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Firm's and the principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Advisory Board. The Firm will appoint one or more Investor representatives to the advisory board. The Constituent Documents will provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any other Investor. In addition, representatives of the advisory board may have various business and other relationships with the Firm and its partners, employees and affiliates. These relationships may influence their decisions as members of the advisory board.

General Tax Considerations. An investment in the Funds involves complex U.S. and non-U.S. tax considerations that will differ for each investor depending on the investor's particular circumstances. The investment decisions of the Firm will be based primarily upon economic, not tax, considerations and could result, from time to time, in adverse tax consequences to some or all Investors. There can be no assurance that the structure of the Funds or of any investment will be tax-efficient for any particular investor. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situations.

Loans in Lieu of Distributions. Pursuant to the Constituent Documents, certain distributions to the Firm may be deferred to the extent the amount distributable exceeds the Firm's tax basis in the Funds. In such case, the deferred distribution amount may be loaned by the Funds to the Firm. Any interest accruing with respect to such a loan will be allocated and distributed solely to the Firm.

General Partner Deemed Capital Contributions. A portion of the Firm's commitment will be satisfied through deemed capital contributions, rather than cash contributions, and there will be a corresponding reduction in management fees. At the times the Firm is credited with deemed capital contributions, Investors will be required to make additional capital contributions to the Funds. This may result in an acceleration of Investor capital contributions. In addition, due to the reduced management fees or timing of receipt of compensation subject to management fee offsets, it is possible that such offsets will not be fully realized by the Investors until liquidation of the Funds and the refunding of any unapplied offset, resulting in a benefit to the Firm until such liquidation.

Income Tax Allocations. The Firm (and its beneficial owners) may be subject to tax treatment in respect of its share of income arising from the carried interest and its capital commitment to the Funds, including tax treatment that differs materially from the taxation of similar items to certain Investors, that could create the potential for conflicts of interest. For example, various tax rules (including the recently-enacted three-year holding period requirement for capitals gain treatment in respect of carried interest) could create an incentive for the Firm to cause the Funds to borrow more frequently, in greater amounts, or for longer periods; hold investments for longer than it would absent adverse tax consequences to the Firm from a shorter holding period; or waive or defer the distribution or allocation of carried interest to the Firm, potentially changing the character or amount of income allocated to Investors. The Firm will generally have the authority to control these decisions and any positions taken by the Funds in respect of tax elections or income allocations.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may 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 may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases 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 may 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 may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may 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) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of 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 may adversely affect the value of investments in portfolio companies and the Funds' performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Funds to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the Firm believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support its investment objective.

Material Non-Public Information. As a result of the operations of the Firm and its affiliates, the Firm may come into possession of confidential or material, non-public information. Therefore, the Firm and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Funds. Consequently, the Funds may be restricted from initiating a transaction or selling an investment which, if such information had not been known, may have been undertaken on account of applicable securities laws or the Firm's internal policies. Due to these restrictions, the Funds may not be able to make an investment that they otherwise might have made or sell an investment that they otherwise might have sold.

Conflict of Interest. The Firm believes that the significant investment of the principals in the Funds, as well as the principals' interest in the carried interest, operate to align, to some extent, the interest of the principals with the interest of the Investors, although the principals currently have and may in the future have economic interests in other investment funds and investments as well and receive management fees and/or carried interests relating to these interests. Such other investment funds and investments that the principals control or manage may compete with the Funds or companies acquired by the Funds. At such time as the Firm is permitted to raise a successor investment fund to the Funds, the principals will continue to manage the Funds' investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments may be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Constituent Documents.

Until such time as the Firm is permitted under the Constituent Documents to raise a successor investment fund to the Funds, the principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the Funds principally for the benefit of the Funds, subject to certain exceptions set forth in the Constituent Documents. However, the principals currently manage several other investments and may in the future manage several other investment funds besides the Funds, and investments similar to those in which the Funds will be investing and may direct certain relevant investment opportunities to those investment funds and investments. Over time, certain investment opportunities suitable for the Funds are likely also to be suitable for other investment funds sponsored by the Firm or its affiliates. In determining which investment funds should participate in such investment opportunities, subject to the Constituent Documents, the Firm, the principals and their affiliates are subject to potential conflicts of interest among the investors in the Funds and investors in the other investment funds sponsored by the Firm and the principals. To determine whether the Funds or other investment funds sponsored by the Firm or its affiliates will participate in the relevant investment opportunity, the Firm generally assesses whether an investment opportunity is appropriate for each relevant fund based on the terms of such fund's limited partnership agreement, as well as factors including but not limited to: each fund's investment restrictions and objectives (including those set forth in the relevant fund's partnership agreements, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. The Funds may invest together with other funds advised by an affiliated adviser of the Firm in the manner set forth in the Constituent Documents. The Firm will determine the allocation of investment opportunities among funds in a manner that it believes is fair and equitable consistent with the Firm's obligations and may take into consideration factors such as those set forth above. In the event that the available amount of an investment opportunity in which the Funds will invest exceeds an amount appropriate for the Funds, such excess may also be offered to one or more potential investors.

The Firm's allocation of investment opportunities among the Funds and any of the other investment funds sponsored by the Firm may not always, and often will not, be proportional.

Therefore, such allocations may be more advantageous to the Funds relative to one or all of the other investment funds, or vice versa. While the Firm will allocate investment opportunities in a way that it believes in good faith is fair and equitable to the Funds, there can be no assurance that the Funds' actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the Firm may be subject did not exist.

Additionally, conflicts of interest can arise if the Funds make an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by the Firm or an affiliate. For instance, the Funds may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This may result in differences in price, investment terms, leverage and associated costs between the Funds and any other investing fund sponsored by the Firm or an affiliate. There can be no assurance that the Funds and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Funds' return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Funds.

The Firm may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. The Firm, in its sole discretion, will allocate fees and expenses in accordance with the Constituent Documents and in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

The Funds intend to make controlling investments in portfolio companies. As a result of these controlling interests, the Firm typically has the right to appoint portfolio company board members (including current or former Firm personnel or persons serving at their request), 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 the Firm in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Constituent Documents' offset provisions, are in addition to the management fee or carried interest discussed herein. The Firm's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Firm subjects the Firm and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse the Firm or service providers retained at the Firm's discretion for expenses (including, without limitation, travel expenses) incurred by the Firm or such service providers in connection with the performance of

services for such portfolio company. This subjects the Firm to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Constituent Documents and its internal reimbursement policies and practices, the Firm determines the amount of these reimbursements for such services in its own discretion.

The Firm may also, from time to time, employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds or other funds or investment vehicles advised by the Firm; conversely, former personnel or executives of the Firm may serve in significant management roles at portfolio companies or service providers recommended by the Firm. Similarly, the Firm and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Firm, and/or the Funds, other funds or other investment vehicles the Firm advises. The Firm may have a conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to the Funds or a portfolio company owned by the Funds if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more funds the Firm advises, will provide the Firm information about markets and industries in which the Firm operates (or is contemplating operations) or will provide other services that are beneficial to the Firm. The Firm may have a conflict of interest in making such recommendations, in that the Firm has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds and other funds and investment vehicles that the Firm advises, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

Over the life of the Funds, the Firm generally expects to exercise its discretion to recommend to the Funds or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) the Firm (or an affiliate, which may include other portfolio companies of the Funds or other investment funds sponsored by the Firm or an affiliate) and at rates determined or substantively influenced by the Firm; (ii) an entity with which the Firm or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) an Investor (or a limited partner of another fund) or its affiliates. This subjects the Firm 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, the Firm may have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the Firm, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm, the Funds or other investment funds sponsored by the Firm or its affiliates), may favor such retention or continuation even if a better price

and/or quality of service provider could be obtained from another person. Whether or not the Firm has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The fact that the Firm's carried interest is based on a percentage of net profits may create an incentive for the Firm to cause the Funds to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Funds have a fixed investment period after which capital from Investors generally may only be drawn down in limited circumstances, and because the management fee is, at certain times during the life of the Funds, calculated based upon the invested capital the Funds, the management fee structure may create an incentive for the Firm to deploy capital when it might not otherwise have done so.

Certain Consultants. The Firm expects to retain, on behalf of the Funds and/or the portfolio companies, as applicable, operating advisors and other consultants ("Operating Partners"), which may be affiliates of the Firm, employees of such affiliates, portfolio companies of other funds managed by the Firm or its affiliates, third party consultants (including operating executives and other similar professionals and consultants), "operating executives," "strategic partners," "executive partners" or "senior advisors." The Operating Partners may regularly provide services to, or in connection with, the Funds in relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies.

Pursuant to the Constituent Documents, fees and expenses associated with these services (collectively "Consulting Fees and Expenses"), may be paid and/or reimbursed by applicable portfolio companies and/or the Funds, and Consulting Fees and Expenses do not offset the management fee. Consulting Fees and Expenses are expected to include cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Operating Partner, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operating Partner, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies may provide opportunities for Operating Partners to invest in such portfolio company and reimburse costs and expenses incurred by Operating Partners. Operating Partners also may receive remuneration from the Firm and/or the Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to an Operating Partner will not offset the management fee. Operating Partners may have a limited partnership or profit interest in the Funds, the Firm, one or more other investment funds sponsored by the Firm or in an affiliate of the Firm. Although the Firm intends to retain Operating Partners with a view to reducing

costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. In addition, the Firm intends to retain only such Operating Partners which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The Funds may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where a Fund may own an 80% or greater interest in such a portfolio company. If the Funds (or other 80%-owned portfolio companies of the Funds) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Funds and the companies in which the Funds invest.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the Firm will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. Valuations are subject to multiple levels of review. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the Firm may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Co-Investments. The Firm may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Investors and/or other persons, in each case on terms to be determined by the Firm in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Firm in its sole discretion, may not be in the best interests of the Funds or any individual Investor. In exercising its sole discretion in connection with such co-investment opportunities, the Firm may consider some or all of a wide range of factors, which may include factors which benefit the Firm such as the likelihood that an investor may invest in a future fund sponsored by the Firm or its affiliates.

The Funds may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent

with those of the Funds, or may be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds may in certain circumstances be liable for actions of a third-party co-venturer or partner. There can be no assurance that the Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

In addition, from time to time, the Firm in order to consummate a transaction or facilitate the acquisition of a portfolio company and ensure the Funds are afforded an investment opportunity or otherwise, may cause the Funds to fund (or commit to fund) on behalf of certain co-investors with a view to selling down a portion of such investment to such co-investors or other persons at a later time or prior to or within a period after the closing of the acquisition. The Funds may or may not receive compensation for such activities. If the Funds do not find co-investors and/or in the event that the co-investors breach their covenant to purchase the investment from the Funds, the Funds will have an allocation to an investment that is larger than originally anticipated. In addition, the Funds will bear the risk that any or all of the excess portion of such investment could only be sold on unattractive terms. The Funds may also bear the entire portion of any breakup fees, costs or expenses or, if the excess portion of such investment has not been sold, the Funds may bear the entire portion of any other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company and could realize lower than expected returns from such investment.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the Firm or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Investors. When and to the extent that employees and related persons of the Firm make capital investments in or alongside the Funds, the Firm is subject to conflicting interests in connection with these investments. The Firm's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Funds and the Firm may 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 may be responsible for the content of disclosure documents under applicable securities laws. They may 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 may result in contingent liabilities, which would be borne by the Funds and, ultimately, its investors.

Cybersecurity Breaches and Identity Theft. The Firm, the Funds and the Funds' investments generally rely on information technology systems for current and planned operations. Information and technology systems of the Firm and the Funds' portfolio companies and projects may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the Firm, the Funds, a portfolio company or project may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the Funds' investment results and its ability to make distributions to its Investors. The failure of these systems and / or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, the Funds', a portfolio company's and / or a project'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 the Firm's, the Funds', a portfolio company's and / or a project's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Privacy Law Compliance Risk. Compliance with current and future privacy data protection and information security laws and regulations ("Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Firm, the Funds and their portfolio companies, and as such could increase costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Funds and / or its portfolio companies are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018 (the "CCPA"). The CCPA generally applies to businesses that collect personal information about California consumers, and either meet certain thresholds with respect to revenue or buying and / or selling consumers' personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. The CCPA is enforceable by the California Attorney General. Additionally, if unauthorized access, theft or disclosure of a consumer's personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range

from \$100 to \$750 per consumer per incident, or actual damages, whichever is greater. The Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation.

The European Union has enacted a similar law in the form of the General Data Protection Regulation (EU 2016/679) (the “GDPR”). The GDPR seeks to harmonize national data protection laws across the European Union, while at the same time, modernizing the law to address new technological developments. The GDPR notably has a greater extra-territorial reach than pre-existing legislation and has a significant impact on data controllers and data processors, (i) with an establishment in the European Union, (ii) which offer goods or services to European Union data subjects, or (iii) which monitor European Union data subjects’ behavior within the European Union. The GDPR imposes more stringent operational requirements on both data controllers and data processors, and introduces significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive will be repealed by the EU Commission’s Regulation on Privacy and Electronic Communications (the “ePrivacy Regulation”), which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy.

The GDPR principles on the processing of personal data have been implemented into laws enforceable in the UK by the Data Protection Act 2018. As noted in “United Kingdom Exit from the European Union” above, the terms of the UK’s exit from the EU are unclear and it is uncertain whether a transitional arrangement or a withdrawal of similar agreement will be agreed between the UK and the EU. In the event that an arrangement is not agreed, and the UK leaves the EU without a deal, the UK will be deemed a “third country” for the purposes of EU data protection law. To the extent the Funds and / or their portfolio companies transfer personal data from the EU to the UK, additional mechanisms may be required to legitimize such transfers. The UK’s exit from the EU is therefore likely to lead to an increase in data protection compliance costs.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs and operational and legal burdens on regulated entities. Further, compliance with current and future Privacy Laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. Any such Privacy Law could materially and adversely affect results of operations and overall business, as well as have a negative impact on Fund performance.

More information about the Clients’ investments and the associated risk factors is available in the Constituent Documents.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with Seaside Equity. Prospective Investors and Clients should read the entire Brochure as well the Constituent Documents or other materials that may be provided by Seaside Equity and consult with their own advisers prior to engaging Seaside Equity's services.

Item 9 – Disciplinary Information

Seaside Equity and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither Seaside Equity nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither Seaside Equity nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisors or Managers

Seaside Equity does not utilize nor select other advisors or third party managers. All assets are managed by Seaside Equity.

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

A. Code of Ethics

Seaside Equity has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of Seaside Equity (collectively, "Employees"). Seaside Equity holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, Seaside Equity strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered

by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Seaside Equity will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Seaside Equity at the address on the cover page to this Brochure.

B. Recommendations Involving Material Financial Interests

Neither Seaside Equity nor its related persons recommends to Clients, or buys or sells for Client accounts, securities in which Seaside Equity or a related person has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

Seaside Equity's policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that Seaside Equity buys or sells for Client accounts. However, there may be circumstances in which Seaside Equity, its Employees and/or related persons have holdings in the same instruments that Seaside Equity buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of Seaside Equity's recommendations regarding a particular security. Seaside Equity's policy as to such transactions is that neither Seaside Equity nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise Seaside Equity addresses this conflict by requiring Employees to sign and adhere to Seaside Equity's Code of Ethics and to report personal securities holdings and transactions to Seaside Equity.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, Seaside Equity, its Employees, or related persons of Seaside Equity may buy or sell securities for themselves that Seaside Equity also recommends to the Client. Seaside Equity will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

Item 12 – Brokerage Practices

A. Factors Used to Select or Recommending Broker-Dealers

Based on Seaside Equity's investment strategy, use of broker-dealers will be infrequent. However, in the case that broker-dealers are engaged by the Firm, Seaside Equity will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, Seaside Equity will consider such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with Seaside Equity's policies and procedures. In selecting broker/dealers to execute transactions, the Seaside Equity need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Seaside Equity believes that the broker-dealers that it recommends will provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, Seaside Equity will seek to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Certain brokers utilized by Seaside Equity may provide general assistance to Seaside Equity, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, Seaside Equity may consider the broker's general assistance and consulting services. To the extent Seaside Equity would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

1. Research and Other Soft Dollar Benefits

Seaside Equity currently does not anticipate receiving research or other products or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, Seaside Equity shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with Seaside Equity's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future Seaside Equity obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

2. Brokerage for Client Referrals

Seaside Equity does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. Seaside Equity may receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

Seaside Equity does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by Seaside Equity in its discretion and without the consent of the Fund Investors. Seaside Equity may enter into directed brokerage arrangements only in its discretion.

B. Aggregating Trading for Multiple Client Accounts

Seaside Equity may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Seaside Equity will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Seaside Equity believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Seaside Equity's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of Seaside Equity's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

Seaside Equity may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, Seaside Equity and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, Seaside Equity attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

Seaside Equity reviews Client accounts on a weekly basis to ensure consistency with the Client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by Andrew Thompson, Navid Shirazi, and Hiral Pithadia.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Investors in the Funds will generally receive unaudited reports of performance quarterly and will receive audited year-end financial statements annually.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

Seaside Equity does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither Seaside Equity nor its related persons directly or indirectly compensates any person who is not advisory personnel for Client referrals. If in the future Seaside Equity enters into such arrangements, this Brochure will be appropriately amended.

Item 15 – Custody

The Investment Advisers Act provides that, because Seaside Equity is the general partner of the Fund, it is considered to have “custody” of the Fund’s assets, even though independent custodians actually hold those assets. That rule generally requires investment advisers that have “custody” of Fund assets to cause certain account statements detailing holdings and transactions to be sent to Investors, and imposes certain other obligations. However, advisers to investment funds like the Fund need not comply with those requirements if, among other things, the Fund provides Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. Seaside Equity satisfies those conditions and therefore is not subject to reporting and other obligations.

Item 16 – Investment Discretion

The Funds’ Constituent Documents generally authorize Seaside Equity to invest and trade the assets in a broad range of investments, to be selected at Seaside Equity’s sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, Seaside Equity may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds’ Constituent Documents each Investor designates Seaside Equity as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients’ business and

affairs, including execution of the Clients' governing documents. An Investor's execution of a Fund's subscription agreement constitutes its execution of the Fund's Constituent Documents and the terms and conditions set forth therein.

Item 17 – Voting Client Securities

Seaside Equity may exercise voting authority over Client proxies and has adopted a proxy voting policy and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. Due to the nature of the Firm's investment strategy, Seaside Equity does not anticipate voting proxies, but has adopted a policy should it receive proxies. The policy requires Seaside Equity to vote proxies received in a manner consistent with the best interests of the Client.

The policy also requires Seaside Equity to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policy permits Seaside Equity to abstain from voting proxies if the Clients' economic interest in the matter being voted upon is limited relative to the Clients' overall portfolio or the impact of the Clients' vote will not have an effect on its outcome or on the Clients' economic interests.

Although many proxy proposals can be voted in accordance with Seaside Equity's proxy voting guidelines, some proposals will require special consideration, and Seaside Equity will decide on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates; grant options and stock to management and directors; and indemnify directors and/or officers.

Clients may obtain a copy of Seaside Equity's complete proxy voting policies and procedures upon request. Clients may also obtain information from Seaside Equity about how Seaside Equity voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Seaside Equity has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy petition.

A. Balance Sheet

Seaside Equity does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

Seaside Equity has discretionary authority over the Client's assets. At this time, neither Seaside Equity nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

Seaside Equity has not been the subject of a bankruptcy petition in the last ten years.

Item 19 – Requirements for State-Registered Advisers

Not applicable.